

Influence of Union in Local Banks: A Case of Big Five Banks of Pakistan

Rufi Shahzada

PhD Scholar

Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology
Karachi, Pakistan

Dr. Nadir Ali Kolachi

Associate Professor

Skyline University, University City of Sharjah
UAE

Abstract

Since the inception of our country many sectors were facing Union problems since decades, especially the banking sector was very much effected from the era of nationalization when majority of the big banks of Pakistan were operated in the shade of Government of Pakistan, although majority of the big banks have been privatized but the element of Union is still a major part of the local banks, especially the big five banks of the country i.e. United Bank Limited (UBL), MCB Bank Limited (MCB), Habib Bank Limited (HBL), Allied Bank Limited (ABL) and National Bank of Pakistan (NBP) are remain in the influence of Unions. This research has concluded that MCB and NBP have more influence of Union a part from the other three large banks. It has been also concluded from this Independent Study that Unions still influence many decisions of the management in the local banks of Pakistan (The Big Five Banks). Although the influence of Unions are not as strong as it was at the time of nationalization when most of the banks were owned by the government in majority. The core variables that were extracted which are influenced by the Unions are Appraisals, Promotions and Increments, and the other two variables (Transfer and Postings) are also influenced by unions in local banks but they are less influenced as compared to the other three. This study have also pointed that the negotiations are the best way to handle the issues related to Unions because it is pretty evident from our research that most of the members of Union in the big five banks are from non –officer grade cadre and are from clerical staff.

Keywords: Influence of Unions, Unions, Labor Unions, Banks, Big Five Banks

1. Introduction

1.1 Background

Unions or Labor Unions play an essential role in influencing key decisions in an organization; unions are beneficial for the organizations if they contribute positively in the interest of the company. In era of nationalization in Pakistan the power of labor unions was extravagant but passage of time demoralized the power of unions as huge state owned organizations were privatized with the passage of time, especially the banking sector. Still Unions are very much proactive in Big Five Banks of the Country. Many internal and external decisions are made in bank due to extensive influence of Unions (Amir Waseem, 2009). Since the inception of our country many sectors were facing Union problems since decades, especially the banking sector was very much effected from the era of nationalization when majority of the big banks of Pakistan were operated in the shade of Government of Pakistan, although majority of the big banks have been privatized but the element of Union is still a major part of the local banks, especially the big five banks of the country i.e. United Bank Limited (UBL), MCB Bank Limited (MCB), Habib Bank Limited (HBL), Allied Bank Limited (ABL) and National Bank of Pakistan (NBP) are remain in the influence of Unions.

1.2. Problem Statement

The influence of Unions on management in Big Five Local Banks have been an issue since decades, after privatization still the element of union exist in the large banks of the country.

The element of undue pressure in major decisions of banks has been exerted by Unions in local banks of Pakistan. The unions usually target transfer postings, appraisals and promotions of the other member employee, which compel higher management to fulfill their demands to prevent operational malfunctioning and strike calls from the union. Appraisal and Promotions are done once or twice a year in the banks and transfer-posting are done as and when required by the bank, many times decisions regarding appraisal and promotions are changed forcefully under the influence of Unions unfavorable decisions and transfer postings are done in such undue influence which demoralizes the deserving employees of the banks, resulting in loss of employee trust and de-motivation. How to minimize influence of Union in Key Decisions and to curtail labor union empowerment and how to tackle forced promotions and appraisals in an organization would be answered.

1.3. Objectives of the Study

The main objectives of the Independent Study (IS) are:

1. To explore the role of Union in influencing Appraisals in each Big Five Member Bank
2. To explore the role of Union in influencing Transfers / Postings in each Big Five Member Bank
3. To explore the role of Union in influencing Promotions / Increments in each Big Five Member Bank
4. To study the role of Unions in influencing key decisions of member employee
5. To examine the extent of pressure enforced by Unions in Big Five Banks

1.4. Justification

This study is conducted to identify influence of Labor Unions over management in major decision makings regarding promotions and appraisals especially. Members of the union are placed at desirable branches and other non-member employees are sometime placed at undesirable branch that de-motivates them a lot.

Direct stakeholders of this research

Big five Banks of Pakistan (National Bank of Pakistan, United Bank Limited, MCB Bank Limited, Habib Bank Limited and Allied Bank Limited) and other local and foreign banks would also benefit from the study as they would come to know what are the major problems regarding Unions.

Professionals, students and mentors will gain knowledge from the research about the influence of Unions in huge organizations i.e. Banks.

Indirect stakeholders of this research

Bank employees will be indirectly benefited from this research in the sense that if the research able to identify the cons in joining Labour Unions.

1.5. Limitations

The research would be conducted in Karachi, some of the major limitations are:

This research will only limited to the big five banks of Pakistan i.e. NBP, ABL, UBL, HBL and MCB.

This research will not cover the hindrances and hurdles created by Labour Unions for other organizational activities.

1.6. Scope

The big five banks of Pakistan would be covered only.

This study will take into account the Pakistani market and the recommendations and conclusions will be beneficial to existing and potential organizations in Pakistan.

The research will take into account the banks' perspective; as to how they effectively manage or influenced by labor unions.

1.7. Assumptions

The information will only be gathered from the Human Resources Department (HRD) of Big Five banks.

The economic and political factors will remain constant in Karachi (where we will conduct our study) throughout the duration of our research.

The information that we will gather from particular employee (Executive/Officer) will be considered as the true picture and will reflect the actions of majority of opinion regarding Unions.

1.8. Definition of Keywords

Big Five Banks

The big five banks of Pakistan i.e. National Bank of Pakistan (NBP), United Bank Limited (UBL), MCB Bank (MCB), Habib Bank Limited (HBL) and Allied Bank Limited (ABL).

1.9 Acronyms

1. SBP: State Bank of Pakistan
2. ABL: Allied Bank Limited
3. UBL: United Bank Limited
4. MCB: MCB Bank Limited
5. HBL: Habib Bank Limited
6. NBP: National Bank of Pakistan

2. Literature Review

Many studies have highlighted mega protests by Trade and Labor Unions by major banks of the country, usually unions start protests when they are unable to get what they want in terms of incentives and salary (Baig, 2010). Usually ground staff and branch staff of the banks initiate protests which disturb the whole banking activities and ultimately the bank suffers in such circumstances resulting in huge losses in terms of deposits, because customers are disturbed due to such activities resulting loss of confidence on the affected bank (Imran, 2011). If we look deeper, labor unions play an essential role in influencing key decisions in an organization; unions are beneficial for the organizations if they contribute positively in the interest of the company (Sheikh, 2011). In era of nationalization in Pakistan the power of labor unions was extravagant but passage of time demoralized the power of unions as huge state owned organizations were privatized with the passage of time, especially the banking sector. Still Unions are very much proactive in Big Five Banks of the Country. Many internal and external decisions are made in bank due to extensive influence of Unions (Waseem, 2009).

Unions or Labor Unions play an essential role in influencing key decisions in an organization; unions are beneficial for the organizations if they contribute positively in the interest of the company. In era of nationalization in Pakistan the power of labor unions was extravagant but passage of time demoralized the power of unions as huge state owned organizations were privatized with the passage of time, especially the banking sector. Still Unions are very much proactive in Big Five Banks of the Country. Many internal and external decisions are made in bank due to extensive influence of Unions (Sohail, 2009).

Since the inception of our country many sectors were facing Union problems since decades, especially the banking sector was very much effected from the era of nationalization when majority of the big banks of Pakistan were operated in the shade of Government of Pakistan, although majority of the big banks have been privatized but the element of Union is still a major part of the local banks, especially the big five banks of the country i.e. United Bank Limited (UBL), MCB Bank Limited (MCB), Habib Bank Limited (HBL), Allied Bank Limited (ABL) and National Bank of Pakistan (NBP) are remain in the influence of Unions (Amir, 2009). Many examples are available in history resulting major turnarounds due to intensive labor activities in the era of nationalization, though the power of unions have been affected and they are not as powerful as they were in the past, but still a massive hold still exists in banks, especially the banks which were privatized a decade ago (Aliya, 2010). The employees union in National Bank of Pakistan and MCB Bank is much powerful as compared to the other three banks; Habib Bank Limited and United Bank Limited have much more controlled unions (Ammar, 2011). Most of the conflicts arise due to non-promotions of desired staff and appraisals, in which employee union intervenes and grabs what they want (Baig, 2010). In real appraisal and promotions are done once or twice a year in the banks and transfer-posting are done as and when required by the bank, many times decisions regarding appraisal and promotions are changed forcefully under the influence of Unions unfavorable decisions and transfer postings are done in such undue influence which demoralizes the deserving employees of the banks, resulting in loss of employee trust and de-motivation (Ali, 2011).

Undue influence of Labor Unions is massive over management in major decision makings regarding promotions and appraisals, the members of the union are placed at desirable branches and other non-member employees are sometime placed at undesirable branch that de-motivates them a lot (Kashif, 2010).

Sometimes labor unions protest for days in front of Press Clubs and Media to pressurize the top management in terms of their demands, which creates disturbance and damages the bank image in front of entire country. Such threat compels management to accept the demands of labor silently (Naveed, 2010). The element of undue pressure in major decisions of banks has been exerted by Unions in Local Banks of Pakistan. The unions usually target transfer postings, appraisals and promotions of the other member employee, which compel higher management to fulfill their demands to prevent operational malfunctioning and strike calls from the union (Ammar, 2011). Appraisal and Promotions are done once or twice a year in the banks and transfer-posting are done as and when required by the bank, many times decisions regarding appraisal and promotions are changed forcefully under the influence of Unions unfavorable decisions and transfer postings are done in such undue influence which demoralizes the deserving employees of the banks, resulting in loss of employee trust and demotivation. How to minimize influence of Union in Key Decisions and to curtail labor union empowerment and how to tackle forced promotions and appraisals in an organization would be answered (Ali, 2011).

In era of nationalization in Pakistan the power of labor unions was extravagant but passage of time demoralized the power of unions as huge state owned organizations were privatized with the passage of time, especially the banking sector (Baig, 2010). Still Unions are very much proactive in Big Five Banks of the Country. Many internal and external decisions are made in bank due to extensive influence of Unions.

Instances have evidently shown in history resulting major turnarounds due to intensive labor activities in the era of nationalization, though the power of unions have been affected and they are not as powerful as they were in the past, but still a massive hold still exists in banks, especially the banks which were privatized a decade ago (Aliya, 2010). Employees union in these two large banks i.e. National Bank of Pakistan and MCB Bank is much powerful as compared to the other three banks; Habib Bank Limited and United Bank Limited have much more controlled unions. Most of the conflicts arise due to non-promotions of desired staff and appraisals, in which employee union intervenes and grabs what they want (Imran, 2011). In real appraisal and promotions are done once or twice a year in the banks and transfer-posting are done as and when required by the bank, many times decisions regarding appraisal and promotions are changed forcefully under the influence of Unions unfavorable decisions and transfer postings are done in such undue influence which demoralizes the deserving employees of the banks, resulting in loss of employee trust and demotivation (Chris, 2008) Influence of Labor Unions is massive over management in major decision makings regarding promotions and appraisals, the members of the union are placed at desirable branches and other non-member employees are sometime placed at undesirable branch that demotivates them a lot (Junaidi, 2011). Labor unions protest for days to pressurize the top management in terms of their demands, which creates disturbance and damages the bank image in front of entire country.

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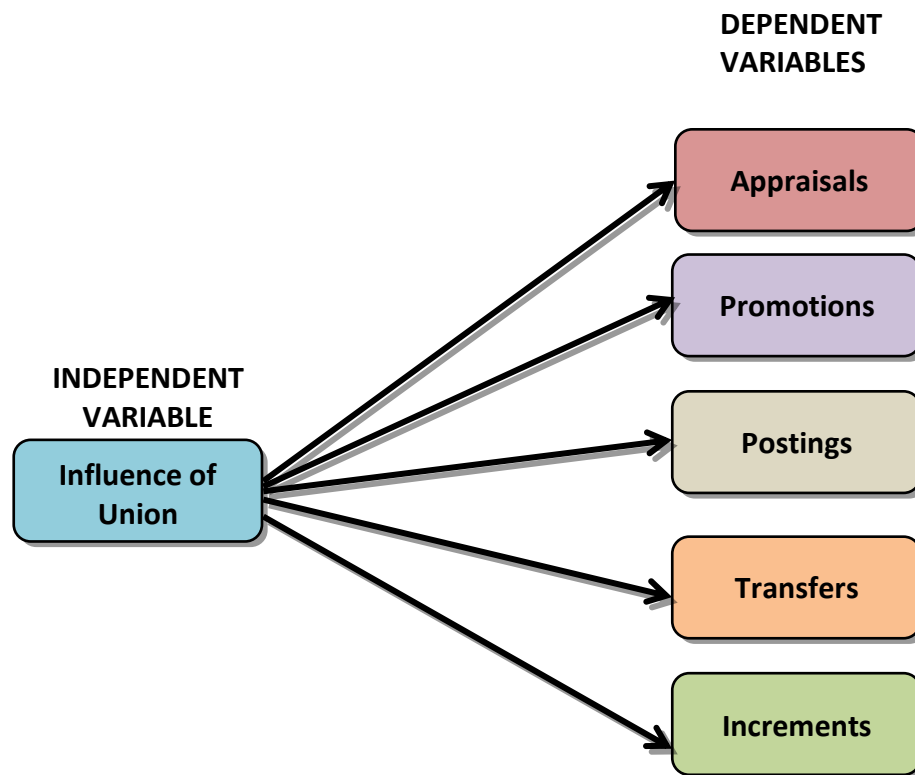
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3. Theoretical Framework

In this Independent Study the variables have been extracted by reviewing literature and we have developed following variables on which Union influence more i.e. Promotions, Appraisals, Transfers, Postings and Increments. Each dependent variable will be tested with the independent variable i.e. Influence of Union. Based upon the above variables we have developed various different hypotheses to be tested, the relationship between the variables has been found in various literatures. Our job is to find the variable which is affected more by Influence of Union. Following operational framework will testify the influence of independent variable on each dependent variable.

3.1. Operational Framework



The above operational framework is a diagrammatic presentation of Theoretical Framework showing Independent Variable and its effect on the other independent variables. This framework shows that these are the prevailing issues mostly raised by the Labor Unions.

4. Research Methodology

4.1. Research Design

In this Independent Study (IS) both qualitative and quantitative techniques would be used in our research, the basic approach used in the research is inductive approach.

Some of the top executives would be asked to fill questionnaire regarding labor unions at the particular office (regional or head office) of the prescribed area.

Employees would be asked to fill a close-ended questionnaire in identification of Union influence upon decisions and a suggestion would also be asked from the employees.

4.2. Measurement Procedure

Following Measurement procedures would be used in this independent study.

We will search the reason such Unions are still pro-active in the major banks of the Country.

By knowing the reasons, we will ask for suggestions and recommendation from the professionals.

We will also rate the major influence of Union among appraisals, promotion and transfer-postings also ask for their suggestions and recommendations (Questionnaire)

4.3. Population

4.3.1 Frame of reference

We will interact with the experts who have modest level of experience in financial sector. This approach would help in our research to compile results by cumulating the opinions of the experienced people.

4.4. Sample and Sampling Methods

The sample size for the questionnaire would be 100 respondents in representative offices and branches of Big five Banks in Karachi.

The respondents would be adults with the age of 23 and above.

4.5. Instrument selection

Primarily we will collect data using questionnaires.

Through secondary method, we will extract the information by evaluating the past articles about Unions Influence in the Banking Sector.

Since this study explores the Pakistani Banking culture from the standpoint of banking professionals, the choice of structured interviews is chosen.

4.6. Variables

Main variables would be Influence of Labor upon Promotions, Appraisals and Transfers, Postings and Increments. The relationship would also be explored among the listed variables.

4.7. Hypotheses

Hypothesis would be developed for making the research conclusive, i.e. Unions influence more over Appraisals, Transfers, Postings, increments or promotions.

Following are the hypothesis developed for this Independent Research

- H_A: The Unions influence has a positive relation with Appraisals
- H_B: The Unions influence has a positive relation with Transfers
- H_C: The Unions influence has a positive relation with Postings
- H_D: The Unions influence has a positive relation with Increments
- H_E: The Unions influence has a positive relation with Promotions

4.8. Software Employed

Microsoft Excel 2010 and SPSS would be used for statistical calculations in IS.

5. Data Analysis, Results and Findings

We have tried to achieve the best possible result by eliminating errors wherever is possible and we are able to extract data from all the five banks and it is sorted accordingly and providing us a relevant picture of our findings.

5.1. Frequencies

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30 years	37	37.0	37.0
	31-40 years	39	39.0	76.0
	Above 40	24	24.0	100.0
	Total	100	100.0	100.0

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post-Graduation	57	57.0	57.0
	Graduation	43	43.0	43.0
	Total	100	100.0	100.0

Corporate Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-5 Years	29	29.0	29.0	29.0
6-10 Years	34	34.0	34.0	63.0
More than 10 Years	37	37.0	37.0	100.0
Total	100	100.0	100.0	

Employer

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid UBL	20	20.0	20.0	20.0
MCB	20	20.0	20.0	40.0
HBL	20	20.0	20.0	60.0
ABL	20	20.0	20.0	80.0
NBP	20	20.0	20.0	100.0
Total	100	100.0	100.0	

Role of Union

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Negative	48	48.0	48.0	48.0
Neutral	39	39.0	39.0	87.0
Positive	13	13.0	13.0	100.0
Total	100	100.0	100.0	

Factor influenced by Union

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Appraisals	29	29.0	29.0	29.0
Increments	28	28.0	28.0	57.0
Transfers	11	11.0	11.0	68.0
Postings	12	12.0	12.0	80.0
Promotions	20	20.0	20.0	100.0
Total	100	100.0	100.0	

Union influence APPRAISALS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	77	77.0	77.0	77.0
No	23	23.0	23.0	100.0
Total	100	100.0	100.0	

Major cause of Union influence on APPRAISALS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strength of Union	37	37.0	37.0	37.0
Weakness of Management	36	36.0	36.0	73.0
Others	27	27.0	27.0	100.0
Total	100	100.0	100.0	

Management Supports Union Influence on APPRAISALS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	1	1.0	1.0	1.0
Agree	24	24.0	24.0	25.0
Neutral	41	41.0	41.0	66.0
Disagree	19	19.0	19.0	85.0
Strongly Disagree	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Union influence PROMOTIONS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	67	67.0	67.0	67.0
No	33	33.0	33.0	100.0
Total	100	100.0	100.0	

Major cause of Union influence on PROMOTIONS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strength of Union	40	40.0	40.0	40.0
Weakness of Management	23	23.0	23.0	63.0
Others	37	37.0	37.0	100.0
Total	100	100.0	100.0	

Management Supports Union Influence on PROMOTIONS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	1	1.0	1.0	1.0
Agree	14	14.0	14.0	15.0
Neutral	51	51.0	51.0	66.0
Disagree	29	29.0	29.0	95.0
Strongly Disagree	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Union influence TRANSFERS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	62	62.0	62.0	62.0
No	38	38.0	38.0	100.0
Total	100	100.0	100.0	

Major cause of Union influence on TRANSFERS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strength of Union	27	27.0	27.0	27.0
Weakness of Management	36	36.0	36.0	63.0
Others	37	37.0	37.0	100.0
Total	100	100.0	100.0	

Management Supports Union Influence on TRANSFERS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	0	0.0	0.0	0.0
Agree	25	25.0	25.0	25.0
Neutral	41	41.0	41.0	66.0
Disagree	19	19.0	19.0	85.0
Strongly Disagree	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Union influence POSTINGS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	57	57.0	57.0	57.0
No	43	43.0	43.0	100.0
Total	100	100.0	100.0	

Management Supports Union Influence on POSTINGS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	11	11.0	11.0	11.0
Agree	24	24.0	24.0	35.0
Neutral	41	41.0	41.0	76.0
Disagree	9	9.0	9.0	85.0
Strongly Disagree	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Union influence INCREMENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	67	67.0	67.0	67.0
No	33	33.0	33.0	100.0
Total	100	100.0	100.0	

Major cause of Union influence on INCREMENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strength of Union	37	37.0	37.0	37.0
Weakness of Management	26	26.0	26.0	63.0
Others	37	37.0	37.0	100.0
Total	100	100.0	100.0	

Management Supports Union Influence on INCREMENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	0	0.0	0.0	0.0
Agree	14	14.0	14.0	14.0
Neutral	41	41.0	41.0	55.0
Disagree	30	30.0	30.0	85.0
Strongly Disagree	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Suggest to overcome Union Issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Negotiations	65	65.0	65.0	65.0
	Accept their Demands	11	11.0	11.0	76.0
	Others	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

5.2. Cross-tabulation

Employer * Role of Union Cross-tabulation
Count

		Role of Union			Total
		Negative	Neutral	Positive	
Employer	UBL	9	9	2	20
	MCB	10	7	3	20
	HBL	9	10	1	20
	ABL	11	7	2	20
	NBP	9	6	5	20
Total		48	39	13	100

Employer * Factor influenced by Union Cross tabulation
Count

		Factor influenced by Union					Total
		Appraisals	Increments	Transfers	Postings	Promotions	
Employer	UBL	2	3	6	5	4	20
	MCB	10	6	4	0	0	20
	HBL	6	6	5	2	1	20
	ABL	5	5	5	2	3	20
	NBP	6	8	1	2	3	20
Total		29	28	21	11	11	100

Employer * Union influence APPRAISALS Cross tabulation
Count

		Union influence		Total
		APPRAISALS		
		Yes	No	
Employer	UBL	14	6	20
	MCB	16	4	20
	HBL	16	4	20
	ABL	17	3	20
	NBP	14	6	20
Total		77	23	100

Employer * Union influence PROMOTIONS Cross tabulation
Count

		Union influence PROMOTIONS		Total
		Yes	No	
Employer	UBL	13	7	20
	MCB	15	5	20
	HBL	15	5	20
	ABL	11	9	20
	NBP	13	7	20
Total		67	33	100

Employer * Union influence TRANSFERS Cross tabulation
Count

		Union influence TRANSFERS		Total
		Yes	No	
Employer	UBL	12	8	20
	MCB	14	6	20
	HBL	14	6	20
	ABL	10	10	20
	NBP	12	8	20
Total		62	38	100

Employer * Union influence POSTINGS Cross tabulation
Count

		Union influence POSTINGS		Total
		Yes	No	
Employer	UBL	13	7	20
	MCB	12	8	20
	HBL	13	7	20
	ABL	9	11	20
	NBP	10	10	20
Total		57	43	100

Employer * Union influence INCREMENTS Cross tabulation
Count

		Union influence INCREMENTS		Total
		Yes	No	
Employer	UBL	13	7	20
	MCB	15	5	20
	HBL	11	9	20
	ABL	15	5	20
	NBP	13	7	20
Total		67	33	100

5.3. Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.800	.830	6

ANOVA with Friedman's Test

	Sum of Squares	df	Mean Square	Friedman's Chi-Square	Sig.
Between People	472.125	99	4.769	9.152	.103
Between Items	4.408 ^a	5	.882		
Within People Residual	236.425	495	.478		
Total	240.833	500	.482		
Total	712.958	599	1.190		

Grand Mean = 3.19

a. Kendall's coefficient of concordance W = .006.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.164 ^a	.027	.017	1.409

a. Predictors: (Constant), Major cause of Union influence on INCREMENTS

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.405	1	5.405	2.722	.102 ^b
	Residual	194.595	98	1.986		
	Total	200.000	99			

a. Dependent Variable: Employer

b. Predictors: (Constant), Major cause of Union influence on INCREMENTS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.459	.357		6.896	.000
	Major cause of Union influence on INCREMENTS	.270	.164	.164	1.650	.102

a. Dependent Variable: Employer

5.4. Correlations

Descriptive Statistics

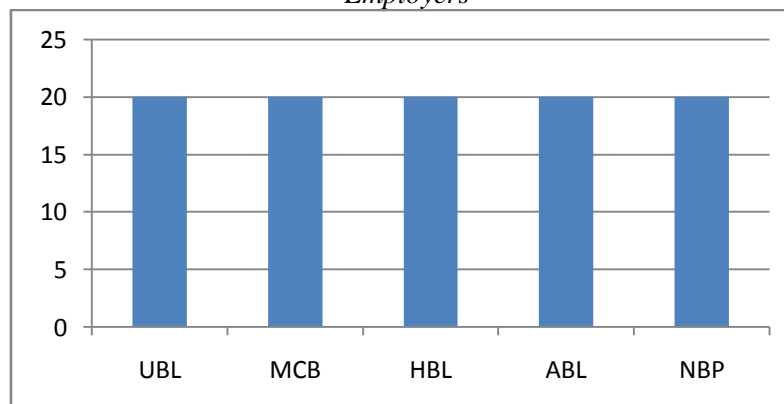
	Mean	Std. Deviation	N
Employer	3.00	1.421	100
Role of Union	1.65	.702	100
Factor influenced by Union	2.47	1.314	100
Suggest to overcome Union Issues	1.59	.854	100

Correlations

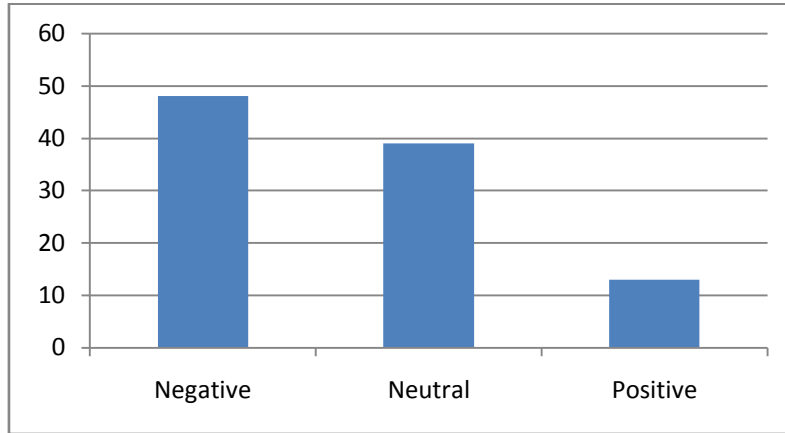
		Employer	Role of Union	Factor influenced by Union	Suggest to overcome Union Issues
Employer	Pearson Correlation	1	.041	-.092	.117
	Sig. (2-tailed)		.689	.363	.248
	N	100	100	100	100
Role of Union	Pearson Correlation	.041	1	.093	-.090
	Sig. (2-tailed)	.689		.360	.372
	N	100	100	100	100
Factor influenced by Union	Pearson Correlation	-.092	.093	1	.155
	Sig. (2-tailed)	.363	.360		.122
	N	100	100	100	100
Suggest to overcome Union Issues	Pearson Correlation	.117	-.090	.155	1
	Sig. (2-tailed)	.248	.372	.122	
	N	100	100	100	100

5.5. Graphical Presentation

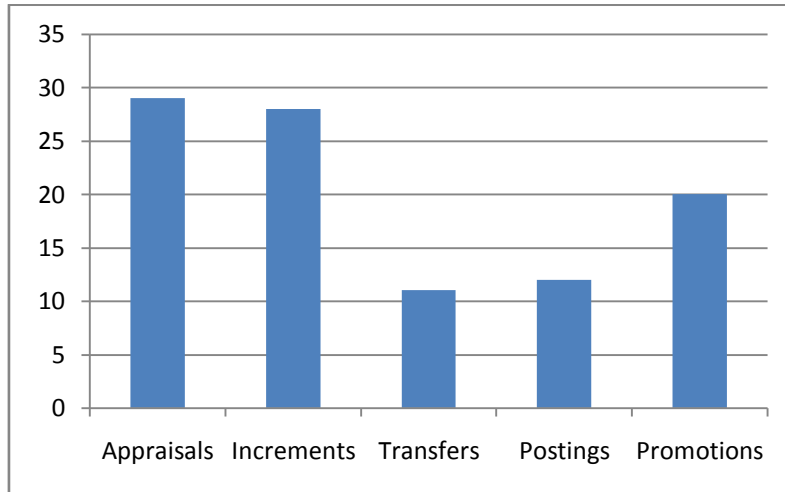
Employers



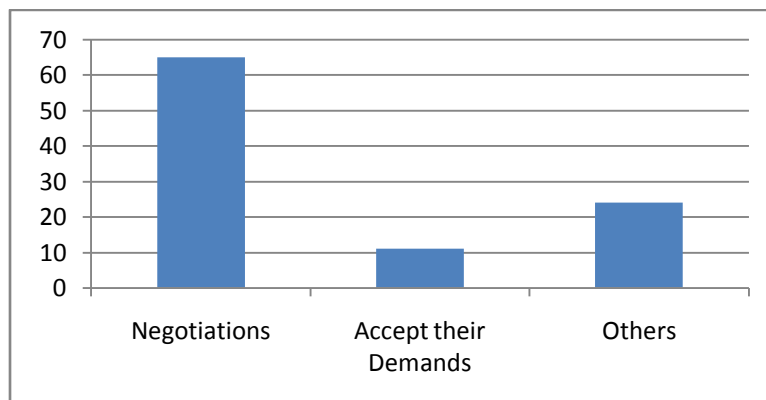
Role of Unions



Union Influence on Factors



To overcome Union Issues



5.5. Key Findings

Following are the key findings extracted from the above results.

The frequencies of all the individual Banks among the big Five have given us almost similar findings from the 100 respondents (20 from each bank)

The pre-test reliability of the questionnaire was found to be 0.68 at N=10 which helped us showing the right direction towards our research.

Most of the respondents have answered that the role of unions are negative and some of the respondents are neutral and they have not suggested any negative or positive role of the union.

From our findings we have found that the top 3 factors that we have taken as variables which are mostly influenced by unions are APPRAISALS, INCREMENTS and PROMOTIONS.

The cross tabulation shows the status of the each bank against the role of Union and the factors that are affected by influence of Unions.

From our findings we can conclude that National Bank of Pakistan (NBP) and MCB Bank Limited (MCB) are the banks which are more influenced by the unions because of their negative perception towards the unions, which is pretty evident from our findings after sorting data Employer wise.

The Reliability test shows that our research is reliable because the Cronbach's Alpha is more than 0.7 which is an evidence of reliability.

We have also conducted ANOVA Friedman's test to extract the Mean and Standard Deviation of our research which has given us significant reliable results within the range.

The Correlations analysis have shown us the positive results regarding the relationship between the Independent and Dependent variables, following variables have more positive relationship with the Influence of Unions i.e. Appraisals, Promotions and Increments, on the other hand the Transfers and Postings though have a positive correlation but lesser than the other three.

There is a positive relation shows by conducting the 2 tailed test for Correlation Analysis for each independent variable over the dependent variable.

The coding of the qualitative data which was based on the final question of the questionnaire have given us the true definition about the concept of union among the big five banks, which shows that the unions have negative perception on the non-member employees of the bank and unions are usually a pool of the employees that are less educated and are not in any officer cadre.

6. Final Conclusion and Recommendations

6.1. Conclusion

It has been concluded from this Independent Study that Unions still influence many decisions of the management in the local banks of Pakistan (The Big Five Banks). Although the influence of Unions are not as strong as it was at the time of nationalization when most of the banks were owned by the government in majority. The core variables that were extracted which are influenced by the Unions are Appraisals, Promotions and Increments, and the other two variables (Transfer and Postings) are also influenced by unions in local banks but they are less influenced as compared to the other three. This has also been found that in some instances the management is involved with the unions for their benefit and sometimes management silently supports union for the benefit of some top executives which could be found in many local literatures and some of the respondents have also answered positively about the involvement of the management. Many of the respondents have also pointed that the negotiations are the best way to handle the issues related to Unions because it is pretty evident from our research that most of the members of Union in the big five banks are from non-officer grade cadre and are from clerical staff. So the main assumption we could made after this research is that still the unions in the big five banks have moderate level of influence on the factors that are related to Human Resources and Capital management at a broader level.

6.2. Recommendations

1. After concluding this research following are the recommendations that should be taken into consideration by the management.
2. Management should give a room of negotiation to the Union members to minimize the risk of conflict
3. The power of Union can be minimized by giving regular counselling sessions to the employees of the bank to aware them from the possible negativity arise for being the member of a Union.
4. Non officer cadre should be hired on a prior Terms and Conditions note on which it should explicitly be mentioned that the employee should not take any part in any activity of Union and he/she shall not join Union in any case whatsoever.
5. Management should not be stern in its decision making and sensitive decisions should be made flexibly which should be favourable for the Bank and the Management.

7. Area for Further Studies

This research (Independent Study) could be used as a support for further researches based on unions in banks or any other sector. Many variables that are also influenced by Trade unions and unions were remained unexplored due to limitations. A vast area of management activities and responses to unions was not discussed; this area could be further explored by making this independent study as a literature and to proceed further to identify many factors that also contribute in the influence of unions.

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