



Impact of Privatization on Employee Relations at Pakistan Telecommunication Company Limited

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ABSTRACT

This study aims to understand the impact of privatization on employee relations by focusing on ethics, fair treatment, labor relations and unionization. Currently many developing nations face the pressures and demand for privatization which is creating new opportunities and challenges also for the service providers. Pakistan Telecommunication Company Limited (PTCL) is selected as study subject and Telecommunication sector of Pakistan as study area. A Pre-Post comparison is carried out and a close ended questionnaire is designed for survey. The Pre Privatization period spans from 1998-2005 and Post spans from 2005-2012. Around 725 questionnaires are distributed and 375 complete responses are collected back with response rate of 51%. North Region of PTCL is selected due to easy access and data availability where majority permanent employees selected for this study are Technicians, engineering supervisors, technical officers and assistant managers. Wilcoxon Signed Rank Test (Non- Parametric Test) is used for analysis as the data collected is non normal (Q-Q plot for normality testing). The findings reveal that ethics and fair treatment has a significant difference in the pre & post privatization era with pre results better than post. Same results are seen in labor relations and unionization factors also.

1. Introduction

Privatization is the process of transferring ownership of a business, enterprise, agency or public service from public sector to private sector. Although there is an evidence that transferring the control to private shareholder significantly increases the performance of the firm but most studies have shown little or no improvement or even decline in the performance of the firm [1-3]. Kirkpatrick refers to 57 different types of privatization differentiated by their economic, political and structural characteristics of each economy. The need for privatization arises when the government wants to distribute the operating rights to the management, reduce its control over the firm due to the political, financial and management issues and to establish a modern cooperative system [4].

Different authors interpret privatization in different words but the theme is identical. Shleifer defines privatization is defined as “an event when the control of a firm is transferred from the government entity to a private entity” [5]. More specifically it is the transferring of the property, rights, interest and management of the organization controlled by federal government to any enterprise owned by other management or federal government. It is planned for economic growth and

welfare of a country and also for the elimination of bureaucratic management from the public sector [6]. The greatest opposition while privatizing a firm usually comes from firms own employees, who are fearful about their job survival and new management policies.

Before privatization when these State Owned Enterprises (SOE's) were controlled by the government, the old bureaucratic style remains reflected from their working style and this hinders the adoption of modern managerial practices which results in pursuing political rather than economic objectives [4]. Top management believes that privatization is the only solution for the political, bureaucratic, social and economic and management problems [7]. The ownership structure (Public or Private) has a strong impact on the performance of the organization by not only affecting the profitability but also the efficiency [8]. Boycko et al suggests that privatization of SOE's is more effective and performance increases when control and ownership is transferred to private hands, the profitability and productivity also increases due to ownership transfer to private hands. Performance after privatization in some countries improves more than other countries.

The type of privatization adopted used in this study is Public Tendering Process. It is a technique applied for

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selling one or more properties to a seller, who in response to tender has forwarded the best written price and investment proposal. The condition of retaining the minimum number of employees in the privatized firm is also included in the contract. Other commonly adopted types of privatization are public share sale, public auction, direct negotiation, transfer of control of SOE's and lease with purchasing rights.

This study emphasizes on the role of employees and employer in the pre and post privatization eras. Employee relations in context of privatization are the main theme of the study. Employee relations are rather like customer relations. It is like treating people in a way that you would like to be treated. This needs to be genuine engagement rather than just tokenism. If one can capture the hearts and minds of people in the business, very high levels of energy is discharged from employees side resulting in increase in progress and profitability [9].

Employee relations (ER) are also defined as "Relationship between two related with the social and political dimensions of the employment relationship and the power distribution between management and employees" (Clegg, 1979). It is also known as "Industrial Relations", which is usually affected by the trade unions. Although management forcefully attempted to exclude trade unions from their workplaces, but many aspects of economy force them to sustain by accommodating worker's demand.

Our study fills the gaps by exploring the changes needed to be made in Employee Relations of PTCL employees. It compares the pre and post privatization ER factors and highlights the significant factors that are needed to be improved. Top management expects that privatization is effective in improving the employee relations in organizations.

PTCL is the largest telecom company in Pakistan providing telephony services nationwide. Despite arrival of dozens of other telecom companies, it provides the backbone for country's telecommunication infrastructure [12]. It operates with around 2000 exchanges offering the largest fixed line network and providing services like V-Fone, Broadband, and Smart TV & EVO 3G.

In 2004 PTCL's 26% shares along with the management control were offered for privatization. Initially three organizations, Etisalat from UAE, SingTel from Singapore and China mobile were short listed for the final bidding [6]. Three PTCL business units U-Fone, Pak Net and country-wide landline network were made available for privatization. In 2006 the final bid was secured by Etisalat at highest price of 1.96 per share whereas 1.16 by SingTel and 1.40 by China Mobile respectively. Etisalat offered 2.6 billion dollars and buy 26% shares along with management control of PTCL, U-

Fone & Pak Net. The major objective of Etisalat behind PTCL's privatization was to minimize the employee strength, to bring investment and proficient management that may improve the response towards consumer demands by installing new lines to meet the growing needs of information technology [13]. Before privatization PTCL has employee strength of nearly about 64000 employees which was reduced to 26000 employees after privatization in 2006.

In early 1994 Privatization Commission (PC) initially offered 2% share of Pakistan Telecom Corporation (PTC) through voucher scheme. After positive response from people, the government again offered 10% shares to foreign buyers. Privatization appears beneficial to the company as a whole but the employees are still anxious about their jobs. From the employees who are indirectly associated with the company, majority were against privatization.

After privatization the major agenda of the Etisalat management was to introduce cost control measurements, the hallmark of this was a Voluntary Separation Scheme (VSS). In this scheme the employees were laid off by giving them monetary benefits according to their work experience. The first VSS was offered to employees of Basic Pay Scale (BPS) (1-21) in 2007-08. This VSS was offered to around 50,000 employees, out of which 35,000 applied for it, and eventually 30,000 were finally let go. Four years later, the management feels that PTCL is still overstaffed, launches another VSS for some 16,500 employees. This scheme is applicable for employees of BPS (1- 17). Only 8000 employees opted for this VSS. The management-employee relationship was greatly affected by the VSS schemes and also strikes by the unions.

In Pakistan mixed results of privatization are observed. The performance in automobile, cement and power generation sectors was appreciable after privatization but this trend is not seen in the telecom sector [7]. The table 1 shows the history of PTCL with its emergence as Post & Telegraph Department in 1947 till its privatization in 2006.

Table 1: History of PTCL from 1947 to 2006 [21]

Year	Departments
1947	Post & Telegraph Dept.
1962	Pakistan Telegraph & Telephone Department
1995	About 5% PTC assets transferred to PTA,FAB & NTC
1996	PTCL formed and listed on all stock exchanges of country
1998	Mobile & Internet subsidiaries established
2000	Telecom Policy finalized
2003	Telecom Deregulation policy announced
2006	Etisalat takes over PTCL management

This paper examines the impact of privatization on the employee relations and how it is reoriented, focusing on

ethics, justice & fair treatment, labor relations & unionization. A detailed questionnaire is designed for the survey which incorporate the employee relation parameters of groups separated by pre & post columns. The study contributes to current literature in three ways. First, it extends the current privatization and employee relations literature by exploring the effect of privatization on ER. Secondly, it explore the significant ER parameters in detail. Thirdly, it shows differentiated impact of privatization on ER parameters in pre and post era.

The research highlights the following points; Introduction, overview of factors affecting employee relations, research design & data collection, Result of the pre & post privatization analysis and the last section presents the overall conclusion of the study.

2. Factors Affecting Employee Relations

Literature elaborates many factors affecting employee relations in any organization. Relations with employees mainly revolves around ethics, justice, fair treatment, health and safety, labor rights and unionization [24]. Study focused solely on Ethics and Fair treatment and Labor Relations and Unionization. Fig. 1 shows the hierarchy of factors and sub factors. Ethics refers to “the principle of conduct governing an individual or a group”.

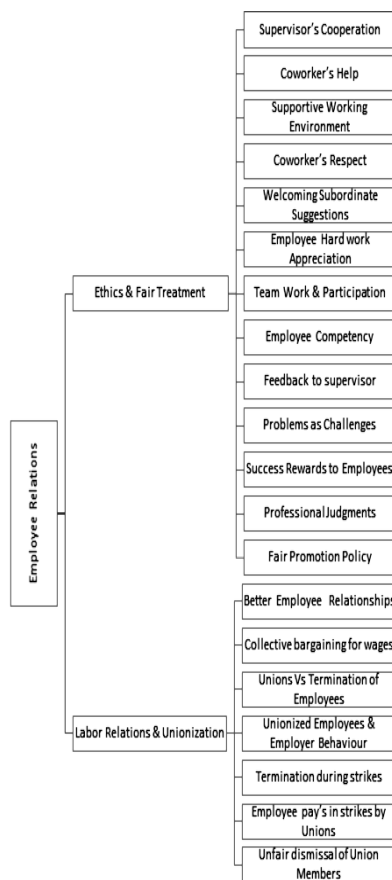


Fig. 1: Employee relation factors & sub factors

It is presumed that performance of organization declines due to poor relationships among employees and lack of technical skills of the supervisors. If employees are not treated well, they prefer to switch to organizations with less monetary benefits.

Table 2 discusses the sub factors of ethics justice and fair treatment and their description.

Table 2: Ethics & fair treatment sub factors & their description

Sub factors	Description
Supervisor's Cooperation	Supervisors cooperate with subordinates in solving their problems.
Co-workers help	Co-workers help out each other in technical matters
Supportive working Environment	Positive and supportive working Environment is provided to all workers
Co-workers Respect	Co-workers treat each other with respect
Welcoming Subordinate suggestions	Subordinate's suggestions are welcomed by supervisors
Employee hard work appreciation	Employee's hard work is appreciated by supervisor
Teamwork & Participation	Employee feel like he is part of team (shared mission, values, efforts and goals)
Employee Competency	Employee feels in control of his work and capable of carrying out daily tasks competently
Feedback to Supervisors	Employees are encouraged to give honest feedback to their supervisors
Problems as challenges	Employees tend to see problems as challenges, rather than as obstacles
Success Rewards to Employees	The rewards for success are greater than the penalties for failure
Professional judgment	Employee's professional judgment is respected by his seniors and co-workers
Fair promotion policy	The Company has a clear/transparent promotion policy

Table 3 discusses the sub factors of labor relations and unionization and their description.

Table 3: Labor Relations & Unionization & their description

Sub factors	Questions description
Better Employee Relationships	Unions have the potential to bring about better employee relationships
Collective bargaining for wages	Is wages increase subject to collective bargaining?
Unions Vs termination of employees	Does the union have the ability to unilaterally grant raises and/or prevent termination of employees?
Unionized employees & employee behavior	If an employee becomes unionized, can he still deal with his employer directly?
Termination during strikes	Can employees be terminated during union strikes?
Employee's pay in strikes by unions	Will the union pay the employees during strike, if the company is not willing to do so?
Unfair dismissal of union members	Union Members are unfairly dismissed.

Managing human resource requires decisions in which fairness plays an important role. Management has to hire one and reject one, promote one and demote another, pay one more and other less. The employees react on these decisions depending on their mental maps that the decisions are fair or not. Fair treatment reflects specific actions like employee's trust, respect and treatment with them [10].

Unfair treatment at workplace humiliates the subordinates. The employer should always prohibit such activities and prepare some anti-harassment policies. It must be the policy of the organization that all employees, customers and visitors must be entitled with positive, respectable and productive working environment. Studies also suggested that large organizations have to work particularly harder than other organizations to set up procedures that make the workplace fair for employees [11]. After privatization, challenges for unions multiply. The challenges faced by the unions in Pakistan are also very critical. Neo-liberalism is the biggest challenge for unions in Pakistan and is active even after the establishment of new democratic government [16, 17].

In Pakistan union membership is low as the employees are feared of victimization by employer and no personnel advantage from unions. Not only this but the challenges faced by unions are also very critical. The labor laws of Pakistan are inherited from India at the time of partition of the sub-continent. According to the Economic Survey of Pakistan 2004, the total labor force of Pakistan is nearly 37.15 million people. The government has also expressed the desire to improve the condition of workers by actively participating at international forums.

It is evident from the results published in [17] that union's role is diminishing over time. They have played an effective and diminishing role in the past, but currently due to political issues in organizations their role is not appreciable. Employees are not pleased with rehiring of those who are previously laid off through VSS, as they believed that these rehired employees are enjoying dual benefits (Retirement & New Contracts). Their opinion is to hire new youngsters who have latest knowledge of how to operate the new devices and equipment. As a result of lower level management has started giving more importance to the management for solving their issues instead of unions. The employees are feeling that their unions are doing nothing for their job security as around 30000 employees are being laid off.

The employers have another weapon at their disposal, the displacement of workers by machinery. Unions are getting united to preserve their memberships [14]. Union failed because they are failed to preserve the rights of the employees [15]. In Pakistan Unions exists in all public

sector organizations. Unions are also present in private sector firms but their activities are limited. Unions possess a strong presence in the public sector but the extensive privatization of state-owned organizations further weakens the union strength [18]. According to Sherk (2009) trade unions disturbs the equilibrium of wages through the threat of strikes. They go on strikes affecting the productivity of the organization [19]. One of the major demerits is that unions generally interfere with efficiency because they protect the unproductive workers, distort incentives and frustrate entrepreneurship [20].

3. Research Design & Data Collection

The study compares the employee relation factors in the pre & post privatization era at PTCL.

3.1 Methodology Flow Chart

The methodology of research is discussed in Fig. 2. First the research problem is selected through literature and meeting the PTCL management staff. A detailed questionnaire is designed with ER factors as variables. Hypotheses are designed and tested. Data is collected through questionnaire and is analyzed by statistical tool (SPSS). The questionnaire is self-structured keeping in view the background and literature of employee relations. The sections in the questionnaire are structured on the areas of employee relations in an organization. Discussions and meeting are conducted not only with the senior management but also with the lower management staff in order to represent the true picture of employee relationships. More over the pilot testing of the questionnaire was done with the staff members of the PTCL employees to minimize the chances of errors.

3.2 Sample Description

Sample size of 375 PTCL employees is taken from a population of 6000 employees belonging to different departments including finance, human resource, operations and technical from the north region. The sample size of 375 was selected according to Yamane's sampling formula. Most employees surveyed are of Basic Pay Scale (BPS) (1-17) with majority technical staff. Different PTCL departments i.e. Network Operation Centre (NOC), Switching, Digital Cross Connect (DCC), Optical Fibre System (OFS), IP Operations Core, Revenue and Access Network (AN) are visited for the survey.

3.3 Data Analysis Method

Statistical procedures are used for the analysis of the collected data. First, the normality of the data is checked through Kolmogorov Smirnov Test. The normality test shows that data is not perfectly normal so non parametric tests are applied. Wilcoxon Signed Rank Test is used to compare the pre and post privatization responses of PTCL

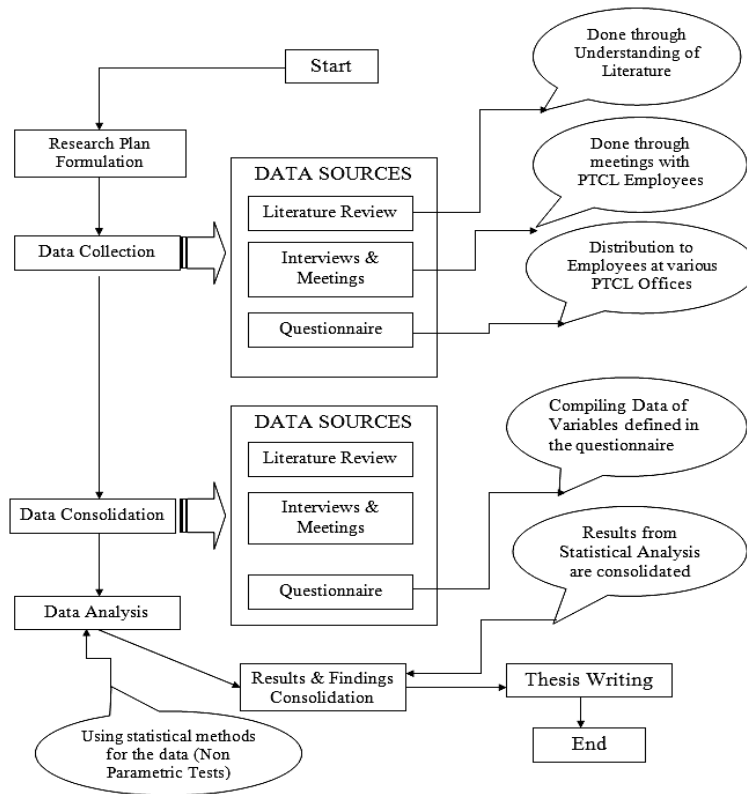


Figure 2: Research methodology

employees. Response of same employee is collected for the pre and post privatization era. Related groups indicate that same subject is present in both groups. Median differences for the pre & post responses are compared. For statistical analysis alpha (α) is set at 0.05 05 with confidence level of 0.95. Alpha is called the significance level and alpha level is the probability of rejecting the null hypothesis when the null hypothesis (H_0) is true.

3.4 Ethics & Fair treatment Questions

The study solely revolves around Ethics justice and fair treatment and labor relations and unionization because during the pilot testing of the questionnaire, it is seen that out of all factors the unionization issue and treatment of employees with managers and staff members are the most critical issues that forces PTCL towards privatization therefore the study revolves around these two factors.

Ethics and fair treatment questions are listed in Table 4. All these questions are analyzed on Likert scale.

3.5 Labor Relations & Unionization Questions

Labor relations and unionization questions are listed in Table 5. All these questions are analyzed in SPSS based on Likert scale.

Table 4: Ethics & Fair treatment Questions

Sr #	Questions
1	Do supervisors cooperate with subordinates in solving their problems?
2	Do co-workers help out each other in technical matters
3	Does Positive and supportive working Environment provided to all workers?
4	Do co-workers treat each other with respect?
5	Are subordinate's suggestions welcomed by supervisors?
6	Is employee's hard work appreciated by supervisor?
7	Do employees feel like you are a part of a team (shared mission, values, efforts & goals)?
8	Are you employees capable of carrying out daily tasks competently?
9	Are employees encouraged to give honest feedback to their supervisor?
10	Do employees see problems as challenges, rather than as obstacles?
11	Are the rewards for success greater than the penalties for failure?
12	Is employees professional judgment respected by my seniors and coworkers?
13	Has the company clear/transparent promotion policy?

Table 5: Labor Relations & Unionization Questions

Sr #	Questions
1	Do the employees agree that Unions have the potential to bring about better employee relationship?
2	Is wages increase subject to collective bargaining?
3	Does the union have the ability to unilaterally grant raises and/or prevent termination of employees?
4	If an employee becomes unionized, can he still deal with his employer directly?
5	Can employees be terminated during union strikes?
6	Will the union pay the employees during strike, if the company is not willing to do so?
7	Are Union Members unfairly dismissed?

3.6 Research Hypothesis

Research hypothesis are developed in table 6 for ethics & fair treatment and labor relations and unionization. A pair of null (H_0) and alternate (H_a) hypothesis are formed for the two sets hypothesis. Median differences of the questions in each section are evaluated for the pre and post blocks.

Table 6: Hypothesis summary

Hypothesis #	Hypothesis Statement	Hypothesis
1	Median Differences of the Ethics & Fair Treatment is zero in the Pre & Post Era.	$H_0: MD1_{post} - MD1_{pre} = 0$
	Median Differences of the Ethics & Fair Treatment is not zero in the Pre & Post Era.	$H_a: MD1_{post} - MD1_{pre} \neq 0$
2	Median Differences of Labor relations are zero equal in the Pre & Post Era	$H_0: MD2_{post} - MD2_{pre} = 0$
	Median Differences of Labor relations are not zero equal in the Pre & Post Era	$H_a: MD2_{post} - MD2_{pre} \neq 0$

4. Demographics

The demographics of the employees surveyed is shown in Fig. 3. Majority (42%) of the permanent employees have age between 40-49 years, 34% of them have age between 30-39 years, 21% of them have age between 20-29 years and very less (2%) of them have age between 50-59 years.

Figure 4 shows employee departments, majority (65%) of the employees are from technical department, 22% of them are from operations, 9% are from human resource while the remaining 4 % are from finance department.

Figure 5 shows employee experience, among 375 permanent employees surveyed, 36 % of the employees are having experience of 10-20 years, 24% have 20+ years and 15% of the employees have 8-10 years of work experience.

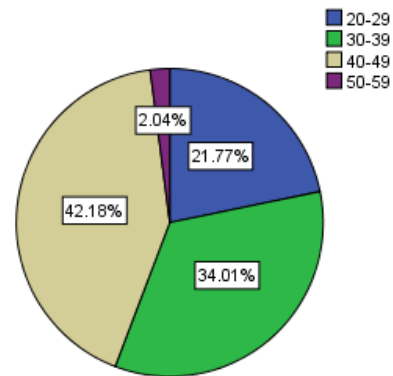


Figure 3: Employee age

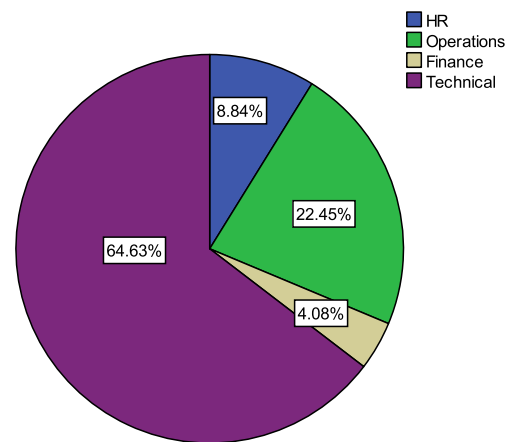


Figure 4: Employee Departments

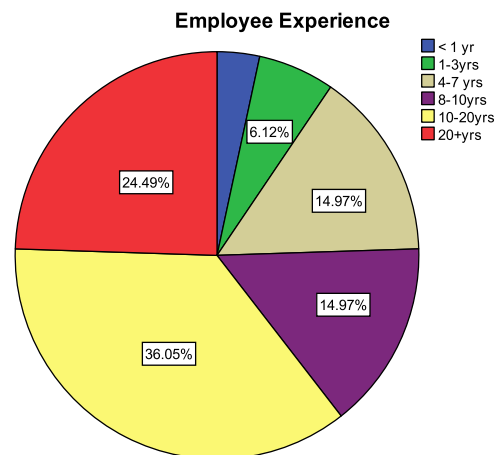


Figure 5: Employee experience

Figure 6 shows employee designation of employees categorized as Senior Managers(SM), Assistant Managers (AM), Management Trainees (MT), Technical Officers (TO), Engineering Supervisors (ES) and others. It shows that 24% of them are engineering supervisors, 21% of them are technical officers, 8% are assistant managers and 47% of the employees have designations other than mentioned in questionnaire.

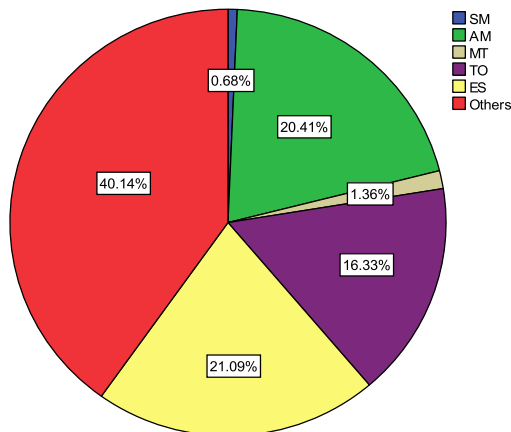


Figure 6: Employee designation

5. Results and Discussion

The results are manipulated in the form of answers to the research questions. The results of pre post analysis are divided into two sub categories i.e.

- Ethics & Fair treatment
- Labour Relations & Unionization

5.1 Analysis of Ethics & Fair treatment

Ethics and Fair Treatment questions are analyzed in SPSS using non parametric test (Wilcoxon signed rank test) and are answered below in detail.

Do supervisors cooperate with subordinates in solving their problems?

Supervisors cooperate with their subordinates more in the pre privatization era as compared to post era. There is a significant difference ($p=0.000$) in the pre and Post Privatization Era results, so H_0 (null hypothesis) is rejected.

Do co-workers help out each other in technical matters ?

The co-workers help out each other more in the pre privatization era as compared to the post privatization era. There is a significant difference ($p=0.01$) in the pre and Post Privatization Era results, so H_0 is rejected.

Does Positive and Supportive working Environment provided to all workers ?

The working conditions are not affected by privatization, same facilities are provided in the pre and post era. There is no significant difference ($p=.164$) in the results of pre and post privatization era results so we are failed to reject H_0 .

Do co-workers treat each other with respect?

The co-workers treat each other with respect in the Pre Privatization Era more as compared to post era. There is a

significant difference ($p=0.012$) in the results of pre and Post Privatization Era results, so H_0 is rejected.

Are subordinate's suggestions welcomed by supervisors?

Subordinate suggestions are welcomed and treated in a better way in the pre privatization era as compared to post era. There is a significant difference ($p=0.036$) in the results of pre and Post Privatization Era, so H_0 is rejected..

Is employee's hard work appreciated by supervisor?

The employee hard work is appreciated more in the pre privatization era. There is a significant difference ($p=0.001$) in the results of pre and post privatization era, so H_0 is rejected.

Is employee's hard work appreciated by supervisor?

The employee hard work is appreciated more in the pre privatization era. There is a significant difference ($p=0.001$) in the results of pre and post privatization era, so H_0 is rejected.

Do you feel like you are a part of a team (shared mission, values, efforts and goals)?

The employee feeling is same for being a part of team in both eras. There is no significant difference ($p=0.402$) in pre-post results, so we are failed to reject H_0 .

Are you capable of carrying out daily tasks competently?

The employee capability of carrying our daily task competently is same in the pre and Post Privatization Era. There is no significant difference ($p=0.340$) in the results of pre and post privatization era, so we are failed to reject H_0 .

Are you encouraged to give honest feedback to your supervisor?

Same level of encouragement is seen in the pre and post era. No marked difference is seen attitude of the supervisor. There is no significant difference ($p=0.703$) in the results of pre and post privatization era, so we are failed to reject H_0 .

Do you see problems as challenges, rather than as obstacles?

The employees see problems as challenges rather than obstacles. Same positive attitude is observed by the employees in the pre and post era. There is no significant difference ($p=0.204$) in the pre-post results, so we are failed to reject H_0 .

Are the rewards for success greater than the penalties for failure?

The rewards for success are greater than penalties for failure in both eras. There is no significant difference ($p=0.423$) in the pre-post results, so we are failed to reject H_0 .

Is your professional judgment respected by my seniors and co-workers?

The employees are agreed that their professional judgment is respected by the seniors and co-workers in both the eras. There is no significant difference ($p=0.442$) in the pre-post results, we are failed to reject H_0 .

Has the company clear/transparent promotion policy?

Company has clear and transparent promotion policy in the Pre Privatization Era. There is a significant

difference ($p=0.000$) in the pre-post results, so H_0 is rejected.

Table 7 shows the summarized results of ethics & fair treatment questions with their significance levels. Significance 'Yes' shows there is a difference in the pre & post results and 'No' shows no difference in the pre & post results. Figure 7 shows the graphical representation of results with values based on mean responses.

Table 7 : Significance level table for ethics & fair treatment

Sr #	Questions	Med (Pre)	Med (Post)	Z-Val	P-Val	Sig	Pre>Post	Pre=Post
1	Supervisor's Cooperation	4	4	0.587	0	Yes	√	
2	Coworker's Help	4	4	-2.545	0.011	Yes	√	
3	Supportive Working Environment	4	3	-1.393	0.164	No		√
4	Coworker's Respect	4	4	-2.5	0.012	Yes	√	
5	Welcoming Subordinate Suggestions	4	4	-2.098	0.036	Yes	√	
6	Employee Hard work Appreciation	4	4	-3.4	0.001	Yes	√	
7	Team Work & Participation	4	4	-0.839	0.402	No		√
8	Employee Competency	4	4	-0.954	0.34	No		√
9	Feedback to supervisor	4	4	-0.381	0.703	No		√
10	Problems as Challenges	4	4	-1.271	0.204	No		√
11	Success Rewards to Employees	4	3	-0.801	0.423	No		
12	Professional Judgments	4	4	-0.769	0.442	No		√
13	Fair Promotion Policy	4	2	-7.97	0	Yes	√	

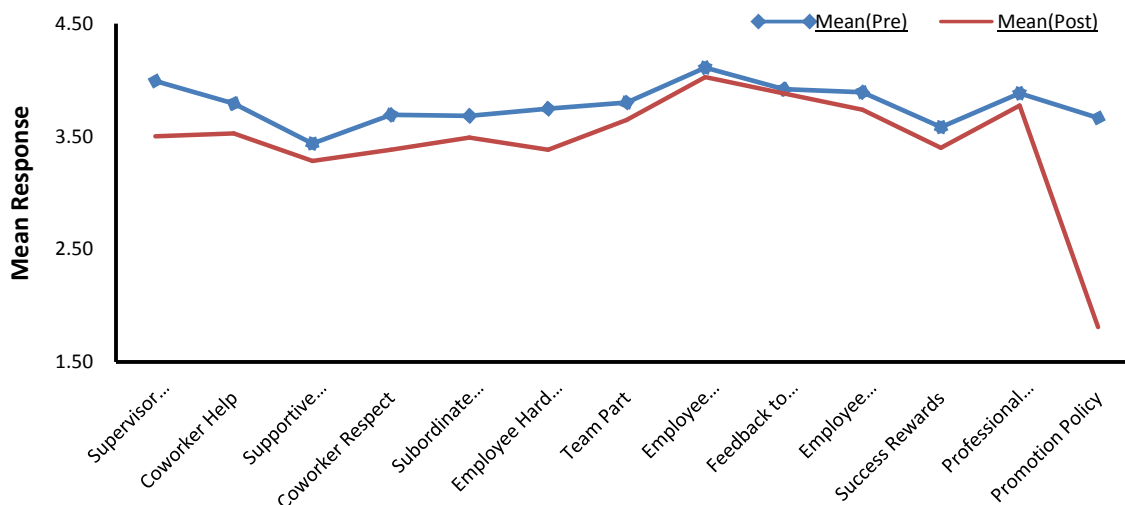


Fig. 7: Ethics & Fair Treatment Graph

5.2 Analysis of Labor Relations & Unionization

Labour Relations & Unionization questions are analysed in SPSS using non parametric test (Wilcoxon Signed Rank Test) and are answered below in detail.

Do the employees agree that Unions have the potential to bring about better employee relationship ?

The employees are agreed that the unions have potential to bring about better employee relations in the pre era. As the unions have more hold in the pre era, the employees are more satisfied with their performance. The observed difference between both the measurements is significant (p=0.000), so H₀ is rejected. The result (mean ranks) seems to indicate that pre privatization measurements (26.29 vs 22.35) are better than post privatization measurements.

Is wages increase subject to collective bargaining ?

Employees are agreed that wage increase is subjected to collective bargaining in the pre era. The observed difference between both the measurements is significant (p=0.000), so H₀ is rejected. The result (mean ranks) seems to indicate that Pre Privatization measurements (26.34 vs 20.36) are better than Post Privatization measurements.

Does the union have the ability to unilaterally grant raises and/or prevent termination of employees ?

Employees (especially those who are the member of unions) are agreed that the unions have the ability to grant raises and to prevent termination of employees in the Pre era. The observed difference between both the measurements is significant (p=0.000), so H₀ is rejected. The result (mean ranks) seems to indicate that Pre Privatization measurements (30.14 vs 10.50) are better than Post Privatization measurements.

If an employee becomes unionized, can he still deal with his employer directly ?

It is more convenient for the employee to deal directly with the employer as being the member of the union in the Post era. It is a positive sign that employees were able to record their grievances and objections directly to the

employer. The observed difference between both the measurements is significant (p=0.000), so H₀ is rejected. The result (mean ranks) seems to indicate that post privatization measurements (20.42 vs 21.15) are better than Pre Privatization measurements.

Can employees be terminated during union strikes ?

The employees are terminated during union strikes. This trend is seen more in the pre era, as more strikes are done in this era and also the no of employees are more, so their conduct forces the management to terminate them. The observed difference between both the measurements is significant (p=0.027), so H₀ is rejected. The result (mean ranks) seems to indicate that pre privatization measurements (36.38 vs 22.81) are better than post privatization measurements.

Will the union pay the employees during strike, if the company is not willing to do so ?

Most of the employees are disagreed with the fact that they are paid. People are more disagreed with this in the post era. The observed difference between both the measurements is significant (p=0.035), so H₀ is rejected. The result (mean ranks) seems to indicate that pre privatization measurements (19.85 vs 12.62) are better than post privatization measurements which indicates that may be they are paid rarely in the pre era but almost never in the post era.

Are Union Members unfairly dismissed ?

Employees believe that those who are the member of unions are unfairly dismissed but there is no significant difference in the pre & post time period. The observed difference between both the measurements is not significant (p=0.887), so we are failed to reject H₀.

Table 8 shows the summarized results of labour relations & unionization questions with their significance levels. Significance ‘Yes’ shows there is a difference in the pre & post results and ‘No’ shows no difference in the pre & post results. Figure 8 shows the graphical representation of results with values based on mean responses.

Table 8: Significance level table for labor relations & unionization

No.	Questions	Med (Pre)	Med (Post)	Z-Val	P-Val	Sig	Pre >Post	Pre=Post	Post>pre
1	Better employee relationships	4	2	4.100	.000	Yes	√		
2	Collective bargaining for wages	3	3	4.845	.000	Yes	√		
3	Unions Vs termination of employees	3	2	5.987	.000	Yes	√		
4	Unionized employees & employer behaviour	4	3	4.698	.000	Yes			√
5	Termination during strikes	3	4	2.207	.027	Yes	√		
6	Employee pay's in strikes by unions	2	2	2.112	.035	Yes	√		
7	Unfair dismissal of union members	3	3	-.143	.887	No		√	

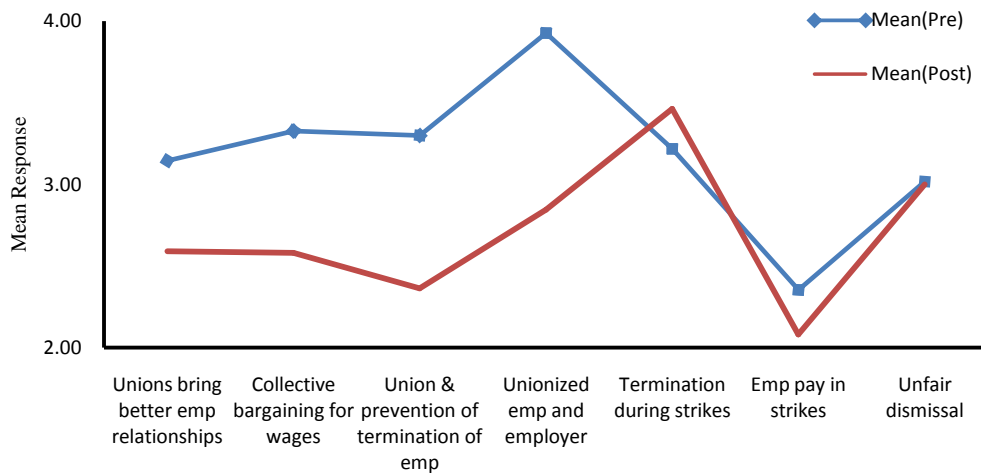


Figure 8: Labor relations & unionization graph

A large theoretical and empirical literature looks at how government ownership and privatization affects employee relations. Arguments in favour of government ownership assumes that governments are well and perfectly informed about how to maximize social welfare and giving benefits to employees [22].

Greater political interventions, weaker corporate governance and less competition among state organizations are strong arguments against state ownership but it does not always follow that privatization will cure these ills. The same government officials responsible for the poor performance of SOE's are responsible for designing and executing the privatization programs. Many critics of privatization note that privatized firms do not mimic private firms perfectly [23].

6. Conclusion

In this study a comparison of employee relation factors i.e. ethics & fair treatment and labour relations and unionization has conducted which shows that there is a significant difference in the pre and post privatization results. Not only this, it has also shown that ethics & fair treatment and also labour relations & unionization collectively are better in the pre privatization era. Specifically only relationship among unionized employees and employer becomes better in the post era as the role of unions are minimized after privatization. Surprisingly the cooperation of supervisor, co-worker's respect and work appreciation are better in the pre era. Not only this, the promotion policies clear and transparent in the pre era. The roles of unions are prominent in pre era as the result shows their influence on employees in pre privatization era. Moreover, this study shows a very clear picture of the employee relationship and unionization impact by comparing responses in the pre and post privatization era.

This study is a real case study which is conducted in a situation in which no biasness has been occurred. No influence of unions or higher management has seen in the attitude of employees. The privatization of PTCL has been considered as the failure story of privatization. Because the goals set to be achieved are still not achieved.

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