

# “UNIONISM IN THE PHARMACEUTICAL INDUSTRY OF INDONESIA: A KEEN EYE ON IMPROVED JOB PERFORMANCE OF EMPLOYEES”

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## ABSTRACT:

Employees' Unionism along with job performance is continuing debate and somehow has a negative outcome on organizational performance. In this study, the researcher has the aim to identify the role of unionism instrumentality as well as climate of relations related to industries on employee' performance of job in the pharmaceutical sector through the mediating role of positive affect and POS. The data has been collect from 422 front line employees of the organization through designed the survey questionnaire technique. Furthermore, the analysis has been done with the help of SPSS & AMOS. The major analysis techniques that were used in the study are SEM, CFA and descriptive test. In addition, the results and findings have demonstrated that all hypotheses have accepted. It has indicated that the unionism and industrial relations climate has a positive effects on job performance, similarly, POS and positive affect in the association between climate of unionism and industrial relations have a mediating positive role on job performance. Finally, this study is novel and original because no previous study has elaborate on the impact of POS is relationship b/w unionism and job performance. The study has also provided some of the benefits to the employees as well as managerial level people to examine the boundaries of industrial relations.

## Keywords:

Unionism, job performance, industrial relations climate, positive affect, POS.

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## INTRODUCTION

Trade union and Industrial Relations climate (IR) strategies have evolved in the wake of privatization, industrialization and globalization. These changing trends have also transformed unionization process and practices in organization (Newman, Cooper, Holland, Miao, & Teicher, 2019). Unions have been widely researched but still there is an ongoing debate whether unions are good or bad for organization (Pohler & Luchak, 2015). If union has adversarial relationship with management, it will have damaging consequences on organization, but if it supports management then it will be effective for organization. Corporative union-management relations have the ability to handle employees' concerns, that provokes positive work attitudes toward the organization (Zacharewicz, Martínez-Íñigo, & Kelloway, 2016). In an organization different employees have different perception, this perception significantly influences employee

behavior (Valizade, Ogbonnaya, Tregaskis, & Forde, 2016). However, the mechanism through which employee behavior are influenced by unions remains vague. Therefore, this paper examine that how employee's perception influences their job performance. According to Valizade et al. (2016) union instrumentality is referred as employee perception about union regarding to their interest. It is basically assessment of unions by employees that help employees in decision making of participation in unions. Employees evaluate the union in terms of union capacity to deliver benefits and act best in their interests. Employees with positive perception are likely to join and participate in those unions, it also enhances their commitment towards unions. Unions protects employee's interest and empower. Despite the importance of union instrumentality there is scant research linking union instrumentality and employee's performance. On other hand, industrial relation climate is the level

of corporation and collaboration between employees, management and unions (Campbell & Weststar, 2019). It shows the grade of association between union and its management in an organization. Corporative union-management effectively address and solve employee concerns and enhance their moral that leads to higher performance. It is evident that a climate based on relations of industrial cooperative between the union and its management positively effect on firms results as absenteeism and productivity. Consistent to social exchange theory positive perceptions regarding industrial relations climate of employees provoke higher job performance by improving their faith in management.

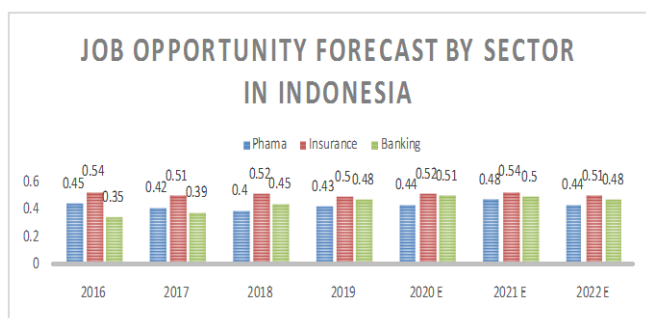


Figure 1: Job Opportunity forecast by sector in Indonesia

Now, researchers are prompted to inspect the impacts of industrial relations climate on the results related to job. Regardless of wide-range research on industrial relations and unions, psychological process through which IR and unions stimulate job performance of employees remains under-researched area (Vidyarathne, Dhammika, & Mendis, 2017). Therefore, this study focus on psychological impact of unions on labour. Perceived organization support is employee's belief that their organization recognize them as a valuable asset and care for them. This build a positive relationship between employees an organization. Additionally, when unions resolve employees issue and speak for employee's interest, it develop a sense of positivity among employees which results in positive affect (Kim, Eisenberger, & Baik, 2016).

Table 1: Pharmaceutical market forecast

Years	Market forecast
2017	1142.9
2018	1206.2
2019	1250.4
2020	1318.3
2021	1452.9
2022	1452.9

Unions promote high productivity, higher wages, lower absenteeism and better representation in an organization. Main purpose of unions is to protect workers right and making their safety sure. However, number of labor unions in Indonesia and the number of members has shown a falling trend in the 2014-2017 (Ford & Sirait, 2019). According Ministry of Manpower in 2018 there are 230,000 companies in Indonesia but, there are only 7,000 unions in these corporations. In past, labor unions have played important role in corporations, have won many fights and helped in mobilizing pressure from government (Caraway, Ford, & Nguyen, 2019). Unions in Indonesia have been very active in politics and got union's representative elected for parliament by manipulation. All this lead government to crack down union in 2019 general elections, now unions are on government radar. The similar problem is found in Indonesian pharmaceutical industry. The main reason behind it is, these organizations have no proper mechanism and system to regulate and control labor unions. Because there is lack of studies that link unions instrumentality and employee out comes in organization. Most of the research (Huemer & Traxler, 2018) in this context have focused on USA and Europe. Therefore, this study examined these issues in Indonesian pharmaceutical context, which is growing rapidly during last 10 years. Previous studies (De Prins, Stuer, & Gielens, 2018) have widely researched impact of Industrial relations and unionism on employee performance but its impact on perceived organization support is un explored that calls research work to explore these areas.

In the light with current situation, this study developed a hypothesis model proposed

- To determine the degree to which union instrumentality impress job performance of

employees in Indonesia's pharmaceutical sector.

- ii. To investigate the impact of industrial relation climate on job performance of employees.
- iii. To analyse the impact of union instrumentality and industrial relation climate on employee's perceived organization support and positive affect..
- iv. To analyse the relationship between positive affect, perceived organization support and performance of employees.
- v. To check the level to which perceived organization support and positive affect mediates the association between union instrumentality, industrial relation and job performance.

In the rest of sections, we have reviewed the literature and developed hypotheses. Then we presented the methodology and results. Followed by, discussion and conclusion. Also highlighted the limitations of the research, and provided future research suggestions.

## LITERATURE REVIEW AND THEORETICAL BACKGROUND

The organizational support theory given by Eisenberger, Huntington, Hutchison, and Sowa (1986) outlined the various determinants and outcomes created in effect of organization's supporting activities delineated in the theory. Organizations demonstrate activities targeted towards wellbeing and creation of value for employees. Such activities increases the felt obligations of employees and they work with an high effort in order to settle the social exchange. this theory has attracted the attention form practitioners and research scholars for its extensive significance in different employee and organizational outcomes (Stinglhamber, Caesens, Clark, & Eisenberger, 2016). The employee-employer and employee-organization associations are the main point of focus in this theory and the relationships are looked upon from the employee's interest. meta-analyses research carried out in this domain has been successful in

highlighting the effect of organization support on different employee outcomes; better environment, improved intra-organizational communication (Baran, Shanock, & Miller, 2012), leadership styles, employee developmental programs, frequency of trainings, knowledge transference, politics, role clarity, job satisfaction, work engagement, commitment, psychological wellbeing (Kurtessis et al., 2017), psychological empowerment and trust among others ( Jin & McDonald, 2017) . At the base of this construct is the perceived support employees draw from organizations and it transcends to the extent of concern demonstrated by organizational agents in the attainment of employee's personal and professional goals (Baran et al., 2012). there are different reasons that factor for the popularity and applicability of this theory in different practical and academic insinuations; perceived and actual relevance across multiple occupational and educational domains, used to investigate important organizational outcomes like performance, turnover, citizenship behavior, the development of a professional scale by (Eisenberger et al., 1986) for the measurement of POS, contextual and theoretical bases in various organizational situations (Eisenberger, Malone, & Presson, 2016; Kurtessis et al., 2017; Nica, 2016; Vardaman et al., 2016). The OST draws some relevance from social exchange process as well (Vardaman et al., 2016). The OST through effects measured by the perceived organizational support, also aims to satisfy the socio-emotional and socio-motivational employees' need that result in increased loyalty, commitment, wellbeing, performance and a heightened desire in helping the organization in achieving its success (Liu, 2018). In relevance with the current study the objective is to understand the effect of unionism on job performance. Various organizations have established labor and employee unions that are used to explore and present the problems and perspectives of employees in front the management. Organizations that have policies of strong support behaviors have been known to have

cooperative relations with the unions, they listen to the insinuations and problems of employees and devise ways to solve them in an amicable way keeping in line with the OST construct, these activities produce positive effects on the employees' job performance.

### **Union Instrumentality and Job Performance**

Union instrumentality (UI) is a calculated utilitarian relationship between the unions and employees based on the perception of employee about the advantage that union representation holds (Shan, Hu, Zhi, Zhang, & Zhang, 2016). Valizade et al. (2016) defined UI as the assessment of the employees regarding the ability and effectiveness of the unions for the representation of their interests. The individual employees settle to join a union, involve in its exertions and have a commitment level towards it based on the fact that whether it provides benefits to its members or not (Zacharewicz et al., 2016). If the UI is high, i.e. the benefits provided exceed the cost of joining and participating in the activities, employees are most likely to stay and accomplish to them. Literature on the relation between UI plus outcomes based on UI is abundant (Green & Auer, 2013; Zacharewicz et al., 2016), however, the relation between UI and job-related outcomes like performance and satisfaction is limited. The author of this research has formulated that a significant relation exists between job performance and union instrumentality. Shan et al. (2016) discussed that the level of satisfaction at workplace depends on the factors like the workplace environment, the working conditions, the compensation packages and benefits provided. The performance of the employees is affected majorly by the satisfaction levels of the employees and performance and satisfaction are antecedents to unionization. The higher the level of instrumentality of unions, the higher will be the efficiency and effectiveness of the employees' work ability. Therefore it can be hypothesized that:

**H1: The union instrumentality has a direct significant effect on job performance.**

### **Industrial Relations Climate and Job Performance**

The industrial relations (IR) scenario at workplace can be defined as the level to which the relations exist on the basis of mutual trust, cooperation and respect between employees and the management (Kougiannou, Redman, & Dietz, 2015). There is ongoing debate in research that whether industrial climate relations have an impact on the financial and economic workplace outcomes (Dastmalchian, Blyton, & Adamson, 2014; Hakimah, Hildayanti, & Nugraha, 2019). Positivity in the IR climate is linked to feelings of comfort and satisfaction in the dealings of partnerships between the management and employees (Zhou & Li, 2015). IR climate is termed as a part of the whole organizational temper and it is described as the aspect of collaboration between the employees and the union members. IR climate is the representation of the union and member relationship of an organization (Newman et al., 2019). According to Snape and Redman (2012), employees that have positive perception of IR climate are more inclined to perceive the relation between employees and management as harmonious. This positive relation has convinced the analyst to study the impacts of IR climate on work of employees related results and have found mapping between commitment, satisfaction and performance (Cafferkey, Harney, Dundon, & Edgar, 2017; Steers & Lee, 2017; Tufail, Shahzad, Gul, & Khan, 2017). Organizational outcomes, like organization level commitment, productivity and cooperation, are also achieved by positive IR climate (De Clercq & Bouckenoghe, 2019; Holland, Cooper, Pyman, & Teicher, 2012). The IR climate has positive impacts on the job satisfaction and performance of the employees, therefore, the author of such research formulated the following hypothesis:

**H2: The industrial relations climate has a significant direct impact on job performance. Mediating Effect of Perceived Organizational Support**



Perceived organizational support is explained as the insight of the employees that he or she is valued by the organization. The work done by the employee is of significance and value to the organization and his/her wellbeing is of consequence. The organizational support theory explains the impacts of perceived organizational support, its developmental mechanism and argues for positive results for both employee and organization (Ugwu, Okafor, Onyishi, Casimir, & Chinedu, 2018). The OST theory states that employees view their organization favorably or unfavorably on the basis of the organization's treatment of them (Stinglhamber et al., 2016). The POS construct gives employees a mental method of understanding their value on the basis of the organization support and behavior statistics. Different employee outcomes and behavior relationships can be explained and can be mediated by the POS of employees (Eisenberger et al., 2016). In similar context, POS cause mediating role in the association between union instrumentality and performance of job, in this study. Union instrumentality is the functional relationship with the employee unions, formed on the basis of employee intellectual and logical assessment of the union party representations' costs and benefits. In simplified terms this variable represents the employees' readability and judgment of how well the union will be able to present and defend its interests in front of the organization (Zacharewicz et al., 2016). When employees are making a decision on whether or not to become a part of any union, its assorted activities and display loyalty and commitment to the principles of the union and support the union in all of its decisions, (Shan, Hu, Zhi, Zhang, & Zhang, 2016) employees consider its instrumentality an important deciding factor. The employees assess it on the basis of whether or not the union's missions and strategies align with the employees' personal goals and orientations and on the basis of how fruitful this association will be for them (Green & Auer, 2013; Zacharewicz et al., 2016). When employees have a positive

orientation towards the union's instrumentality and their POS is also their job performance becomes better. They feel supported and less anxious about their job security.

### **H3: The perceived organizational support work as a mediator between the union instrumentality and job performance.**

Industrial relations scenario is a part of the overall environment of the organization. it can be explained as the degree to which the employees, unions and its representatives and organizational agents cooperate and interact among themselves at the place of work (Newman et al., 2019). In simplistic terms it represents the quality and efficiency for management of union in an organization (Nugraha & Jabeen, 2020). The climate of industrial relations climate is built on the basis of different interactions and collaborations among different organizational members (Dastmalchian et al., 2014; Snape & Redman, 2012). The people involved in this status quo may have various perceptions regarding the adequacy and proficiency of the relations network. The relational network is mediated by the POS of people relating to the organization and may have a significant impact on the attitudes related to performance and employees' outcomes.

### **H4: The perceived organizational support work as a mediator between the industrial relations climate and job performance.**

#### **Mediating Effect of Positive Affect**

State based positive affect is a situation or condition of pleasantness that can be induced by events of everyday life (Abdelmotaleb, Mohamed Metwally, & Saha, 2018). It is considered to be an aspect of positive associations, experiences and pleasurable feelings (Molina, 2016). Researches focusing on organizations perceived morality and perceived support (Ellemers, 2017) perceived a positive association between perceived support, morality and employees feelings of positivity and constructive emotions at work (Ellemers, Kingma, van de Burgt, & Barreto, 2011; Ellemers, van der Toorn, Paunov, & van Leeuwen, 2019; Molina, 2016) have. Organizations are aiming to create an

employee oriented environment in this knowledge based construct that envelops employee needs and aims to develop positive attitudes (Edwards & Kudret, 2017; Peñalver, Salanova, Martínez, & Schaufeli, 2019). The creation of unions, employees perceptions about these unions can be mediated by the presence of positive affect and this association can be used to target improved job performance. Similarly the positive affect emotions and state of mind of employees and organizational agents and management's considerations about industrial climate can be used to affect and influence job performance.

**H5: The positive affect plays a mediating role between the union instrumentality and job performance.**

**H6: The positive affect plays a mediating role between the industrial relations climate and job performance.**

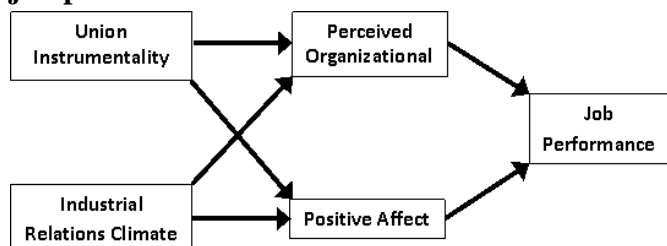


Figure 2: Research Framework

## METHODOLOGY

### Sample and procedure

To empirically find out the relationship/association between unionism or job performance of pharmaceuticals' employees, the study conduct a survey to collect primary responses on the measures. For this purpose, paper and pencil questionnaire were designed and self-administered survey was conduct. The participants of the survey were the employees of pharmaceuticals in Indonesia. The researcher adopted the purposive sampling framework to collect sample data, which is non probability sample technique based on assumption that it represent the population data. The researcher invited the respondents to participate in survey by self-visiting the companies. Prior to get the responses, the briefing about the implication and scope of the study was given to the respondents

who were agree to participate in survey. No monetary incentives were offered to the participants due to lack of resources. All the questionnaire were coded to confirm the anonymity of respondents. The effective response rate was 64 percent, and out of total questionnaires distributed the 295 responses were valid to use for survey.

### Measures

For all the measures and research items the respondents measured the response on five point Likert scale moved from strongly disagree reach at strongly agree. Whereas 5 express strongly agree while 1 mean strongly disagree.

*Union instrumentality* is the independent variables which is measured by adapting five items by the research of Youngblood, DeNisi, Molleston, and Mobley (1984). The survey items elicit responses on the extent of union protection of employees from unfair dismissals and discretionary acts, improvement of working condition, and compensation and wage benefits. The reliability factor of items are adequate to assure the validity of construct.

*Industrial relations climate* is another independent variable to explain performance of job. The measures of variable is based on the scale of Dastmalchian, Blyton, and Adamson (1989) which is comprised on six survey items each measured on five point Likert scale. The items measure industrial relation climate with collaboration between management and union and sense of fairness in management dealing. The reliability factor of items are greater than 0.7 to assure the validity of construct.

*Job performance* is the dependent variable which is based on the scale of Lam, Chen, and Schaubroeck (2002) that includes three survey items. The survey items explain job performance by incorporating three the dimensions of job performance such as employee's creativity, satisfaction, and competency

*Perceived organization support* is the mediating variable to reinforce the relationship between

unionism and job performance. The measures of POS is based on seven survey items emulated from the study of Lam, Chen, and Schaubroeck (2002). Moreover, Positive Affect measure's is based on the scale of Warr (1990). The measures contained six survey items that provokes response on state of emotion due to unionism in firm such as enthusiasm, cheerfulness, and optimism. The response are calculated on five point Likert scale.

## METHOD OF ANALYSIS

To analyze the relationship between latent variables structural equation modeling (SEM) was adopted by estimating maximum likelihood estimation. The SEM model was run on AMOS to explore the significance of relationships and hypotheses. Moreover, confirmatory factor analysis and model fitness tests to check the strength of model are also conducted. Besides, pre estimation tests such as frequency distribution, reliability factor analysis, and descriptive analysis were done on SPSS.

## DATA ANALYSIS AND INTERPRETATION

### Demographic Details

The main purpose behind this study was to estimate the effect that is casted by union instrumentality on job performance. The perceived organizational support and positive affect was taken as mediators between union instrumentality and job performance. Another objective of this study was to get a deep insight into the relationship of industrial relations climate and job performance. The aim was also to know the association between union instrumentality and job performance via the mediation of positive affect as well. Another objective was to know the relationship of mediation of positive affect between industrial relation climate and job performance and to know the mediating effect of organizational support between industrial relations climate and job performance. The study took a total sample of 422 individuals, out of which 234 were males and 188 were females. The percentage of males was higher than the females in sample. Out of 422 individuals, 131 of the respondents

were below the age of 25 years, 179 of the respondents were between 25 to 35 years, 96 of them were between 35 to 45 years and 16 of them were beyond the age of 45 years. Talking about the experience, 68 of the respondents were those who have less than 2 years of the experience, 177 of them were having the experience of 2 to 5 years, 137 of the participants were in 5 to 8 years of the experience slab and 40 participants were those who have more 8 years' experience.

### Descriptive statistics

Table 1: Descriptive Statistics

	N	Minimu m	Maximu m	Mean	Std. Deviation	Skewness	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Unilns	422	1.00	5.28	3.4568	1.11792	-.536	.119
InReC	422	1.00	5.00	3.3910	1.00379	-.395	.119
PosAff	422	1.00	5.00	3.2374	1.04267	-.218	.119
PosSup	422	1.00	5.00	3.5271	1.16716	-.548	.119
JobPerf	422	1.00	5.00	3.5608	1.14586	-.575	.119
Valid (listwise)	N 422						

The table 1 above is showing the descriptive details of the study, there is a complete summary about the explanations of the variables, the descriptive coefficients are being shown in the above table. The data given in the table is a representation of the whole population in the form of a sample. It can be seen through the data that no outlier is present in it, because the maximum values and the minimum values lie exactly in the threshold range of the 5-point Likert scale. The values for skewness are present between -1 to +1 and so it can be observed that it is present in the threshold range of normality. The given data is proved to be normal and valid and can be proceeded for further testing.

### Factors loading and convergent validity

**Table 2: Factor Loading and Convergent Validity**

	1	2	3	4	5	CR	AVE
UI1				.832		0.962	0.835
UI2				.861			
UI3				.863			
UI4				.870			
UI5				.861			
RC1			.777			0.954	0.777
RC2			.767				
RC3			.814				
RC4			.864				
RC5			.824				
RC6			.861				
PA1		.837				0.956	0.783
PA2		.858					
PA3		.814					
PA4		.792					
PA5		.815					
PA6		.865					
PO1	.816					0.916	0.805
PO2	.834						
PO3	.819						
PO4	.871						
PO5	.893						
PO6	.904						
PO7	.895						
JP1				.821		0.929	0.813
JP2				.841			
JP3				.847			

The above table 2 is showing the factor loading and the discriminant validity of the given variables. All of the indicators have a factor loading of more than 0.7, which shows that all of the indicators are reliable and also eligible for further testing and analysis. All of the factors are in a suitable threshold level and all of the factors are in a suitable and valid sequence and range as well. This data is good to go for further testing and analysis, data is reliable.

### Discriminant validity

**Table 3: Discriminant Validity**

	PO	UI	RC	PA	JP
PO	<b>0.897</b>				
UI	0.510	<b>0.914</b>			
RC	0.451	0.463	<b>0.882</b>		
PA	0.435	0.467	0.603	<b>0.885</b>	
JP	0.452	0.423	0.566	0.513	<b>0.902</b>

The validity master sheet is used to confirm the convergent and discriminant validity of the variables of the research model. The discriminant validity provided the discrimination between variables while the convergent validity was measured with the help of composite reliability and average variance extracted. The outcomes and the convergence of each of the variable is more than 70%. Average variances extracted are more

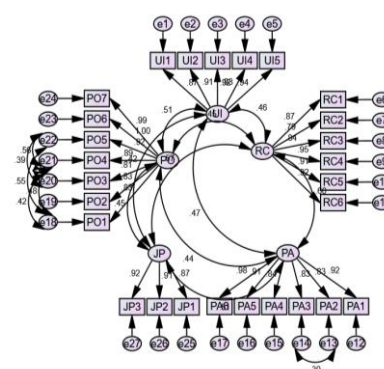
than 50%, while the discriminate validity showed that the loading of each of the variable has a discrimination from the other one. All of the variables have maximum loading with itself as compared with other, so collected data is authentic.

### Confirmatory Factors Analysis and KMO

**Table 4: Confirmatory Factors Analysis and KMO**

CFA Indicators	CMIN/DF	GFI	IFI	CFI	RMSEA	KMO
Threshold Value	≤ 3	≥ 0.80	≥ 0.90	≥ 0.90	≤ 0.08	0.6 – 1.0
Observed Value	2.972	0.862	0.960	0.960	0.068	0.941

The table 4 is showing results for confirmatory factor analysis and KMO, the table is showing that CMIN is less than 3, GFI is more than 0.80, CFI is more than 0.90, IFI is more than 0.90, and RMSEA is less than 0.08. All of the results showed that the data is in valid range and is good to go for further testing. Following is the screen shot of CFA in figure one.

**Figure 2: Confirmatory Factors Analysis (CFA)**

### SEM

**Table 5: Structural Equation Modeling**

Hypothesis	B-Value	SE	P-Value	Decision
UN→JP	.167	.049	.000	Accepted
RC→JP	.301	.058	.000	Accepted
UN→PO→JP	.069	.045	.000	Accepted
UN→PA→JP	.056	.040	.000	Accepted
RC→PO→JP	.052	.050	.000	Accepted
RC→PA→JP	.042	.044	.000	Accepted

The table 5 above is showing the relationships among the different variables, it can be seen that, it can be seen that value of the relationship of the



UN and JP is significant because the P-value is less than 0.05. The relationship between RC and JP is also significant due to its less p-value which is 0.000. The significant relationship has been seen between UN and JP with the mediation of PO. Significant relationship exists between UN and JP through the mediation of PA. There is also significant relationship between RC and JP by the mediation of PO and PA because these two are having the p value less than 0.05. The screenshot of SEM is given below;

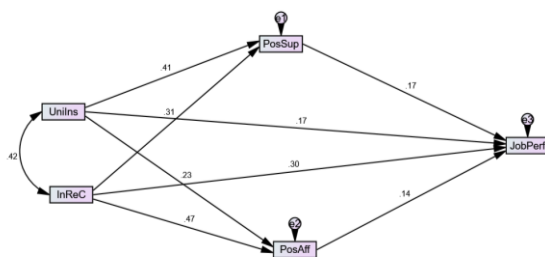


Figure 3: SEM

## DISCUSSION AND CONCLUSION

### Discussion

The main purpose behind this study was to estimate the effect that is casted by union instrumentality on job performance. The perceived organizational support and positive affect was taken as mediators between union instrumentality and job performance. Another objective of this study was to get a deep insight into the relationship of industrial relations climate and job performance. The aim was also to know the association between union instrumentality and job performance via the mediation of positive affect as well. Another objective was to know the relationship of mediation of positive affect between industrial relation climate and job performance and to know the mediating effect of organizational support between industrial relations climate and job performance. As per the results of the SEM, the first hypothesis of this study proposed was that “UN is having a significant impact on JP”. This hypothesis is accepted according to the study of (Dirgeyasa & Ansari, 2015). Second hypothesis proposed by this study

was that “RC has a significant impact on JP” this hypothesis was accepted according to the study of (Khadijah, Kamaluddin, & Salin, 2015). The next hypothesis suggested that “PO significantly mediates between UN and JP” this hypothesis was also accepted according to the study of (Kis-Katos & Sparrow, 2015). The hypothesis number four suggested that “PA significantly mediates between UN and JP it is accepted according to the study of (Plummer & Boyle, 2016). “PO significantly mediates between RC and JP” and this hypothesis was accepted as well according to the study of (Sidharta & Affandi, 2016). The sixth hypothesis suggested by this study was that “PA significantly mediates between RC and JP” this hypothesis was accepted as well according to the study of (Rentschler & Kornejew, 2018), and also because of the p-value which is less than 0.05 in the results.

### CONCLUSION

The given study is designed to analyze the impact of industrial relations climate and unionism on the job performance of the companies, at the same time the POS and positive affect are the mediating variables. The data has been collected from pharmaceutical employees. The response rate was 100%. Moreover, the various tests have been applied in the analysis such as the KMO test, CFA, discriminate validity, etc. All of these tests are applied to check the validity of the variables, fitness of model, and acceptance or rejection of thee hypotheses. Now, the discussion and findings have had that unionism instrumentality, as well as industrial relations climate, has a significant impact on the job performance of the employees. It means that the high rate and power of industrial relations climate, the more effective and efficient it will be job performance due to high collaborative and positive relations. It has also come to the knowledge that employees who have positive perceptions of the industrial relations climate are likely to perceive the relationship between the management and the union as being respectful. Moreover, the results have also

concluded that the POS and positive affect both have a positive mediating role in the relationship between industrial relations climate and unionism on job performance. The positive relationship has also identified a theory of social exchange theory that support the industrial climate and employees' set of values.

### Policy Implications

The current study has made various implications for the pharmaceutical industry, firms, and industrial revolution. Basically, the findings suggest that the employees who are working within the organizations see unionism as an effective component to increase the performance of the employees as well as the overall organization. Therefore, the findings of the study have developed various benefits to gain particular salience in the context of a burgeoning in the pharmaceutical sector in which precarious employment is the norm and employees are often employed on temporary contracts. At the same time, when there is a significant environment it helps to respond more positively. This shows that the given research provides a lot of opportunities to learn the importance of unionism within the organization to build significant relationships with management as well as other employees. At the same time, the study also makes an important theoretical contribution by explaining why employees' perceptions of the industrial relations climate and union effectiveness lead to higher levels of performance within the organization. The study overall helps to make a healthy relationship with other sectors through unionism.

### LIMITATIONS

One of the significant limitations of the current study which is important to address is the lack of previous studies in the research area. The study does not significantly identify the results of various studies due to the scope of the study does not clear. Therefore, it is recommended that the researcher in future studies should focus on the topic and most contemporary of the evolving research to narrow down the research problem. Moreover, the sample size of the current study is

very small which must be improved. The future researcher should really increase the sample size and population to ensure the representative distribution of the population.

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