Socioeconomic Factors Affecting Labor Unions in Pakistan: A case study of Public Sector Organizations

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ABSTRACT

The study focuses on socioeconomic factors motivating labor to become part of labor unions in Pakistan. Various socioeconomic variables were chosen and tested their impact on employees' decision of joining union. The sample comprises of the respondents working in Pakistan international Airline, State bank and MEPCO. A total of 214 responses were collected through questionnaire via simple random sampling technique. In order to observe the effect of independent variables i.e. income, age, sex, education, marital status, household size and loan are examined on dependent variable i.e. peer family influence, job environment satisfaction, satisfaction with union and financial benefits associated with union. Employing regression tests, it was analyzed that family peer influence is negatively affected by education, household size, loan taken and by age. The results further indicate that job environment satisfaction is positively affected by age. The study also found that satisfaction with union is positively affected by education whereas it is negatively affected by marital status and household size. This research also concluded that financial benefits associated with union is positively affected by salary, education and age whereas it is negatively affected by marital status, household size and loan taken.

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1.   Introduction

A labor union is an organized grouping of employees. Its primary purpose is to defend and pursue the rights of its members. A union regularly negotiates work rights with employers. It can also provide its members with legal and financial advice, health benefits and training facilities. Trade unions are organizations, which require certain membership levels to function. Without a certain degree of membership involvement and participation, unions would not only be ineffective in the form of representation, but will also be technically un-workable in several situations. Membership of labor unions has become important. Increased trade union density increased the bargaining power of labor unions.

Why do some workers seek representation from unions while others do not? The answer to this fundamental question is crucial to our comprehension of union development and behaviour, and it is particularly intriguing in light of the recent stagnation of private

sector unionism in the United States. A worker can become a union member in a variety of different ways, including by electing a union to represent them at their current workplace, by joining an existing union in an open shop, or by accepting employment in a union shop. Regrettably, other potentially confusing considerations, such as whether to be a "free rider" in an open shop and whether to participate in the "tied sale" of taking a job and joining a union, can complicate the decision concerning the union. Considering that most data used to analyse union membership questions only provide information on the distribution of union members and jobs, rather than any useful information for trying to isolate the union membership decision from the job choice decision, this last point is particularly important. The exception to this is a set of previous interview-type studies of multiple employees at the same organization, but these are often broad in scope and don't zero in on the critical economic factors.

The subject of why employees join unions has been a central theoretical and empirical one in the study of industrial relations in the United States and Europe for quite some time. Efforts to answer this topic have made use of a wide range of theoretical factors, which can be broken down into six broad classes (Guest & Dewe, 1988; Wheeler & McClendon, 1991). Dissatisfaction with one's job is a common motivating factor in the choice to unionise, and it's often the first explanation that comes to mind when asked about this phenomenon. This justification states that unions give employees a "collective voice" to use against their employers, allowing them to address and resolve any issues that may arise at the workplace (Freeman Richard & Medoff James, 1984).

The second category of rationale relies on practical concerns relating to the workplace (Newton & Shore, 1992). This method was first stressed by the pioneering American scholars in the discipline, the Wisconsin School, in the 1920s. For instance,Perlman (1928) advocated for workers to form unions in order to ensure their own safety and improved working conditions. Both the economic utility model (Farber & Saks, 1980) and the more general psychology model of "instrumentalities" (Vroom, 1964) explain employees' decisions to join a union based on their expectations that doing so will increase their utility. Again, there is empirical evidence that backs up this theoretical framework for instance, see Montgomery (1989) in the United States or Guest and Dewe (1988) in the United Kingdom.

Employment in the public sector and public-sector labour relations have historically been governed by distinct legal/institutional frameworks and practises in the majority of European governments. Workers in the public sector do not always have the same access to collective bargaining as those in the private sector. Most notably, they are restricted in their ability to engage in industrial action, such as a strike. Collective bargaining rights for government employees, including those in the military, police, and state administration, are restricted by international law. There are a number of major international labour conventions, but the European Social Charter, the Convention for Basic Rights and Freedoms, and Conventions 87, 98, 151, and 154 stand out as the most relevant. Nonetheless, the traditional model of public service labour relations has undergone significant shifts in the previous few decades. In recent years, there has been a shift towards collective bargaining, along with decentralisation in establishing working conditions, a legislative framework more akin to the private sector, and the recognition of trade union rights and the ability to strike (Bach, Bordogna, Della Rocca, & Winchester, 2005; Ferner, 1995; Neal, 2001; Treu, 1987, 1997).

For less trained workers in particular, union occupations provide a higher income than nonunion jobs (Card, 1996; Leavitt & Lingafelter, 2005; Milkman, González, & Ikeler, 2012; Mishel, 2012). Planned income in retirement or pensions provides the financial security necessary for maintaining good health in old life (Wang & Shi, 2014). Workers who are represented by a union are more likely to have access to a retirement or pension plan and to take part in an employer-sponsored retirement plan than those who are not represented by a union (Budd & Brey, 2005; Fronstin, 2011). Those who are unionised tend to receive a greater share of their compensation in the form of intangible benefits, according to the available evidence Budd and Brey (2005), MacGillvary and Firestein (2009). Historically, unions have played a role in making workplaces safer and healthier by fighting for regulations that are monitored and implemented by public health institutions like the Occupational Safety and Health Administration (MacGillvary & Firestein, 2009; Reynolds & Brady, 2012). The

American Public Health Association[1] has gone on public as applauding the efforts of labour unions to improve pay, working conditions, health and safety policies, access to health care, and citizen involvement in the political process. Considering that the United States' public health may be threatened by the declining union density, now is an especially important time for public health to aggressively support labour unions.

During the 1980s, Mexico's union density has been on the fall. The article presents data on the financial benefits (costs) that men experience when they join or leave a union. These are approximations based on a sample of the US labour force taken between 2005 and 2016. Using a difference-in-difference estimator, we look into the changes that occur when an organization's membership status changes from non-union to union. In contrast to what the research has revealed for most developed nations, the results suggest that union membership is associated with small income improvements. However, it has been shown that some former union members actually see a drop in pay once they stop participating in the union. For the first time, this article calculates the long-term gain (loss) associated with joining (leaving) a union in terms of non-wage advantages, adding to the existing body of literature. Results reveal that receiving legally mandated perks like bonuses and paid holidays is more likely after joining a union and less likely after quitting one. This implies that unions, despite the possible fall in union density, continue to play a vital role in advocating for workers' interests in matters of pay and legal compliance, among other things (Gutiérrez Rufrancos, 2019).

First estimates of the shortrun longitudinal impacts of unions on worker non-wage benefits to the literature for a developing country, following the proposals of Doucouliagos, Freeman, Laroche, and Stanley (2018). The Mexican Occupation and Employment Survey is a comprehensive study of the labour force that is undertaken on a quarterly basis and involves a large sample of workers. In this data set, we have a rotating panel of respondents who were interviewed over the course of five quarters. Using a differences-in-differences identification technique, I take advantage of worker transitions in joining and departing unions to find the union wage differential and probability models of non-wage benefits. Bryson and Davies (2019) explores the role of family, gender, and geography in the transmission of union membership between generations. Using the help of information from the British Household Panel Survey, we demonstrate that parental union membership affects the likelihood that a child will join a union at their place of employment. When both parents are union members, these effects are magnified for the daughter. Those who are born in regions with a high union density are more likely to experience the benefits of parental participation. The influence of parents is, thus, crucial to comprehending the longevity of geographical differences in rates of union membership.

As per DeCenzo, Robbins, and Verhulst (2016) workers enter labor unions due compulsory membership, for higher pay and benefits, control over work laws and better workplace security. There were several hypotheses according to (Deery & De Cieri, 1991), describing that an individual wanted to unionize. Expectancy choice theory indicated reasonable workers were more inclined to join the union given that the benefit gain was more than the membership fee. Gallager & Fiorito (2005) claim that success of the union partially depends on the willingness of the Union to mobilize workers in protests as well as the effectiveness of the agreement. Forth and Millward (2002) states that trade union membership is critical and the organizing power of unions would be increased by the proportion of the employees they serve, contributing to higher pay for the Union. The labor unions' negotiation leverage is enhanced by greater trade union number. Nzuve and Sing (2010) say that a worker will join a union on reasons such as management dissatisfaction, social outlets, leadership mechanisms, enforced union membership, peer pressure. Schnabel and Wagner (2005) also claimed that certain benefits given by union member such as enhance pay and improved working environment are given to both union members and non-unionists in the job. This has contributed to the need to carry out research in Pakistan on the basis of socio-economic variables affecting the preference of workers to join unions in public sector organizations. Findings of this study are important in different ways. Firstly, they give

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[1] American Public Health Association. Resolution 20068 on the right for employee free choice to form unions. 2006 American Public Health Association. Policy statement 8509 on occupational disease prevention: increase worker and union rights. 1985.

more information when they illustrate the different social variables affecting the preference of workers in the employee unions. Secondly, the outcomes of this research were also significant for the non-unionized workforce as the decision to join those unions. The research question is as follow;

- Which socioeconomic factors affect employee decision to join labor unions in public sector organizations of Pakistan?

This research was aimed at analyzing socioeconomic factors affecting employee decision to join labor unions in sector organizations of Pakistan like MEPCO, PIACL and STATELIFE. In this research, the respondents were concerned to provide details as some of them found confidential. However, the researcher had reassured them that their identity is secret. The paper consists of seven sections. In section one, we give brief introduction, section 2 includes a summary of literature, section three is a theoretical framework. Section four covers Data, Model and methodology, section 5 explains the research results and conclusion is given in section 6.

2. Literature Review

This topic has been explored various times but it needs further exploration. So, few studies are summarized in this section. Bryson and Davies (2019) examined the impact on trade union membership by family, gender and place on young workers in Britain. The data was collected on from the British Household Panel Survey using questionnaire. Logistic regressions and descriptive statistics was used to analyze the result. Their analysis revealed that after controlling for other characteristics, union membership among parents has a distinctive and additional effect on the union participating in the behavior of young workers. They showed that union membership among parents influences the union involved in the behavior of new workers. These effects are especially noticeable among women and where both parents are union members.

Gutiérrez Rufrancos (2019) showed the salary package benefit (loss) correlated with entering (leaving) a union in Mexico. The statistics organization used a dynamic sample configuration of two level self-weighted sample, the first level is geographically stratified, while the second stage randomly chooses households to be included in the sample. A fixed effect model was used to know 'what are the transformational changes in terms of incomes or the possibility of obtaining non-wage benefits? The analytical study has shown that the true union benefits (and losses) were the non-wage portion of the pay packages. Participants of union witness a significant rise in the chances of earning mandatory rewards, such as incentives and paid holidays.

WANGARI (2018) pursued to identify factors that influence plans to join and remain in the Kenya Security Agency Employees' Unions, with special reference to G4S Security Services Limited. Descriptive research design was employed in this study. The researcher used Descriptive analysis which includes mean, frequencies and percentages. The research indicated that most teachers were participants because of the leadership of the union that they proclaimed to be based on welfare of teachers and also because teachers were motivated by peer pressure in their choice of trade unions. It noticed that teachers who are not in the union are not members because of the tragic fact that the respective trade unions have a high union payment fee. It concluded that teacher decision to join union is affected by membership fee because the increase in membership fees can reduce the extent of unity within a considerable sector of the workforce, as the higher fees discourage more teachers. They recommended that there is need for trade unions to encourage employees of security firms to join trade unions in Kenya through negotiation of wages, laying down advantageous work guidelines, benefits, complaint handling, rules related to hiring and firing and also promotion criteria of workers, and workplace safety policies.

Skorupińska-Cieślak (2018) analyzed the factors impacting the role of works councils in Polish corporations. The examination likewise thinks about of union in corporations and management's approach with regard to these organizations of employee. In view of an example of representative of private sector corporations in Poland, the probit model was determined to recognize the factors of a workers union presence. The statistics showed that

the coverage of workers union in Polish corporations, the density of the labor union has a clear positive impact on establishing workers union in corporations.

Lewkowicz and Lewczuk (2017) concentrated on the determinants of union density. Components like the individual attributes of worker's organizations and liberal belief system among ideological groups appear to positively influence density of labor union. Researchers utilized data for 28 Organization for Economic Co-activity and Development (OECD) individuals for the period 1995–2014. With the purpose of investigation, factors were separated into three sets, i.e., economy characteristics factors, institutional characteristics factors and labor force characteristics factors. The two-way analysis of the variance model affirms the substantial impact of a country's legal origins and the impact of the ideological belief of the government head. Moreover, the conclusion demonstrated a critical collaboration between independent variable (government ideology and legal origins) on the dependent factor (density of trade union), which implies that the impact of the legal origins of the nation on the worker's union density is affected by the ideology of government. The empirical results disclosed that the components that are statistically significant for trade union density are the level of ladies in the work force, unemployment level in country, the level of wages and inflation rates. Apparently for laborers, what is important isn't just the monetary incentives to join the union, yet additionally the legal and political environment that encompasses the person in question.

Hodder and Edwards (2015) analyzed the connection between worker's union and young employees in the UK utilizing the Young Members Network of the Public and Commercial Services (PCS) association. Information depended on semi-organized interview of all ages with 20 full-time authorities and 39 part-time officials. It was contended that PCS has built up a solid system of young activists and is driving the way as far as engaging with and represent to youth workers. Be that as it may, its achievement later on might be restricted because of changes to the external environment in which the unions are attempting to organize. Fiorito, Padavic, and Russell (2018) Used Ajzen's Theory of Planned Behavior to lead a particular examination of literature and proof on participation, joining and union voting. Fundamentally focus was around the subject of motivation as originating from personal circumstance or from pro-social contemplation. Auxiliary consideration was given to the influence of others' perspectives (subjective norms) and individual specialist recognitions that they can accomplish wanted behavior (self-efficacy or perceived control). They discovered help for the idea that laborers are worried about neither personal self-interest ("just us") only, nor pro- social ("equity") alone, yet rather that they are encouraged to frame, join, and take an interest by the two contemplations. This micro foundation for considering labor associations as organizations recommends that labor associations are neither narrow selfinterested institutions nor absolutely pro-social movements, however "a tad of both."

Frangi and Barisione (2015) examined union membership among workers and non-workers in Italy somewhere in the range of 1972 and 2013. Researcher considered the respondent's familiarity with being associated to labor union, their feeling of having a place and the social desirability of expressing their union participation status (subjective membership). Utilizing Cross-sectional investigation on ITANES pooled dataset dependent on 11,073 observations more than 40 years (1972–2013), two significant discoveries rise. To start with, just a minority of politically connected left-wing people have kept up a same probability of pronouncing themselves as union members since the start of 1970s. Furthermore, subjective membership had pointedly diminished after some time among workers as well as in clear differentiation to administrative information among non-employees Subjective measures are in this manner especially helpful in improving our comprehension of union membership. Kaberia (2015) studied the impact of high union membership fee, economic condition peer influence and satisfaction with union leadership on decision to join union by the school teachers in Kenya. Descriptive analysis has been used to quantitatively evaluate the data using frequencies and percentages. The analysis shows that economic factors and leadership of teachers affect the choice of labor unions by teachers. The study revealed that there is positive relation between economic condition, peer influence and satisfaction with union leadership to decision to join union. It found that membership fees affected the decision of the teacher to unionize as an increase in membership fees was likely to reduce membership. Based on the findings of the study, They proposed that membership fees of the teachers' union be cost-effective to allow teachers to register as members and

leaders of the union to show leadership styles which have a potential to influence teachers who are not the member of union.

3.   Mills Models of Employee Decision to Unionize

Mills (2003) clarified why people are entering the labor union using three models. A dissatisfaction drives an individual to join a union to better their condition. This means that workers become unionized if they are frustrated with their jobs. Figure 1 reveals that if workers are not happy with their work and believe they might decrease their dissatisfaction by entering a trade union, they are highly encouraged to become members of a trade union.
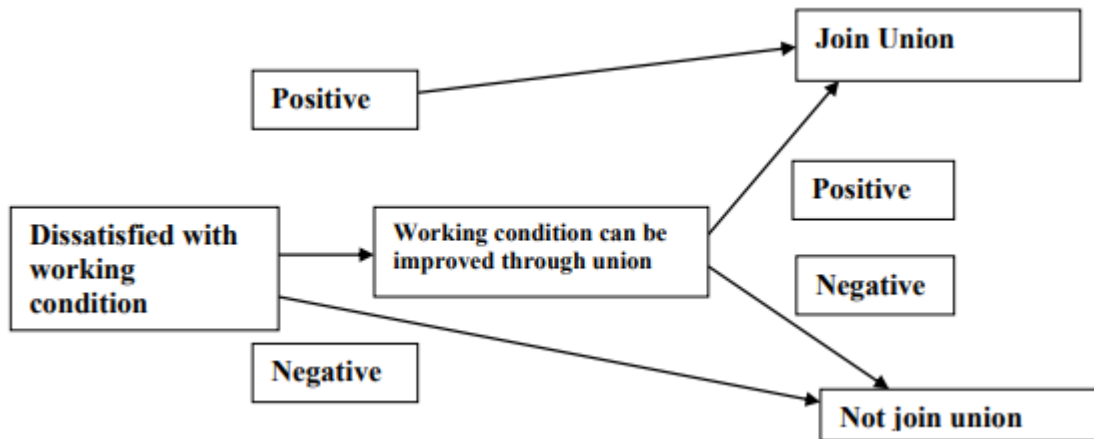
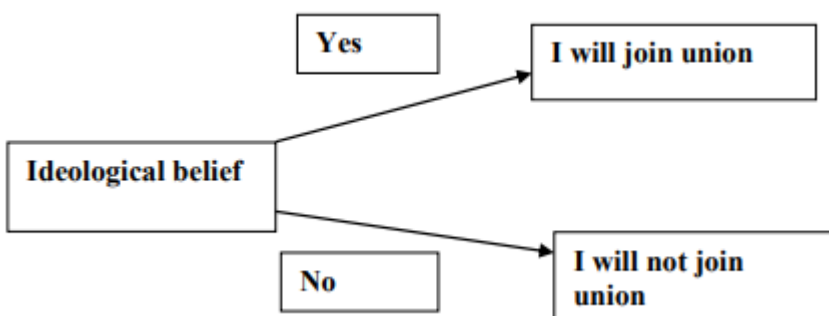**Figure 1: Theoretical Model**

Each individual has their own or external conditions that can only be met with monetary or ethical compensation. As per Figure 2, an individual is unionized by various financial benefits associated with union. This is staff joining a union where they believe they are financially and socially benefited.
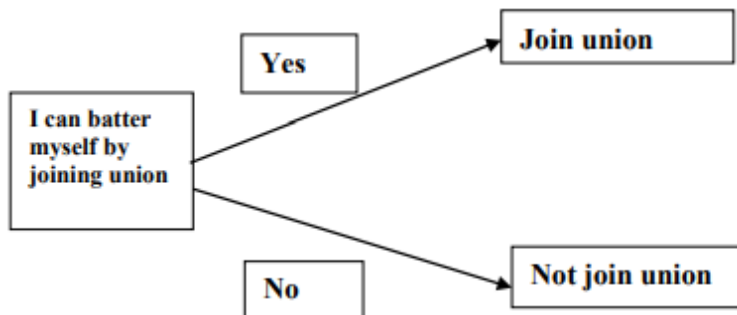
Figure 2: Joining Union

Figure 3: Ideological Belief

4.   Data, Model and Methodology

The goal of this analysis is to determine why workers join labor unions. Primary data from a predetermined population was obtained using a questionnaire technique. Population consists of following three organizations and The data set of the research is as fallow:

- Pakistan International Airline (98)
- State life insurance (47)
- MEPCO (69)

The sampling of 214 workers from the above-mentioned organizations was used due to the time constraints. Data have been collected via questionnaire. In the questionnaire we had three to five questions for each variable. In May 2020 the data were collected.

4.1. Profile of the Study Area

Multan City is a town in Pakistan's Punjab Province. It is situated on the eastern bank of the Chenab River in the southern part of the province, more or less in the geographic center of the country. Due to the large number of shrines and Sufi saints in the city, Multan is known as the City of Sufis or the City of Saints and Madinah-Tul-Oleyah. There are several bazaars, mosques, shrines and ornate tombs in the town. Since, Multan is agriculture-based, there is still plenty of livestock still growing at a positive pace, which has led to milk processing / dairy products units, ice cream manufacturing, animal and poultry feed, dairy farms, cattle / sheep / goat fattening plants, meat / poultry processing units, leather garments manufacturing, leather boots, cosmetics, tinned goods and pharmaceuticals.

4.2. Methodology

Regression analysis is a collection of statistical processes to estimate the relationship among dependent and one or more independent variables in statistical modeling. Linear regression is the popular method of regression analysis. Regression tests have been done to decide whether independent variables are reasonably relevant for workers who choose to join a union. Peer family influence, Job environment satisfaction, satisfaction with union and financial benefits associated with union served as predictors of the dependent variables employee decision to join union. Income, family income, total expenditure and assents are independent variables Whereas six demographic variables (age, gender, education, status marital, household size and loan) were used in regression equations as control variable.

4.3. Model Specification

In order to observe the effect of income, age, sex, education, marital status, household size and loan on peer family influence, job environment satisfaction, satisfaction with union and financial benefits associated with union, we have specified four models.
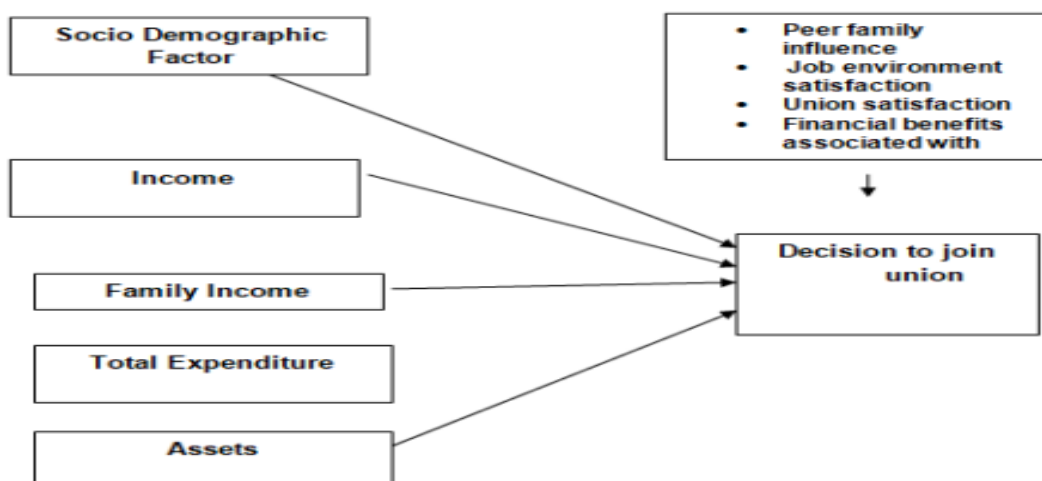
Figure 4: Theoretical Model

4.3.1. Employee Decision to Join Union

The model concentrates on four factors that tend to have the most effect on the choice to join a union.

$$Employee\ Decision\ to\ join\ Union = f \begin{pmatrix} Age, Household\ Size, \\ Marital\ Status, \\ Education, Loan\ Taken, \\ Income \end{pmatrix} \qquad (1)$$

Decision of employee to join any union is dependent upon four factors:

Figure 5

Figure 5: Decision of the Employee

So, above model may be re-written as:

$$Peer / Family\ Influence = f \begin{pmatrix} Age, Household\ Size, \\ Marital\ Status, \\ Education, Loan\ Taken, \\ Income \end{pmatrix} \qquad (2)$$

In equation form, it may be written as;

$$PFI = \alpha_0 + \alpha_1 Age + \alpha_2 HHS + \alpha_3 MARS + \alpha_4 EDUC + \alpha_5 LOAN + \alpha_6 INC + u_i \qquad (3)$$

Where, PFI=Peer/Family Influence, Age=Age, HHS=Household size, EDUC=Education, Loan=Loan taken, INC=Income.

$$Job\ Environment\ Satisfaction = f \begin{pmatrix} Age, Household\ Size, \\ Marital\ Status, \\ Education, Loan\ Taken, \\ Income \end{pmatrix} \qquad (4)$$

In equation form, it may be written as:

$$JES = d_0 + d_1 Age + d_2 HHS + d_3 MARS + d_4 EDUC + d_5 LOAN + d_6 INC + u_i \qquad (5)$$

Where, JES=Job Environment satisfaction, Age=Age, HHS=Household size, EDUC=Education, Loan=Loan taken, INC=Income.

$$Union\ Satisfaction = f \begin{pmatrix} Age, Household\ Size, \\ Marital\ Status, \\ Education, Loan\ Taken, \\ Income \end{pmatrix} \qquad (6)$$

In equation form, it may be written as:

$$UNS = g_0 + g_1\,Age + g_2\,HHS + g_3 MARS + g_4 EDUC + g_5 LOAN + g_6 INC + u_i \tag{7}$$

Where, UNS=Union satisfaction, Age=Age, HHS=Household size, EDUC=Education, Loan=Loan taken, INC=Income.

$$Economic\ Benefits\ associated\ with\ union = f\begin{pmatrix} Age, Household\ Size, \\ Marital\ Status, \\ Education, Loan\ Taken, \\ Income \end{pmatrix} \tag{8}$$

Table 1
Description of Variables

Variables	Description
Peer Family Influence	I join union because my colleagues are members (Agree/ Disagree)
	I join (will join) union because my family members belong to any union (Agree/ Disagree)
	My parents (any one) were members of trade union (Agree/ Disagree)
	My wife is member of union (Agree/ Disagree)
	While joining, are you under pressure by your colleagues to join a labour union in which they belong? (Yes/ No)
	I work more than what I am paid off (Agree/ Disagree)
Job Environment Satisfaction	Are you satisfied with the job environment? (Yes/ No)
	My job is secure in this workplace (Agree/ Disagree)
	In general, relations between employees and management are good (Agree/ Disagree)
Satisfaction with union	Being a union member I am getting meal allowance/ subsidized meal in my work place. (Agree/ Disagree)
	I Join (will join) union because I feel union able to increased health facility from management (Agree/ Disagree)
	The union at my workplace struggles hard when employee important interests are threatened (Agree/ Disagree)
	I Join (will join) union because I feel union able to get me loan from the company. (Agree/ Disagree)
Financial benefits associated with union	Did you join (or will join) labor union because union offered financial services such as health insurance? (Yes/ No)
	I Join (will join) union because I feel union increased the wages (Agree/ Disagree)
	I Join (will join) union because I feel union get me bonus from management (Agree/ Disagree)
Age (Age)	Years
Household Size (HHS)	Total Household Size
Marital Status (MARS)	1 = Married, 0 = Unmarried
Education (EDUC)	Years of Education
Loan Taken (LOAN)	Amount of Loan in Rupees
Income (INC)	Pakistani Rupees

In equation form, it may be written as:

$$ECB = j_0 + j_1\,Age +\ \ j_2 HHS\ + j_3 MARS + j_4 EDUC + j_5 LOAN + j_6 INC + u_i \tag{9}$$

Where, ECB=Economic Benefits associated with union, Age=Age, HHS=Household size, EDUC=Education, Loan=Loan taken, INC=Income.

5. Results and Discussion

The results of regression concerning to four different dependent variables are portrayed in table 2 in which coefficient and probability values concerning to all models is presented. Names of Independent variables are also written in the table. It is observed that independent variable log of salary has negative relationship with peer family influence whereas it has insignificant impact on this variable. Log of salary has also negative relationship with job environment satisfaction whereas it also has insignificant impact on same variable. Log of salary has positive relationship with union satisfaction whereas it has insignificant impact on this variable. Log of salary has positive relationship with financial benefits associated with union and log of salary is significantly impacting financial benefits

associated with union. It means that as the salary increases employees are more influenced towards the financial benefits associated with union. Which also means on the average trend to join union due financial benefits associated with union will decrease by 0.349 units when 1 percent salary increases.

It has also been found that controlled variable education has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the education increases employees are less influenced by peer or family in decision to join union. Which also means on the average trend to join union due peer family influence will decrease by 0.045 units when 1 employee improves its education. Education has also positive relationship with job environment satisfaction whereas it also has insignificant impact on same variable. Education has positive relationship with union satisfaction whereas it has significant impact on this variable. It means that as the employees increase their education they are more influenced by union satisfaction. This also means that on the average satisfaction with union increases by 0.055 units if 01 more employee enhances it education. Education also has positive relationship with financial benefits associated with union and education is significantly impacting financial benefits associated with union. It means that as the employee enhances their education he or she is more influenced towards the financial benefits associated with union. Which also means on the average financial benefits associated with union will increase by 0.060 units if 01 employee enhances his or her education.

The study revealed that controlled variable household size has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the household size increases employees are less influenced by their peer or family in making decision to join union. Which also means on the average trend to join union due peer family influence will decrease by 0. 061 units when household size of employee is increased by 01. Household size has also positive relationship with job environment satisfaction whereas it also has insignificant impact on same variable. Household size has negative relationship with union satisfaction whereas it has insignificant impact on this variable. Household size also has negative relationship with financial benefits associated with union and household size is insignificantly impacting financial benefits associated with union.

The study find that controlled variable loan taken has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the loan taken increases employees are less influenced their peer or family in making decision to join union. Which also means on the average trend to join union due peer family influence will decrease by 0. 221 units when 01 more employee takes loan. Loan taken has also positive relationship with job environment satisfaction whereas it also has insignificant impact on same variable. Loan taken has positive relationship with union satisfaction whereas it has insignificant impact on this variable. Loan taken also has negative relationship with financial benefits associated with union and loan taken is significantly impacting financial benefits associated with union. It means that as the employee takes loan he or she is less influenced towards the financial benefits associated with union. Which also means on the average financial benefits associated with union will decrease by 0.376 units if 01 additional employee takes loan. It is also examined that controlled variable age has negative relationship with peer family influence whereas it has insignificant impact on this variable. Age has also positive relationship with job environment satisfaction whereas it also has significant impact on same variable. It means that as the employee age increase he or she is more influenced towards the job environment satisfaction. This also means on the average job environment satisfaction will increase by 0.391 units if employee age increased by 1 year. Age has positive relationship with union satisfaction whereas it has insignificant impact on this variable. Age also has positive relationship with financial benefits associated with union and age is significantly impacting financial benefits associated with union. It means that as the employee age increase he or she is more influenced towards the financial benefits associated with union. Which also means on the average financial benefits associated with union will increase by 0.698 units if employee age increased by 1 year.

Table 2
Results

Variables	Peer/Family Influence		Job Environment Satisfaction		Union Satisfaction		Financial Benefits associated with union	
	Coefficient	Sig	Coefficient	Sig	Coefficient	Sig	Coefficient	Sig
(Constant)	4.595	.015	5.962	.004	-1.106	.661	-3.071	.283
log2salary	-.147	.211	-.170	.191	.243	.126	.349	.052
Marital status	0.232	0.14	-0.137	0.43	-0.642	0.00	-0.775	0.002
Education	-.045	.035	.019	.408	.055	.052	.060	.061
House Hold size	-.061	.000	.014	.350	-.023	.213	-.022	.280
Loan taken	-.211	.073	.018	.892	.161	.308	-.376	.036
AGE	-.187	.332	.391	.067	.003	.990	.698	.018

6.   Conclusion

A labor union is an organized grouping of employees. A union regularly negotiates work rights with employers. Trade unions are organizations, which require certain membership levels to function. Membership of labor unions has become important. Mills models of employee decision which explains that dissatisfaction with work, self-esteem and ideological belief have direct impact on employee's decision to join union.

There were total 4 predictor variable of dependent variable employee decision to join union i.e. Peer family influence, Job environment satisfaction, satisfaction with union and financial benefits associated with union whereas Income, age, gender, education, marital status, household size and loan are independent variables. Primary data through 214 samples were collected by questionnaire from employees of Pakistan international airline, State life insurance and MEPCO in the city of Multan. In order to observe the effect of independent variable income, age, sex, education, marital status, household size and loan whereas dependent variables are peer family influence, job environment satisfaction, satisfaction with union and financial benefits associated with union.

Graphical analysis shows that out of 214 samples, 69 were collected from MEPCO, From PIA 98 samples were taken and 47 samples were taken from State life. Salary has positive relationship with financial benefits associated with union and salary is significantly impacting financial benefits associated with union. It means that as the salary increases employees are more influenced towards the financial benefits associated with union. Marital status has negative relationship with union satisfaction whereas it has significant impact on this variable. It means that as the employees get married they are less influenced by union satisfaction. Marital status has negative relationship with financial benefits associated with union and marital status is significantly impacting financial benefits associated with union. It means that as the employee get married he or she is less influenced towards the financial benefits associated with union. It was also examined observed that controlled variable education has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the education increases employees are less influenced by peer or family in decision to join union. Education has positive relationship with union satisfaction whereas it has significant impact on this variable. It means that as the employees increase their education they are more influenced by union satisfaction. Education also has positive relationship with financial benefits associated with union and education is significantly impacting financial benefits associated with union. It means that as the employee enhances their education he or she is more influenced towards the financial benefits associated with union.

The study revealed that controlled variable household size has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the household size increases employees are less influenced by their peer or family in making decision to join union. Household size has negative relationship with union satisfaction

whereas it has significant impact on this variable. It means that as the household size increases employees are less influenced by union satisfaction in making decision to join union. Household size also has negative relationship with financial benefits associated with union and household size is significantly impacting financial benefits associated with union. It means that as the employee household size increases he or she is less influenced towards the financial benefits associated with union.

It is found that controlled variable loan taken has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the loan taken increases employees are less influenced their peer or family in making decision to join union. Loan taken also has negative relationship with financial benefits associated with union and loan taken is significantly impacting financial benefits associated with union. It means that as the employee takes loan he or she is less influenced towards the financial benefits associated with union.

It was also examined that controlled variable age has negative relationship with peer family influence whereas it has significant impact on this variable. It means that as the age increases employees are less influenced their peer or family in making decision to join union. Age has also positive relationship with job environment satisfaction whereas it also has significant impact on same variable. It means that as the employee age increase he or she is more influenced towards the job environment satisfaction. Age also has positive relationship with financial benefits associated with union and age is significantly impacting financial benefits associated with union. It means that as the employee age increase he or she is more influenced towards the financial benefits associated with union.

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