

COLLECTIVE BARGAINING

CHAPTER-II

MEANING

collective bargaining is a system and technique of resolving an industrial dispute through negotiations between employers and the representatives of employees without any help of an arbitrator. As the name denotes, the phrase collective bargaining is made up of two words -collective, which implies group action through its representatives and bargaining, which suggest haggling and/or negotiating. Collective bargaining is concerned with the relations between employers acting through management and organized labour. It is a process by which, employers on the one hand, and representatives of employees on the other, attempt to arrive at agreements covering the conditions under which employees will contribute and be compensated for their services. collective bargaining is a technique for the fulfilment of needs and objectives of both the employees and employers. It essentially a process in which employees act as a group in seeking to shape the conditions and relationships in their employment.

OBJECTIVES

- Resolve differences over knotty issues.
- Protect the interests of workers through collective action.
- Carry out negotiations voluntarily, without interference from a third party.
- Arrive at an amicable agreement through a process of give and take.
- To arrive at an agreement on wages and other conditions of employment.
- To have peaceful co-existence for the mutual benefits and progress. To maintain employee-employer relation bilaterally.

CHARACTERISTICS

- **Collective:** Collective bargaining is a two way group process where the employers representative and employees representatives sit together to negotiate terms of employment.
- **Strength:** Both the parties in collective bargaining are strong and equal.
- **Voluntary:** Both parties come to the negotiation table voluntarily in order to go in particular negotiation. It is based on discussion, mutual trust and understanding.
- **Formal:** It is a formal process in which certain employment related issues are to be regulated at National, organization and workplace levels.
- **Flexible:** It is a flexible and continuous process and not fixed or static.
- **Improvement:** It is a method to improve the employer-employees relation in organization and resolve management and employees conflicts.

CHARACTERISTICS

- Representation: Collective bargaining is between the representatives of employees and management. The management does not directly deal with employees. It carries negotiations with the representatives/ executives of unions and association.
- Bipartite Process: Because the employee and employers representatives negotiate directly face to face across the table.
- Dynamic: Collective bargaining is dynamic, that go on changing over a period and grows and expand the way of agreement, the way of implementation and way of discussion.
- Continuous: Collective bargaining is continuous and begins with agreement, the implementation of agreement and further negotiations.

NEED

1. FROM MANAGEMENT'S POINT OF VIEW

Main object of management is to get the work done through and with others. The work is get done in the manner that maximum production may be obtained at minimum cost, in minimum time, so that the organizational objectives may be achieved and a high rate of profits may be earned. To achieve this object, it is necessary that the employees of the enterprise should co-operate with their officers and managers. Collective bargaining is an important device to get such co-operation. Collective bargaining helps in reducing labour problems to the minimum and in maintaining cordial relations between labour and management.

2. FROM THE TRADE UNION'S POINT OF VIEW

Trade unions work for maximizing the opportunities of employments, for maintaining security of job, for providing better working conditions and for providing higher remuneration. Collective bargaining is an important device in the hands of trade unions to achieve these objects. Bargaining power of an individual employee is very poor but when they are united, their bargaining power increases very high and they can get most of the works done for the welfare of employees.

NEED

3. From the government's point of view

Government wants that both the employers and employees should implement the labour legislation of the country effectively. Effective implementation of labour legislation helps in promoting industrial peace and progress. Collective bargaining is an important tool in the hands of Government.

Thus, it may be concluded that collective bargaining is important for all; the employers and the Government.

IMPORTANCE

In brief, the importance of collective bargaining can be explained as under:

- The system of collective bargaining is helpful in the settlement of a large number of disputes. It creates an atmosphere in which all the activities of an industrial of enterprise go on smoothly.
- The system improves the economy as well as economic conditions workers.
- The system develops the feeling of self-confidence and responsibility among employees.
- The system is helpful in determining fair rate of wages.
- The system improves both the production and productivity of the enterprise. It increases the profit of the enterprise.

PROCESS

- **Pre-negotiation Phase:** The stage before starting collective bargaining. At this stage, the management wants to estimate the power and capacity of labour unions, all the relevant data, information and figures are collected so that the stage may be prepared for negotiation.
- **Selection of Negotiators:** Both the management and labour unions select their representatives who will take part in negotiations from their side. Only such persons are selected as negotiators who are fully acquainted with the problems on which negotiations are going to be held.
- **Strategy of Bargaining:** Management should decide the basic strategies and policies that will be followed at the time of bargaining with employees. Everything must be made clear before going to the bargaining table. In addition to this, the management should get due powers to enter into agreements with workers. Similarly, labour unions should also determine the strategies on the basis of which they will take part in negotiation.

PROCESS

- **Tactics of Bargaining:** The technique of collective bargaining depends upon the principle of 'Give and Take'. Both the parties try to get more than they sacrifice. All the aspects of contracts are discussed in details. After this, the decisions are revalued and reviewed. The services of Government mediators can also be used, if required.
- **Contract:** Fifth stage of the process of collective bargaining is to enter into a collective agreement (made for a certain time). These agreements give full details of security of job, grievance handling procedure, promotion policy, transfer policy, rules regarding lay-off, rules regarding retrenchment, hours of work, rules regarding leaves, incentive schemes, security and health, managerial liability etc.
- **Implementation of the contract.:** The last stage of the process, the implementation of the agreements entered into between management and labour unions. Both the parties should honor these agreements and implement them whole-heartedly.

PRINCIPLES-FOR MANAGEMENT

- Management must develop and adopt a constructive labour policy, treating the labour force, as a partner in the growth of industry and formulate labour policies accordingly.
- The employers should not take the employees' goodwill for granted. They should review the rules and regulations of governing the employees, from time to time, ascertain the attitude of employees, promote their comfort and thus win their goodwill and confidence.
- It is the duty of management to maintain responsive and constructive relations with the employees and the trade union leaders should be dealt with due respect. This will develop harmonious industrial relations and the leaders will certainly think twice before doing anything that is capable of jeopardizing that relationship.
- The management should be responsive enough not to wait for trade union leaders to bring employee grievances to its notice. When some grievance to an employee comes to management notice, that grievance should be settled even before being brought to the notice by union leaders.
- Management should deal with only one trade union in the establishment and in case of two unions, no negotiations will hold before deciding the majority union and that majority union should be recognized and then negotiations started with that union.
- While considering effect of union demands on economic viability and profitability of the establishment, the fact of social considerations should not be overlooked.
- Management must grant recognition to the eligible union so that the union feels that its position in the factory and organization is secure.

PRINCIPLES- FOR TRADE UNIONS

- Trade union leaders should not think that their only duty is to extract maximum wages and other benefits for its members. They should think larger interests of the establishment also and assist the management in elimination of waste and improving the quality of products and services.
- In the background of rights enjoyed by the organized and recognized trade unions, the trade unions should not indulge in exploitation of their members and develop democratic functioning of the union.
- Trade unions should use strike as a weapon of last resort.
- The trade unions should work out the financial impact of their demands on the profitability of the establishment and maintain an appropriate equilibrium between demands and economic viability of the industry in which their members are working.
- Trade union leaders should assist the management in removal of such restrictive rules and regulations, which increase cost and prices of products of the establishment so that resulting savings, could be used for welfare of the employees, which will increase their efficiency and standard of living in the long run.

PRINCIPLES- FOR UNION AND MANAGEMENT

- Management and trade unions should make best use of the technique and it should be treated as an educational as well as bargaining process. Full understanding of the concept of collective bargaining would help trade union leaders to present their demands and grievance of the employees in a better and practical way and make it possible for the management to explain economic problems.
- There must be mutual confidence, respect and good faith to make it as an effective tool to solve industrial relation problems.
- Both the parties i.e., management and employees should possess enough bargaining power to enforce the terms and conditions of the agreement that may be arrived at.
- Through collective bargaining there must be an honest attempt to solve the problems rather than an attempt to acquire more concessions from the opposite party.
- Both the parties should honestly observe and abide by all the national and state laws, which are applicable to collective bargaining.

ISSUES

- Wages and working conditions.
- Work norms
- Incentive payments
- Job security
- Changes in technology
- Work tools, techniques and practices
- Staff transfers and promotions
- Grievances
- Disciplinary matters
- Health and safety
- Insurance and benefits
- Union recognition
- Union activities/responsibilities
- Management rights

COLLECTIVE BARGAINING MEMBERS

- REGISTERED NURSES
- PHYSICIANS
- OTHER PROFESSIONALS
- TECHNICAL EMPLOYEES
- NON -PROFESSIONALS

POINTS TO KEPT IN MIND BEFORE COLLECTIVE BARGAINING

- Be sure to set clear objectives for every bargaining item, and be sure you understand the reason for each.
- When in doubt, discuss with your associates.
- Be well prepared with firm data supporting your position.
- Always strive to keep some flexibility in your position.
- Don't concern yourself just with what the other party says and does; find out why.
- Respect the importance for face saving for the other party.
- Be alert to the real intentions of the other party-not only for goals, but also for priorities.
- Be a good listener and build a reputation for being fair but firm.

POINTS TO KEPT IN MIND BEFORE COLLECTIVE BARGAINING

- Learn to control your emotions and use them as a tool.
- As you make each bargaining move, be sure you know its relationship to all other moves.
- Measure each move against your objectives.
- Pay close attention to the wording of every clause negotiated; they are often a source of grievances.
- Remember that collective bargaining is a compromise process; There is no such thing as having all the pie.
- Try to understand people and their personalities.
- Consider the impact of present negotiations on those in future years.

COLLECTIVE BARGAINING IN INDIA

Collective bargaining at the national level is not very popular in the private sector in India. However, it may take place in the public sector. Bi-partite agreement in banks between the management and the bank employees is a case in point. Bargaining at the company or plant level is quite popular in both the private and public sector enterprises. Usually, agreements cover all the employees in the unit who fall in the category of workman. The duration of agreement is long-term ranging from three to five years and has the advantages of stability in labour management relations. The scope in Indian collective agreements is much wider than in the national agreements arrived at in Western countries. Although voluntary arbitration has been included in some agreements in India. Collective bargaining has proved to be feasible and effective and it has achieved an appreciable amount of success in India.

DRAWBACKS OF COLLECTIVE BARGAINING IN INDIA

Collective bargaining process has achieved encouraging success in India, yet it has following drawbacks:

- Government did not show interest in collective bargaining because it does not have confidence in the bargaining strength of the trade unions.
- Government apprehended inflation by resorting to collective bargaining.
- Government feared that communists gain strength through collective bargaining.
- Government has fear of strikes and lockouts.

HOW TO MAKE COLLECTIVE BARGAINING MORE EFFECTIVE IN INDIA?

In India, most of the agreements are at the plant level and only some agreements are arrived at industry level. Plant-level agreements are most common in manufacturing industries. Collective bargaining at the national-level is found only in public sector undertakings, Post and Telegraph and, Indian Railways etc. Making collective bargaining effective in India. The essential guidelines for making collective bargaining more effective in India:

- Trade unions should be made strong so that they could be able to honor the commitments after the bargaining being taken place.

HOW TO MAKE COLLECTIVE BARGAINING MORE EFFECTIVE IN INDIA?

- Specific statutory provisions should be introduced so that collective bargaining agreements cover all the workers. At present, under the Industrial Disputes Act, 1947, a collective bargaining agreement binds only those workers who are a party to it. An agreement does not automatically extend to workers who were not a party to it even though they might have obtained certain benefits under the collective bargaining agreement.
- In addition to the existing authorities under the Industrial Disputes Act, it is necessary to constitute one more authority to promote collective bargaining. The authorities should advise parties on various aspects such as procedure, content and form of agreement.