

COLLECTIVE BARGAINING: A CONCEPT

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Abstract: It is fairly obvious that unionised employees receive significantly more holidays, sick leave, unpaid leave, insurance, disability and other benefits- based on their collective ‘bargaining’ strength. However, in recent times, the situation has changed quite dramatically. Competitive pressure, globalisation, cost saving efforts- have virtually forced companies not to yield ground beyond a point. The ‘tussle’ between workers and management in such a context has many interesting dimensions. In this paper we cover all important term of collective bargaining.

Keywords: Collective bargaining, Negotiation, Arbitration, Bargaining zone.

❖ Introduction

Before the Industrial Revolution, the employer, more or less, enjoyed unquestioned power on matters relating to wages, working conditions and other matters affecting employees. The weak bargaining strength of employees tempted them, on occasions, to exploit the vulnerable protests followed. Governmental intervention was of little help. Workers realised the importance of fighting jointly on all work- related matters. This collective fighting spirit is at the back of collective bargaining.

❖ Objectives

- To settle disputes relating to wages and working conditions.
- To protect the interests of workers through collective actions.

❖ Types of Bargaining

Four distinct types of bargaining have been evolved over time, namely conjunctive, cooperative, productivity and composite bargaining. These are discussed below:

- **Conjunctive bargaining** – The parties try to maximise their respective gains. They try to settle economic issues such as wages, benefits bonus etc., through a zero -sum game (where my gain is your loss and your gain is my loss).
- **Cooperative bargaining**- When companies are hit by recession, they cannot offer the kind of wages and benefits demanded by workers. At the same time they cannot survive without the latter’s support. Both parties realise the importance of surviving in such difficult times and are willing to negotiate the terms of employment in a flexible way.
- **Productivity bargaining** – In this, workers’ wages and benefits are linked to productivity. A standard productivity index is finalised through negotiations initially. Workers do not have to perform at exceptionally high level to beat the index.
- **Composite bargaining** – It is alleged by workers that productivity bargaining agreement have increased their workload. Relationship, introduction of high technology and tight productivity norms have made the life of a worker somewhat uneasy.

❖ Process of Collective bargaining

The following steps are involved in the collective bargaining process:

- 1 **Identification of the problem** – The nature of the problem influences whole process. It is also influences selection of representatives, their size, period of negotiations and period of agreement that is reached ultimately.
- 2 **Collective of Data** – Both labour and management initially spend considerable time collective relevant data relating to grievances, disciplinary actions, transfers and promotions, layoffs, overtime etc. wages rates in a region across various occupations, competitive terms offered by rivals in a field.
- 3 **Selection of negotiators**- The success of collective bargaining depends on the skills and knowledge of the negotiators. Considerable time should, therefore, be devoted to the selection of negotiators with requisite qualifications.

4 Climate of negotiations – Both parties must decide an appropriate time and set a proper climate for initial negotiations. At this stage the parties must determine whether the tone of the negotiations is going to be one of mutual trust with ‘nothing up our sleeves’, or one of the hostility with a lot of name calling and accusations.

5 Bargaining strategy and tactics – The strategy is the plan and the policies that will be pursued at the bargaining table. Tactics are the specific action plans taken in the bargaining sessions. It is important to spell out the strategy and tactics in black and white, broadly covering the following aspects:

Likely union proposal and management responses to them

A listing of management demands, limits of concessions and anticipated unions responses.

A contingency operating plan if things do not move on track.

❖ **Conditions Essential For Effective Bargaining**

Not all the collective bargaining processes are successful and effective. There are certain prerequisites for an effective bargaining process which are as follows:

- **Unanimity among workers:** Before entering into negotiations, there must be unanimity among workers.
- **Strength of both the parties:** Both the parties in negotiations should be equal in strength. One party dominating the other is against the whole nature of collective bargaining. It should always be a ‘give and take’ process and should not be a ‘you give and we take’ or ‘you bargain and we collect’ process from either side.

❖ **Conclusion**

The collective bargaining is the process by which representatives of management and workers negotiate over wages, hours and other terms and conditions of employment. Traditionally wages and working conditions have been the primary focus areas of collective bargaining. In recent time, the bargaining scenario between labour and management in India has changed quite dramatically. Unions have become somewhat flexible in negotiating the terms with management. Collective bargaining could not make much headway in India due to Employer’s reluctance, the presence of weak unions and inadequate, legal support and interventions.

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