

HRD2104: PRINCIPLES OF INDUSTRIAL MANAGEMENT

GROUP ASSIGNMENT

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COLLECTIVE BARGAINING.

Definition:

Collective bargaining is the process in which working people, through their unions, negotiate contracts with their employers to determine their terms of employment, including pay, benefits, hours, leave, job health and safety policies, ways to balance work and family, and more. Collective bargaining is a way to solve workplace problems. It is also the best means for raising wages in America. Indeed, through collective bargaining, working people in unions have higher wages, better benefits and safer workplaces.

JOINT CONSULTATION.

Definition:

Joint consultation in industrial relations is a collaborative process involving employers, employees, and a neutral third party, often a union, to address matters concerning job security, working conditions, and benefits. The consultant's role is to facilitate communication and assist in reaching mutually agreeable solutions. This approach aims to prevent strikes and other labor conflicts while ensuring that the rights and concerns of all parties are considered and resolved.

Formation of collective bargaining.

Collective bargaining, a fundamental element of industrial relations, gives employees a platform to voice their concerns in the workplace. Here are the steps involved in the formation of collective bargaining.

1. Addressing employee concerns- A collective bargain usually lies in a shared discontent among workers on issues ranging from: Unfair pay or working conditions, job insecurity in fear of mass lay-offs, excessive work hours and even safety issues. These common grievances motivate employees to seek collective representation to advocate for their rights and enhance their working conditions.
2. Organizing and planning- Employees interested in collective bargaining typically:
 - Create or join a labor union: This group serves as their collective voice and negotiation representative.
 - Select union representatives: These representatives, elected by their peers, negotiate with the employer on behalf of the entire workforce.
 - Gain support: The union must demonstrate majority support among employees to be recognized as a legitimate bargaining unit. This often involves recruiting members and conducting unionization campaigns.
3. Recognition by the employer- Once the union gains majority support, it seeks formal acknowledgment from the employer. This recognition can be: **Voluntary** if the employer accepts the union as the official bargaining representative for the employees or **through legal channels**. In certain jurisdictions, labor laws mandate procedures for recognizing unions through elections supervised by a neutral third party.
4. Negotiations and agreements- After recognition the union and employer engage in collective bargaining. Representatives from both sides present their demands and

proposals. This includes discussions, compromises and potentially mediation. If negotiations succeed, a binding agreement detailing wages, benefits, working conditions and grievance procedures is established.

NATURE OF COLLECTIVE BARGAINING

The essential characteristic of collective bargaining is that employees do not negotiate individually and on their own behalf but do so collectively through representatives. It can only exist and function in the following circumstances:

- If employees identify a commonality of purpose, organize and act in unison.
- If management is prepared to recognize their organization and accept a change in the employment relationship which removes, or at least constraints, its ability to deal with employees on an individual basis.

In collective bargaining, the employer does not deal with workers directly, but he deals with a collective authorized institution. It is an institutional mechanism for:

- a) Fixing up the price of labor services.
- b) Establishing a system of industrial jurisprudence.
- c) Providing a machinery for the representation of individual and group interests.

It covers the entire range of organized relationship between union and management, including negotiation, administration, interpretation, application and enforcement of written agreements. It sets forth joint understandings as to policies and procedures governing wages, rates of pay, hours of work and other conditions of employment. It is recognized as the central institution or 'heart' of industrial relations in all democratic nations.

Collective bargaining is essentially a multi-dimensional institution. It is also an important means of extending industrial democracy to employees within the workplace. Several conditions are necessary for its emergence and survival. These include freedom of association for employees to organize into trade unions, which are independent both of their employers and of the state, employer recognition, bargaining in good faith, and mutual acceptance of the agreements entered into by employers and employees.

ROLE OF COLLECTIVE BARGAINING.

Collective bargaining serves a number of important functions. It is a rule making or legislative process in the sense that it formulates terms and conditions under which labor and management may cooperate and work together over a certain stated period.

It is also a judicial process for in every collective agreement there is a provision or clause regarding the interpretation of the agreement and how any difference of opinion about the intention or scope of a particular clause is to be resolved. It is also an executive process as both management and union undertake to implement the agreement signed.

John Dunlop and Derek Bok have listed five important functions of collective bargaining: (i) establishing the rules of the workplace; (ii) determining the form of compensation; (iii) standardizing compensation; (iv) determining priorities on each side; and (v) redesigning the machinery of bargaining.

According to Flanders (1974) collective bargaining serves two employers interests. One is market control. By negotiating pay and conditions that are more or less standard, employers effectively take the costs of one of the most important factors of production out of competition. The second interest served by collective bargaining is a contribution to managerial control.

THE AGREEMENT CONTENTS OF A COLLECTIVE BARGAINING AGREEMENT(CBA)

A Collective Bargaining Agreement (CBA) is the heart of collective bargaining. It's a legally binding contract outlining the terms and conditions of employment that both the employer and the union representing employees agree upon. Here's a breakdown of the typical contents of a CBA:

- **Compensation and Benefits:** CBAs address wages and salaries, ensuring fair pay structures. They also detail benefit packages, including health insurance, retirement plans, and paid time off (vacation, sick leave).
- **Working Hours and Conditions:** The agreement defines workweek lengths, scheduling practices, break times, and overtime pay. Additionally, it emphasizes safety standards, outlining procedures for a healthy and secure work environment.
- **Resolving Disputes:** CBAs establish clear grievance procedures for employees to address workplace concerns. This often involves steps like informal discussions with supervisors, grievance committees with union representation, and potential arbitration for unresolved issues.
- **Seniority and Advancement:** The agreement clarifies how seniority is determined and its role in promotions, layoffs, and job assignments.
- **Job Security:** Some CBAs include provisions to enhance job security, potentially limiting layoffs, outsourcing, or subcontracting.
- **Management and Union Rights:** The agreement balances power by outlining management's rights to run the business (hiring, discipline, termination) within the

agreement's framework. Additionally, it specifies union rights, such as workplace access, dues collection, and the role of union representatives.

- **Term and Renewal:** CBAs have a defined duration, with a process for renegotiation and renewal upon expiry.

THE ROLE OF COLLECTIVE BARGAINING IN INDUSTRIAL MANAGEMENT.

Collective bargaining is a cornerstone of healthy industrial relations. It goes beyond simple negotiation, acting as a structured process that fosters communication, conflict resolution, and a fairer work environment. Here's how it contributes to a more productive and stable workplace:

- **Balancing Power Dynamics:** By forming a union, employees gain a collective voice, empowering them to negotiate effectively for better wages, benefits, and working conditions. This helps balance the power dynamic between employers and workers.
- **Resolving Disputes Peacefully:** Collective bargaining establishes a formal process for settling disagreements between labor and management. This reduces the risk of disruptive strikes or lockouts, promoting a more peaceful work environment.
- **Setting Industry Standards:** Successful CBAs can set benchmarks for wages, benefits, and working conditions within an industry. This prevents a "race to the bottom" where employers compete by lowering labor standards.
- **Enhancing Communication and Trust:** Regular communication between unions and management is essential for effective bargaining. This can foster trust and understanding, leading to a more harmonious work environment.
- **Ensuring Fair Treatment:** Collective bargaining promotes transparency and fairness in decision-making that affects employees. This helps prevent arbitrary or discriminatory treatment by management.
- **Promoting Stability and Predictability:** CBAs provide a framework for navigating changes in the workplace. This fosters stability and predictability for both employers and employees, leading to higher levels of satisfaction and productivity.

