

# Collective Bargaining



## Concept of Collective Bargaining

Industrial disputes between the employee and employer can also be settled by discussion and negotiation between these two parties in order to arrive at a decision.

This is also commonly known as collective bargaining as both the parties eventually agree to follow a decision that they arrive at after a lot of negotiation and discussion.

According to **Beach**, “Collective Bargaining is concerned with the relations between unions reporting employees and employers (or their representatives).

**Collective bargaining** is the process of negotiating the terms of employment between an employer and a group of workers. The terms of employment are likely to include items such as conditions of employment, working conditions, and other workplace rules, as well as base pay, overtime pay, work hours, shift length, work holidays, sick leave, vacation time, retirement benefits, and health care benefits.

According to Flippo, “Collective Bargaining is a process in which the representatives of a labor organization and the representatives of business organization meet and attempt to negotiate a contract or agreement, which specifies the nature of employee-employer union relationship”.

“Collective Bargaining is a mode of fixing the terms of employment by means of bargaining between organized body of employees and an employer and association of employees acting usually through authorized agents. The essence of Collective Bargaining is bargaining between interested parties and not from outside parties”.

## **Features of Collective Bargaining**

Some of the salient features of collective bargaining are:

### **1. It is a Group Action**

Collective bargaining is a group action as opposed to individual action. Both the parties of settlement are represented by their groups. Employer is represented by its delegates and, on the other side; employees are represented by their trade union.

### **2. It is a Continuous Process**

Collective bargaining is a continuous process and does not end with one agreement. It provides a mechanism for continuing and organized relationship between management and trade union. It is a process that goes on for 365 days of the year.

### **3. It is a Bipartite Process**

Collective bargaining is a two party process. Both the parties—employers and employees—collectively take some action. There is no intervention of any third party. It is mutual given-and-take rather than take-it-or-leave-it method of arriving at the settlement of a dispute.

### **4. It is a Process**

Collective bargaining is a process in the sense that it consists of a number of steps. The starting point is the presentation of charter of demands by the workers and the last step is the reaching of an agreement, or a contract which would serve as the basic law governing labor-management relations over a period of time in an enterprise.

### **5. It is Flexible and Mobile and not fixed or Static**

It has fluidity. There is no hard and fast rule for reaching an agreement. There is ample scope for compromise. A spirit of give-and-take works unless final agreement acceptable to both the parties is reached.

### **6. It is Industrial Democracy at Work**

Collective bargaining is based on the principle of industrial democracy where the labor union represents the workers in negotiations with the employer or employers. Industrial democracy is

the government of labor with the consent of the governed—the workers. The principle of arbitrary unilateralism has given way to that of self-government in industry. Actually, collective bargaining is not a mere signing of an agreement granting seniority, vacations and wage increase, by sitting around a table.

### **7. It is Dynamic**

The nature of collective bargaining is changeable and dynamic. With the changes taking place in technology, economic order, political environment, structure of trade union organizations, ownership of industrial enterprises, role of the government and so forth, the various ingredients of collective bargaining are also changing.

### **8. It is a Complementary and not a Competitive Process**

Collective bargaining is not a competitive process i.e., labor and management do not co-opt while negotiating for the same object. It is essentially a complementary process i.e., each party needs something which the other party has, namely, labor can put greater productive effort and management has the capacity to pay for that effort and to organize and guide it for achieving the enterprise's objectives.

The behavioral scientists have made a good distinction between “distributive bargaining” and “integrative bargaining”. The former is the process of dividing up the cake which represents what has been produced by the joint efforts of management and labor.

In this process, if one party wins something, the other party, to continue the metaphor of the cake, has a relatively smaller size of the cake. So, it is a win-lose' relationship. The integrative bargaining, on the other hand, is the process where both the parties can win—each party contributing something for the benefit of the other party.

### **9. It is an Art**

Collective bargaining is an art, an advanced form of human relations.

## **Objectives of Collective Bargaining**

The basic objective of collective bargaining is to arrive at an agreement between the management and the employees determining mutually beneficial terms and conditions of employment.

This major objective of collective bargaining can be divided into the following sub-objectives:

1. To provide an opportunity to the workers, to voice their problems on issues related to employment.
2. To facilitate reaching a solution that is acceptable to all the parties involved.
3. To resolve all conflicts and disputes in a mutually agreeable manner.
4. To prevent any conflict/disputes in the future through mutually signed contracts.
5. To develop a conducive atmosphere to foster good organizations relations.
6. To provide stable and peaceful organization (hospital) relations.
7. To enhance the productivity of the organization by preventing strikes lock-out etc.
8. To foster and maintain cordial and harmonious relations between the employer/management and the employees.
9. To protect the interest of the employees; through collective action and by preventing unilateral action on the part of the employer
10. To keep the outside, i.e., the government interventions at bay.
11. To regulate terms and conditions of employment without intervention of a third party;
12. To promote industrial democracy.
13. To create cordial environment in the establishment.
14. To raise the socio-economic attributes of the employees.