

MS-108 (Human Resource Management)

Unit- 17: Collective Bargaining

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Collective Bargaining defined

- ❑ The term bargaining refers to negotiation. In organizational context bargaining is done collectively by the workers to convince the employer/management to fulfil their demands.
- ❑ Collective bargaining is a system of negotiation between employer and group of employees. The process of collective bargaining resolves the disputes between management and workers thereby enhancing congenial relation between the two parties. Collective bargaining is also called as “good faith bargaining”.
- ❑ The term collective refers to both the employer and employees who are willing to reach a consensus and term bargaining refers to the process of arriving to a best solution which is beneficial to both the parties.

Definition of Collective Bargaining

- ❑ According to Garry Dessler, “Collective bargaining is defined as the process through which representatives of management and union meet to negotiate a labour agreement.”
- ❑ According to Michael J. Jucious, “Collective Bargaining is a process by which employers on 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”.

Two types of Collective Bargaining

1. ***Traditional Bargaining/ Distribution Bargaining***: This bargaining consists of issues like working conditions, wages, promotions, layoffs etc. The demands are made against which the management make offers on the basis of cost involved in fulfilling the demands. Both the parties reach to a consensus wherein the workers usually threaten the management for going on strikes and management threatens for lockouts until both the parties are satisfied with the demand and offer made by the workers and management respectively. It is also known as distribution bargaining.'

2. ***Integrative Bargaining***: In integrative bargaining the approach of management and workers is to jointly make significant decisions pertaining to welfare of the workers. Workers may demand for a transparent and open policy of sharing the important information and may pressurise the management to adopt a system of joint problem solving approach in the form of quality circles.

Categories of Collective Bargaining

1. Settlements under Industrial Disputes Act are the agreements which are negotiated by officers during the conciliation proceedings.
2. Collective bargaining ends up in the form of agreement which is arrived at through mutual consensus. Such agreements are sent to the appropriate government.
3. When the disputes are subjudice, the agreement is arrived through negotiation on a voluntary basis. These are also called as consent awards.
4. Agreements which are purely agreed on a goodwill and co-operation of both the parties. Such agreements are voluntary in character.

Levels for conducting Collective Bargaining

1. Sectoral Collective Bargaining at National Level: Sectoral collective bargaining is dominant in industries which are purely under government control. These include banks and coal industry, steel and ports and docks.
2. Industry cum Region wide Agreement: Such agreements are found in cotton, jute, textile which are dominated by private player.

Classification of Collective Bargaining

- ❑ Distributive Bargaining
- ❑ Integrative Bargaining
- ❑ Centralized Bargaining
- ❑ Decentralized Bargaining

Process of Collective Bargaining

- ❑ Deciding the Negotiation Team
- ❑ Planning for Negotiation
- ❑ Presentation of Demand
- ❑ Bargaining over the Demand
- ❑ Closure
- ❑ Administration of the Agreement

Essentials of Collective Bargaining

- Presence of strong unions
- Recognition of trade unions
- Support from top management
- Win-Win approach
- Adopting fair labour practices

Reference

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Thank You!