

AN INSIGHT INTO COLLECTIVE BARGAINING

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Abstract: Bargaining means negotiation. By collective bargaining is meant the process under which the terms and conditions regarding a matter related to the workers and management is negotiated. This negotiation reaches to an agreement between labour union and management of the business organisation. This paper attempts to give an insightful description of the concept of collective bargaining, its nature, scope and importance. Finally, Collective bargaining in Indian context is discussed.

Keywords: Collective bargaining, Negotiation, Trade union, management.

1. INTRODUCTION:

The smooth functioning of any business organisation requires whole hearted cooperation of employees and Cordial relations between employer and employees. Employers act through the management of the company. Collective Bargaining is related to the relation between management and labour organisation. The negotiation undertaken may be concerned with formal labour agreement or the day-to-day affairs between the two. The word “Collective” indicates that the agreement is reached by the joint efforts of employee union and the management.

“Collective bargaining is the term used to describe a situation in which the essential conditions of employment are determined by a bargaining process undertaken by representatives of a group of workers on the one hand and of one or more employers on the other”- Dale Yodler

Collective bargaining is not a onetime act, it is a process therefore the agreement which is reached after negotiation is just the first step towards it and the process continues to be followed up.

2. OBJECTIVES OF THE STUDY:

- To study the nature of collective bargaining
- To study the scope collective bargaining
- To highlight the benefits of collective bargaining
- To study collective bargaining in Indian context

3. Method: Descriptive method is used to collect the information related to this study.

4. SCOPE OF COLLECTIVE BARGAINING:

There is a wide range of subject matter that comes under collective bargaining. Main subject matter is mentioned as below -

- Provisions related to hiring and lay offs
- Decisions related to promotion and transfer
- Matters concerning working days, hours, schedule
- The wages, salaries and bonus issues
- Labour welfare programmes
- Grievance settlement procedure
- Mechanism of settlement of possible future disputes
- Decisions regarding retirement benefits, etc

4. BENEFITS OF COLLECTIVE BARGAINING:

An effectively managed collective bargaining system may result in multiple advantages to both employers and employees in the following ways-

- Employers get aware about the working conditions and the related problems , the type of hazards involved, if any.

- Collective bargaining provides a means by which the wages of the workers and the conditions of employment can be adjusted and modified as per the change in economic and technological variables.
- The contract resulting from the negotiation, will be better implemented as both parties actively participate in the decisions.
- It ensures harmony and peace between employer and employees by reducing the chances of disputes to minimum.
- Properly managed bargaining system ensures smooth functioning of business operations as the mode of negotiation of contract and ways to bring modifications are pre-determined.

5. COLLECTIVE BARGAINING IN INDIA :

When we trace the origin of collective bargaining in India, the credit to initiate it may be supplied to Mahatma Gandhi. In 1920, a collective bargaining agreement took place between the Ahmedabad Textile labour association and the textile mill owners of Ahmedabad. But it was more on individual level. The credit for organized labour movement in India goes to N.M. Lokhande, who was a factory worker. He organized an agitation in Bombay and prepared a memorandum demanding limitation of working hours, a weekly rest day, compensation for injuries, etc and in response of these demands a weekly holiday was actually granted by the mill owners of Bombay.⁵

6. FORMS OF COLLECTIVE BARGAINING IN INDIA

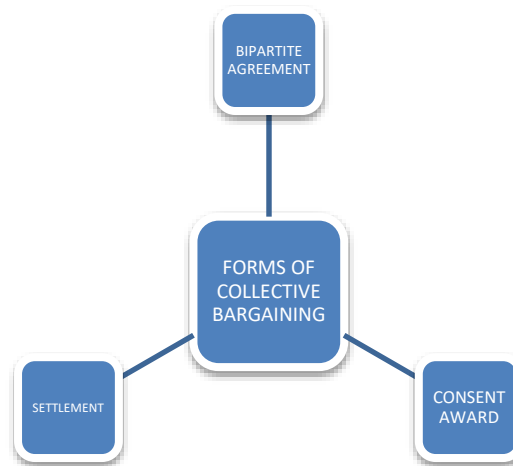


Figure 1: Forms of Collective Bargaining in India

Mainly three forms of collective bargaining is seen in India. These are bipartite agreement, Settlement and consent award (figure 1).

- **Bipartite Agreement:** This type of collective bargaining involves two parties – company management and employee union, that's why it is called bipartite agreement. The bipartite agreements are drawn up in voluntary negotiations between management and union. The implementation of this type of agreement is non-problematic because both management and union reach to a decision jointly.
- **Tripartite Settlement-** This form involves three parties in negotiation- management, employee union and conciliation officer. Settlement takes place when there is dispute between management and union and they together are unable to reach common terms and conditions of employment. There is a need of conciliation officer who can help them to negotiate and reaches to a agreement.
- **Consent Awards-** In this type of collective bargaining, agreement is taken when there is a dispute pending before a compulsory adjudicatory authority, and it (agreement) is incorporated into authority's award.

7. PROBLEMS OF COLLECTIVE BARGAINING IN INDIA:

The real motives of provisions of collective bargaining are seen hidden in India. It is more taken as a way to resolve the disputes between employer and unions. Also only giant plants take it into consideration. Smaller organisations still avoid its functioning. Some factors responsible for this are-

- Weak and unstable trade unions
- Inter-union politics and rivalries

- Political influences in unions
- Absence of definite procedure of negotiation
- Deficiency in laws and its implementation

8. RECOMMENDATIONS:

Below mentioned suggestions may help in making an effective collective bargaining system.

- There is a need of stable and strong trade unions which can effectively represent the issues and may work for welfare of workers.
- The trade unions should be recognized so that the process of collective bargaining may take place effectively.
- Both employers and trade unions should follow problem solving approach rather than adding fuel to fire.
- Trade union should purely work for safeguarding the interest of workers and should be free from political influence.
- The procedure and mechanism of negotiation and related terms should be clearly stated in an mutually signed agreement.
- The laws related to labour/worker welfare should be implemented at ground level.

9. CONCLUSION:

Collecting bargaining is a process of regulating the relations between management of business organization and trade unions. For the success of collective bargaining in India trade unions should properly be recognized, so that the good relations between employer and employee may be established and maintained. Both employers and trade unions should understand that they are dependent on each other and hence both should take collective initiatives to solve the problems and disputes.

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