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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.
- To foster and maintain cordial and harmonious relations between the employer/management and the employees.
- To protect the interests of both the employer and the employees.
- To keep the outside, i.e., the government interventions at bay.
- To promote industrial democracy.
- The need for and importance of collective bargaining is felt due to the advantages it offers to an organisation.

Collective bargaining develops better understanding between the employer and the employees

- It provides a platform to the management and the employees to be at par on negotiation table. As such, while the management gains a better and deep insight into the problems and the aspirations of die employees, on the one hand, die employees do also become better informed about the organisational problems and limitations, on the other. This, in turn, develops better understanding between the two parties.

It promotes industrial democracy

Both the employer and the employees who best know their problems, participate in the negotiation process. Such participation breeds the democratic process in the organisation.

It benefits the both-employer and employees

The negotiation arrived at is acceptable to both parties—the employer and the employees.

It is adjustable to the changing conditions

A dynamic environment leads to changes in employment conditions. This requires changes in organisational processes to match with the changed conditions. Among other alternatives available, collective bargaining is found as a better approach to bring changes more amicably.

It facilitates the speedy implementation of decisions arrived at collective negotiation

The direct participation of both parties—the employer and the employees—in collective decision making process provides an in-built mechanism for speedy implementation of decisions arrived at collective bargaining.