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Course: MBA (PG)

Semester : 3rd

Paper : MB –HC 02

Topic : Collective Bargaining

Subject :-- Industrial Relations

Department :-- Management

University:-- MMHU (Patna)

Date:- 27.8.20

Collective Bargaining: Meaning, & concept

Collective bargaining is a process of negotiating between management and workers represented by their representatives for determining mutually agreed terms and conditions of work which protect the interest of both workers and management.

Collective bargaining is a distinct feature of the modern industrial era. It is a process in which the conditions of employment are determined by agreements between the representatives of the union, on the one hand and those of the employer, on the other.

“Collective bargaining is a process in which the representatives of labour organisation and the representatives of business organisation meet and attempt to negotiate a contract or agreement which specifies the nature of the employee-employer union relationship”. - Edwin. B. Flippo

Collective bargaining is a process of negotiating between management and workers represented by their representatives for determining mutually agreed terms and conditions of work which protect the interest of both workers and management. Bargaining is collective because representative of labour and management act as a bargaining agent. Under this, both parties sit at the bargaining table where they deliberate, persuade, try to influence, argue and finally try to agree to reach on mutual agreement.

In fact collective bargaining is “good faith bargaining” i.e., working on win-win strategy not on win-lose or lose-lose strategies. It means proposals are matched with counter proposals. So that both the parties feel gainer or winner. Under this any of the party is not compelled to agree to a proposal.

In the present industrial era, the settlement of industrial disputes is very essential to improve the industrial relations in the organisation. Rise, growth and strengthening of trade union evolved a device of collective bargaining to resolve their disputes by negotiation

between the two parties without the help of any arbitrator. Worker's participation in management supplements and complements the concept of collective bargaining.

Collective bargaining is a distinct feature of the modern industrial era. It is a process in which the conditions of employment are determined by agreements between the representatives of the union, on the one hand and those of the employer, on the other. Collective bargaining is fundamentally a method of joint regulation as it necessarily involves both the parties directly interested in the industrial relations. It aims at reaching some settlement.

Collective bargaining is a bargaining between interested parties and the readiness of both the parties to regulate industrial relations. It is an essential element of economic democracy-a two party procedure for arriving at a commonly agreed solution. Collective bargaining is a technique adopted by the organisations of workers and employers to resolve their differences with or without the assistance of a third party.

The phrase 'Collective bargaining' originated in the writings of "Sydney and Beatrice Webb", the famed historian of the British labour movement, towards the end of the nineteenth century. In India, the first collective bargaining agreement was concluded in 1920 at the instance of Mahatma Gandhi, to regulate labour management relations between a group of employers and their workers in the textile industry at Ahmedabad. Collective bargaining took roots in our country in the fifties when the Indian Aluminium Company and the Tata Iron and Steel Company entered into voluntary bilateral collective bargaining agreement with their unions.

With the growth of population and speedy industrialisation, large number of people entered into the labour market and the individual employees and employers did not find it convenient any more to negotiate individually. Then workers organised themselves into groups and formed trade unions for negotiation purposes.

These circumstances lead to the phenomenon of “Collective Bargaining” which is a collective action by trade unions for the redressal of their grievances. Now collective bargaining is one of the most important functions of trade unionism in India.

Growth of Trade Unions evolved the device of collective bargaining. By collective we mean a joint action by the Trade Unions through their representatives and bargaining mean do the negotiations and reach to solve their demands and grievances. It is a device of the worker’s trade unions to resolve their differences and disputes by negotiation between two parties without the help of any outside agency or arbitration. It is a step towards industrial democracy. The success of it depends upon the strength of the trade union. All types of differences, disputes and grievances are resolved on negotiating table rather than resorting to direct action.

Thus collective bargaining is a process of negotiation between the employers and the representatives of the employees in order to determine the terms and conditions of the employment. Collective bargaining is a constructive response to industrial conflict. It reflects a willingness to remove the industrial conflicts by discussion and understanding rather than by warfare.

Collective bargaining is a process of negotiation between the worker’s representatives and management representatives for determining mutually agreeable conditions that protect the interests of workers and management.

By collective bargaining we mean ‘good faith bargaining’. It means that proposals are matched with counter proposals and both parties make reasonable efforts to arrive at solutions.

Since employer and employees act collectively in arriving at agreement, it is known as collective bargaining. Since proposals and counter proposals are involved it is called bargaining.