

**MARUDHAR KESARI JAIN COLLEGE FOR WOMEN
(AUTONOMOUS)**

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IInd MBA – Semester - 4

E-Notes (Study Material)

Core Course IInd MBA:Industrial & Labour Relations Course Code: 23PEHR43
Unit: 5 – COLLECTIVE BARGAINING - Subject Matter of Collective Bargaining Methods and tactics - Tactics Used in Collective Bargaining - Administration of collective bargaining agreements - Charter of demands and counter demands__- Charter of demands and counter demands (12 : Hours)
Learning Objectives: To familiarize the students with basic concept of management.
Course Outcome: To understand the concept of management.

COLLECTIVE BARGAINING

Collective bargaining and its scope

Collective Bargaining refers to the process of negotiation between employers and a group of employees (often represented by a union) to reach agreements on various work-related issues.

Key Points:

1. **Purpose:** It aims to establish fair wages, working conditions, benefits, and other employment terms.
2. **Participants:** Involves employees (or their representatives, like unions) and employers or their representatives.
3. **Scope:**
 - **Wages:** Determining salaries and pay structures.

- **Working Conditions:** Ensuring safe and fair work environments.
 - **Benefits:** Negotiating health insurance, retirement plans, etc.
 - **Hours:** Setting working hours, overtime rules, and holidays.
 - **Job Security:** Addressing layoffs, promotions, and job tenure.
4. **Outcome:** Results in a collective agreement or contract that binds both parties for a specific period.
 5. **Legal Aspect:** Often protected by labor laws in many countries, ensuring workers' rights to engage in bargaining.

Subject matter and parties

Subject Matter of Collective Bargaining:

1. **Wages:** Salary, bonuses, and other financial compensations.
2. **Working Hours:** Daily work hours, overtime, and shifts.
3. **Benefits:** Health insurance, retirement plans, paid leave, etc.
4. **Job Security:** Layoffs, promotions, terminations, and job stability.
5. **Working Conditions:** Safety, cleanliness, and overall environment at the workplace.
6. **Dispute Resolution:** Methods to resolve conflicts or grievances.
7. **Training and Development:** Opportunities for skill enhancement and career growth.

Parties Involved in Collective Bargaining:

1. **Employer (Management):** The company or organization that hires employees and negotiates on behalf of management.
2. **Employees or Trade Unions:** Workers (often represented by a union) who negotiate for better terms and conditions.

These two parties come together to negotiate and agree on the terms of employment.

Methods and tactics

Methods of Collective Bargaining:

1. **Distributive Bargaining:**

- Focuses on dividing limited resources (e.g., wages, benefits). It's often a "win-lose" approach where one party's gain is the other party's loss.
 - 2. **Integrative Bargaining:**
 - A collaborative approach where both parties work together to find mutually beneficial solutions, aiming for a "win-win" outcome (e.g., improving working conditions while maintaining cost efficiency).
 - 3. **Concessional Bargaining:**
 - When one party agrees to give up certain demands (e.g., wage cuts) in exchange for other benefits or concessions from the other side.
 - 4. **Principled Negotiation:**
 - Focuses on interests, not positions. The goal is to find fair solutions based on mutual interests and objective criteria rather than sticking to rigid demands.
 - 5. **Mediation:**
 - Involves a neutral third party who helps both sides reach an agreement by facilitating discussions without imposing a decision.
 - 6. **Arbitration:**
 - A neutral third party makes a binding decision after hearing both sides. This method is often used when negotiations fail.
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Tactics Used in Collective Bargaining:

1. **Strike:**
 - Employees stop working to pressure the employer into agreeing to their terms.
2. **Lockout:**
 - The employer prevents employees from working, usually to prevent a strike or force them to accept terms.
3. **Work-to-Rule:**
 - Employees perform only the minimum required tasks, slowing down productivity to pressure the employer.
4. **Slowdown:**
 - Employees deliberately reduce the speed or efficiency of their work to create pressure.

5. Public Campaigns:

- Using media or public demonstrations to gain support for the bargaining position.

6. Ratification:

- After reaching a tentative agreement, union members vote to accept or reject the terms of the agreement.

7. Good Faith Negotiations:

- Both parties must negotiate with honest intent to reach an agreement, without deception or taking extreme positions.

These methods and tactics help shape the collective bargaining process, with the goal of reaching an agreement that satisfies both parties.

Administration of collective bargaining agreements

Administration of Collective Bargaining Agreements (CBAs) refers to the process of ensuring that the terms and conditions agreed upon in a collective bargaining agreement are properly implemented, followed, and maintained by both the employer and employees during the life of the contract.

Key Aspects of CBA Administration:

1. Monitoring Compliance:

- Ensuring both parties (employer and employees) follow the agreed terms regarding wages, working conditions, benefits, etc.

2. Grievance Handling:

- Addressing complaints or violations of the CBA. Employees or unions may file grievances if they believe the employer has breached the agreement. This involves investigation and resolution, which may include arbitration.

3. Dispute Resolution:

- When issues arise during the implementation of the CBA, mediation or arbitration may be used to resolve conflicts or disagreements.

4. Regular Review:

- Periodic checks to ensure the CBA's terms are still relevant and being followed. This may include audits, meetings, or reviews between the union and employer.
5. **Contract Interpretation:**
- Clarifying ambiguous terms or resolving disputes about what specific clauses mean in practice. This ensures consistent application of the agreement.
6. **Communication:**
- Keeping both the employees and the employer informed about the CBA terms and any updates or changes. Good communication ensures smooth administration.
7. **Enforcement of Provisions:**
- Ensuring that all agreed-upon provisions are enforced, including those about wages, working hours, promotions, health benefits, and other conditions.
8. **Modification or Renewal:**
- When the contract nears its expiration, the process of negotiating modifications or renewal of the CBA begins. This includes reviewing past issues, changes in laws, or other factors that may affect the terms.

Why CBA Administration is Important:

- **Consistency:** Helps ensure that the terms are consistently applied, preventing confusion or unfair treatment.
- **Trust:** Maintains a positive relationship between the employer and employees.
- **Legal Protection:** Protects both parties from potential legal issues related to non-compliance with the agreement.

Effective administration is crucial to maintaining peace and cooperation in the workplace after a collective bargaining agreement is reached.

Charter of demands and counter demands

Charter of Demands

A **Charter of Demands** is a formal document prepared by employees or a trade union outlining the specific demands they wish to negotiate with the employer. It serves as the starting point for collective bargaining.

Key Elements of a Charter of Demands:

1. **Wages and Salaries:** Employees may demand salary increases, bonus structures, or adjustments in pay.
 2. **Working Hours:** Requests related to reducing work hours, flexible working schedules, or better overtime compensation.
 3. **Benefits:** Demands for better healthcare, retirement plans, paid leave, or other employee benefits.
 4. **Working Conditions:** Requests for improvements in workplace safety, cleanliness, ergonomics, or equipment.
 5. **Job Security:** Demands for protection against layoffs, unfair terminations, or policies related to hiring and promotions.
 6. **Grievance Procedures:** Employees might seek better methods for resolving disputes and addressing grievances in the workplace.
 7. **Union Rights:** Requests for recognition of unions, union membership rights, or union-related activities.
 8. **Training and Development:** Employees may demand opportunities for skill improvement or career advancement.
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Counter Demands

Counter Demands are the employer's responses to the employees' charter of demands, which might include modifications, rejections, or alternative offers to the initial demands.

Key Aspects of Counter Demands:

1. **Financial Constraints:** Employers may propose lower wage increases or reject demands for large salary hikes due to budget limitations.
2. **Workforce Flexibility:** Employers may propose changes to working hours, suggesting longer workdays or fewer breaks.

3. **Cost of Benefits:** Employers might offer lower levels of benefits or suggest alternatives, such as increasing employee contributions to healthcare plans.
4. **Job Security Adjustments:** Employers may propose alternatives to protect jobs but might reject blanket protections against layoffs.
5. **Safety Standards:** Employers may agree to improve working conditions but offer a different timeline or more limited changes.
6. **Training & Development:** Employers may suggest offering specific training programs but not the extensive career development programs employees demand.

Fair and unfair labour practice

Fair Labor Practices

Fair Labor Practices are actions that promote equitable treatment of employees and respect their rights. These practices ensure that workers are treated fairly, their rights are upheld, and that employers comply with labor laws.

Examples of Fair Labor Practices:

1. **Non-discrimination:** Treating employees fairly, regardless of race, gender, religion, nationality, or other protected characteristics.
2. **Collective Bargaining:** Recognizing employees' right to form or join unions and engage in collective bargaining.
3. **Payment of Wages:** Ensuring employees are paid fair wages, and payments are made on time as per agreements or laws.
4. **Health and Safety:** Providing a safe and healthy work environment and following occupational health and safety regulations.
5. **Overtime Compensation:** Paying employees properly for overtime work as per labor laws.
6. **Equal Opportunity:** Offering equal employment opportunities and not engaging in practices like favoritism or bias.

Unfair Labor Practices

Unfair Labor Practices are actions taken by either the employer or the employee (often a union) that violate labor laws or infringe on the rights of workers or employers. These practices interfere with the lawful rights of employees, unions, or employers.

Examples of Unfair Labor Practices:

1. Employer Unfair Practices:

- **Interfering with Union Activities:** Employers cannot prevent workers from joining or forming a union or interfere with union organizing.
- **Retaliation Against Union Members:** Firing or penalizing employees for joining a union or participating in union activities.
- **Refusing to Bargain in Good Faith:** Employers must negotiate with unions in good faith. Refusing to meet or communicate without reasonable cause is unfair.
- **Discriminating Against Employees:** Employers cannot discriminate against employees based on their union activities or membership.
- **Unlawful Surveillance:** Monitoring employees' union activities or intimidating them about forming or joining a union.

2. Employee (Union) Unfair Practices:

- **Coercing Workers to Join a Union:** Unions cannot force or pressure employees into joining or staying in a union.
- **Interfering with the Employer's Rights:** Unions must not attempt to control or manipulate the employer's decisions regarding hiring, firing, or promotion.
- **Striking Without Notice:** Engaging in a strike without following proper procedures, such as giving advance notice, can be deemed an unfair practice.

Why They Matter:

- **Fair labor practices** ensure workers' rights and protect them from exploitation, fostering a productive and harmonious work environment.
- **Unfair labor practices** harm employees, undermine their rights, and disrupt the work environment, potentially leading to legal actions, strikes, or other workplace conflicts.

The goal is to create a balanced and fair relationship between employers, employees, and unions while respecting the rights of all parties involved.

Tripartite machinery

Tripartite Machinery

Tripartite Machinery refers to a system involving three key stakeholders—**the government, employers, and workers (or trade unions)**—who collaborate to address labor-related issues and promote industrial harmony. This system ensures that decisions regarding labor laws, workplace conditions, and industrial relations are made with input from all parties, helping to balance the interests of workers, employers, and the government.

Key Components of Tripartite Machinery:

1. Government:

- Acts as a mediator and regulator, ensuring that laws protecting labor rights are enforced and that there is fairness in industrial relations. It also ensures compliance with national labor standards.

2. Employers:

- Represented by employer organizations or associations, these stakeholders focus on maintaining business efficiency and economic sustainability while addressing workers' needs.

3. Workers/Trade Unions:

- Represent employees' rights and interests, advocating for better wages, working conditions, job security, and other benefits for workers.

Functions of Tripartite Machinery:

1. Policy Formulation:

- Helps formulate labor policies, including those related to wages, employment conditions, and social security.

2. Conflict Resolution:

- Provides a platform for resolving disputes and conflicts between workers and employers, either through mediation or arbitration.

3. Promoting Social Dialogue:

- Encourages constructive dialogue between the government, employers, and workers to foster industrial peace and cooperation.

4. Labor Law Development:

- Ensures the creation of fair labor laws by considering the perspectives of all three parties (government, employers, and workers).

5. Advisory Role:

- Provides recommendations and advice to the government on matters of labor and industrial relations.

Examples of Tripartite Bodies:

1. International Labour Organization (ILO):

- A global tripartite body that includes governments, employers, and workers' representatives from various countries, working together to set international labor standards.

2. National Tripartite Bodies:

- Many countries have national bodies, such as national labor councils or labor boards, where representatives from the government, employers, and unions come together to discuss and resolve labor issues.

ILO and its functions

International Labour Organization (ILO)

The **International Labour Organization (ILO)** is a specialized agency of the United Nations dedicated to promoting social justice and fair labor practices globally. Established in 1919, the ILO aims to promote decent work for all people by setting international labor standards, developing policies, and offering technical assistance to improve labor conditions worldwide.

Key Functions of the ILO:

1. Setting International Labor Standards:

- The ILO creates and promotes international labor conventions and recommendations. These set standards on issues like worker safety, fair wages, equality, and rights of workers.

- Conventions are binding once ratified by member countries, while recommendations serve as guidelines.

2. Promoting Decent Work:

- The ILO advocates for **decent work**, which includes fair wages, job security, health and safety, equality, and the right to join unions. The organization works to ensure these values are respected globally.

3. Providing Technical Assistance and Capacity-Building:

- The ILO helps countries improve their labor standards and policies through technical assistance. This may involve providing training, expertise, and financial support for labor reforms.

4. Social Dialogue and Tripartism:

- The ILO promotes **tripartism**—dialogue between workers, employers, and governments—to foster collaboration and peaceful industrial relations. This helps in policy-making and addressing labor-related issues.

5. Monitoring Compliance with Labor Standards:

- The ILO monitors how countries implement international labor standards and reviews compliance through reports, assessments, and investigations. It provides feedback to improve the implementation of labor laws and standards.

6. Research and Data Collection:

- The ILO conducts research on labor market trends, employment, social security, wages, and working conditions. It produces valuable reports and statistics to inform governments, employers, and workers about global labor issues.

7. Promoting Gender Equality:

- The ILO works to eliminate discrimination in the workplace, advocating for gender equality in employment, pay, and opportunities. It promotes equal rights for both men and women across all sectors.

8. Advocating for Social Protection:

- The ILO encourages countries to establish systems that provide workers with social protection, including health insurance, unemployment benefits, pensions, and paid leave.

9. Providing Legal Assistance and Advocacy:

- The ILO offers guidance and legal assistance to countries seeking to align their national labor laws with international standards. It also advocates for labor rights and social justice at the international level.

Their role in labour movement

The ILO's Role in the Labor Movement

The **International Labour Organization (ILO)** has played a significant role in the **labor movement** globally by advocating for workers' rights, setting international labor standards, and promoting social justice. Its contributions to the labor movement focus on improving working conditions, ensuring fair wages, and protecting the rights of workers. Here's how the ILO has influenced and supported the labor movement:

Key Roles of the ILO in the Labor Movement:

1. Setting International Labor Standards:

- One of the ILO's core functions is to **develop and adopt international labor standards** in the form of **conventions and recommendations**. These documents establish minimum standards for workers' rights, wages, working hours, and health and safety.
- These standards **empower the labor movement** by providing a framework for workers and unions to advocate for fair treatment in their countries, and they offer **a common ground for the global labor movement** to push for workers' rights worldwide.

2. Promotion of Social Dialogue:

- The ILO promotes **tripartism** (dialogue between government, employers, and workers' representatives) as a key tool to strengthen the labor movement. Through these discussions, workers' concerns are heard and addressed in policy formulation.
- It fosters **social dialogue** between trade unions, employers, and governments to resolve conflicts, reduce exploitation, and improve working conditions. This collaborative approach has strengthened the voice of workers in shaping labor policies.

3. Support for Workers' Rights:

- The ILO advocates for the **recognition and protection of workers' rights**, including the right to organize, form unions, and engage in collective bargaining. These are fundamental aspects of the labor movement.
- By promoting **freedom of association** and **collective bargaining** as essential elements of a healthy labor market, the ILO has provided a solid foundation for the labor movement's growth in various countries.

4. **Eradicating Child Labor and Forced Labor:**

- The ILO has played a crucial role in addressing **child labor** and **forced labor**, issues that have been central to the labor movement. Through campaigns and global initiatives like the **Global Programme to Eliminate Child Labour**, the ILO works to protect vulnerable workers, particularly in developing countries.
- By establishing conventions such as **Convention 138** on the **minimum age for employment** and **Convention 182** on the **elimination of the worst forms of child labor**, the ILO has helped strengthen the labor movement's fight against exploitation.

5. **Global Advocacy and Awareness:**

- The ILO **raises awareness** about key issues like **income inequality**, **poverty**, and **worker exploitation**. Through research, publications, and advocacy campaigns, the ILO has provided a voice for workers' movements in both developed and developing nations.
- This global platform has allowed the labor movement to push for changes in labor laws and policies internationally, creating a sense of solidarity among workers across the world.

6. **Social Protection:**

- The ILO has been a strong advocate for **social protection programs**, which help workers in times of unemployment, sickness, disability, or retirement. These protections are a key part of the labor movement's goal of improving workers' livelihoods.
- Its efforts to promote **universal social protection** have resulted in the expansion of **social security systems** in many countries, helping to create better economic security for workers and their families.

7. **Campaigns for Gender Equality:**

- The ILO has actively supported the **gender equality** movement within the labor sector, working to eliminate **discrimination** based on gender in wages, opportunities, and workplace treatment.
- By advocating for equal pay for equal work, better job opportunities for women, and anti-discrimination laws, the ILO has been a key player in pushing the labor movement towards greater inclusivity and fairness.

8. **Training and Capacity Building for Trade Unions:**

- The ILO provides **training programs** and **resources** to trade unions, enhancing their capacity to represent workers effectively. By building the **organizational strength** of trade unions, the ILO supports the labor movement's efforts to secure better wages, working conditions, and rights for workers.

9. **Labor Market Monitoring and Research:**

- The ILO conducts in-depth research on global labor trends, providing data and evidence that the labor movement can use to push for reforms. By tracking issues such as **unemployment**, **underemployment**, **informal labor**, and **migration**, the ILO equips workers and unions with the information they need to advocate for positive change.

Industrial health and safety and industrial legislation

Industrial Health and Safety

Industrial Health and Safety refers to the measures and practices that are put in place to protect the physical, mental, and emotional well-being of workers in industrial settings (factories, construction sites, etc.). The goal is to prevent accidents, injuries, illnesses, and fatalities while promoting a safe and healthy work environment.

Key Aspects of Industrial Health and Safety:

1. **Hazard Identification and Risk Assessment:**

- Identifying potential dangers in the workplace (e.g., toxic chemicals, machinery hazards) and assessing how they could harm workers.

2. **Safety Equipment:**

- Providing workers with safety gear such as helmets, gloves, masks, ear protection, and safety shoes to protect them from risks.
- 3. **Workplace Safety Standards:**
 - Setting rules and guidelines for safe work practices, such as how to handle machinery or chemicals properly to prevent accidents.
- 4. **Training:**
 - Educating workers on safe practices, how to use equipment safely, and what to do in case of an emergency (e.g., fire drills, first aid).
- 5. **Health Monitoring:**
 - Regular check-ups and medical tests for workers exposed to harmful conditions (e.g., noise, chemicals) to detect potential health problems early.
- 6. **Accident Reporting and Investigation:**
 - Ensuring that any accidents are reported, investigated, and measures are taken to prevent similar incidents in the future.

Industrial Legislation

Industrial Legislation refers to laws and regulations designed to protect workers' rights, ensure fair treatment, and regulate conditions in workplaces. These laws help maintain order in the industrial sector and ensure that employers provide a safe and fair working environment.

Key Aspects of Industrial Legislation:

1. **Labor Laws:**
 - These laws regulate working hours, wages, leave (sick, vacation), and benefits to ensure workers are treated fairly. They also cover issues like child labor, minimum wage, and overtime pay.
2. **Occupational Health and Safety Laws:**
 - Laws that require employers to ensure a safe work environment, minimize hazards, and provide necessary safety equipment. These laws set standards for workplace conditions (e.g., ventilation, lighting) and protect workers from accidents.
3. **Workplace Rights:**

- Legislation that guarantees workers' rights to unionize, engage in collective bargaining, and protect against unfair treatment or discrimination at work.
4. **Social Security and Welfare:**
- Laws that ensure workers have access to health insurance, retirement benefits, and compensation for work-related injuries or illnesses.
5. **Employment Contracts:**
- Laws that regulate the relationship between employers and employees, outlining the terms of employment, job responsibilities, and termination rights.
6. **Enforcement and Inspections:**
- Regulatory bodies and agencies that inspect workplaces to ensure compliance with safety, health, and labor laws. They can impose fines or sanctions if the laws are not followed.
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Importance of Industrial Health and Safety and Legislation:

- **Protect Workers:** Ensures that employees are safe from injuries and health issues while working.
- **Boost Productivity:** A healthy and safe workplace leads to fewer accidents, which means less downtime and more efficient operations.
- **Legal Compliance:** Helps employers comply with laws and avoid legal penalties.
- **Fair Treatment:** Ensures that all workers are treated fairly, with rights and protections.

In summary, **industrial health and safety** focus on protecting workers from harm while working, and **industrial legislation** provides the legal framework to ensure fair treatment, safety, and the overall well-being of workers in industrial settings.