

# COLLECTIVE BARGAINING: A PANACEA FOR INDUSTRIAL HARMONY AND EFFICIENT SERVICE DELIVERY IN THE WORKPLACE

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## Abstract

*Industrial actions have greatly hampered performance and productivity in the workplace and these have not helped in fast tracking expected organizational objectives. Relationships between workers and management are now multifaceted and convoluted. This new set-up has given rise to a complex, indirect, and impersonal industrial relations thus, requiring concerted and well-guided action plan to resolve conflict that emanate between workers and management as well as create efficient service delivery in the workplace. This paper relied on secondary sources of data collection which consist of already published books and journal articles and internet. The paper contends that, collective bargaining is a strategic tool in resolving conflict in terms of wages, rates, employment conditions etc., that emanates between workers and management and when the conflict is negotiated collectively and efficiently, it generally leads to industrial harmony and efficient service delivery in workplace. The paper recommends among others that, efficient service delivery is achieved in an atmosphere of co-operation and collaboration. Therefore, organizations should thrive to accomplish their goals by improving workers condition of service and other necessities. On the other hand, workers representatives should develop appropriate measures that would help to enlighten workers on the need to be seriously committed to their duties to the attainment of organizational goal.*

*Key Words: Collective Bargaining, Industrial Harmony, Efficiency, Service Delivery, Workplace*

## Introduction

Today, we live in a world where workers have assumed great importance. Employers of labour have started to realize the importance of worker-management relationship. Organizations around the world have recognized that the best way to resolve issues emanating between workers and management is by way of dialogue. Workers have equally realized that, to protect themselves from exploitation and maltreatment accruing from their workplace, unity is very essential and this is one of the reasons why trade unions have become so important.

Oluleye (2009) posits that, industrial actions have greatly hampered performance and productivity in the workplace and these have not helped in fast tracking expected organizational goals and objectives. As a management function, Industrial Relations aim at creating industrial harmony by managing, analyzing and coordinating various relationships at the workplace. These relationships

are concerned with how employers and employees get on together, what difficulties arise between them, and how such difficulties are resolved (Ekezie, 2011).

Hall, (1999) emphasized that, "before industrial revolution, industries were largely characterized by simple processes of manufacture, small scale investments, local markets, and small number of employees". Workplace relationships were cordial, direct, and personal as workers were small in number. It was easier to secure co-operation between workers and management and any grievance or misunderstanding could be promptly resolved amicably. Hall further argues that:

*Currently, it runs through a completely different dimension. Sizes of businesses have expanded requiring investment of enormous financial and human resources. Also, new class of professional managers*

*have emerged separating ownership from management. Therefore, relationships between workers and management are now multifaceted and convoluted. This new set-up has given rise to a complex, indirect, and impersonal industrial relations, thus requiring concerted and well-guided action plans to resolve conflict that emanate between workers and management as well as create efficient service delivery in the workplace (Hall, 1993).*

The International Trade Union Confederation (2012) reports that, in 2011 at least 76 workers were murdered worldwide as a direct result of union activities, while repressions of strike action and organizing activities resulted in a reported 3,508 arrests and 15,860 dismissals. Union density and collective bargaining coverage have declined in most countries. Collective bargaining has become increasingly decentralized, with more bargaining taking place at the workplace and firm levels. Equally, is increasingly 'disorganized', with less co-ordination between labour and employer representatives at different levels. These trends have been accompanied by a growth in inequality, expansion of low wage and insecure employment, and decline in labour share within many advanced economies (Doellgast, 2012).

Presently, we have come to realize that freedom of association is a right that is cherished by all human beings. This right among its other benefits ensures that workers in organizations can meet and seek to protect their rights and benefits as it relates to their employment. In this regard, employers of labour and workers through their representatives can converge to negotiate conditions of employment and other relevant issues. The rights of workers to meet, harmonize, and uniformly negotiate their basic rights and interests with their employers are universally referred to as collective bargaining. Sound collective bargaining practices ensures that employers and workers have an equal voice in

negotiations and that the outcome of such negotiations will be fair and equitable when combined with strong freedom of association (Cole, 2015).

Collective bargaining consists of negotiations between an employer and a group of workers in order to determine the conditions of employment. The result of collective bargaining procedure is a collective agreement. Workers are often represented in bargaining by a union or labour organization (Salmon, 2000). Collective bargaining is a process of negotiation between representatives of workers (usually labour union officials) and the management of an organisation to determine the conditions of employment. The agreement reached may not only cover wages or salaries, but other concrete issues or conditions of work in the workplace such as, hiring practices, layoffs, strike actions, promotions, training and development programmes (Rose, 2008).

### **Methodology**

In order to ascertain a concise work, this paper relied on secondary sources of data collection. Information was sourced from existing literature of different studies from textbooks, journals articles, internet, that are related to the phenomenon under study.

### **Review of Related Literature**

#### **The Concept of Collective Bargaining**

Collective bargaining is the negotiation process that takes place between an employer and a group of employees when certain issues arise. The employees rely on a union member to represent them during the bargaining process, and the negotiations often relates to regulating such issues as working conditions, employees safety, training, wages, and layoffs. When an agreement is reached, the resulting "collective bargaining agreement", becomes the contract governing employment issues.

According to Yoder (1948) cited in Katz, Kochan, and Colvin (2007), "Collective bargaining is essentially a process in which employees act as a group in seeking to shape conditions and relationships in their employment". In his own reaction,

Jucious (1971) cited in Hayter (2010 ) sees collective bargaining as “a process by which employers, on the 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”.

Rose (2008) asserts that, the term collective bargaining was originated by Webb and Webb to describe the process of agreeing terms and conditions of employment through representatives of employers (and possibly their association) and representatives of employees (and probably their unions). Rose further stressed that, collective bargaining is the process whereby representatives of employers and employees jointly determine and regulate decisions pertaining to both substantive and procedural matters within the employment relationship.

The International Labour Organization Collective Bargaining Convention No. 154, adopted in (1981), maintained that, collective bargaining extends to all negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, for: determining working conditions and terms of employment; and/or regulating relations between employer or their organizations and a workers' organization or workers' organizations. Similarly, Davey (1972) cited in Anyim, Tunde, and Gbajumo-Sheriff, (2011) views collective bargaining as “a continuing institutional relationship between an employer entity (government or private) and labour organization (union or association) representing exclusively a defined group of employees of said employer (appropriate bargaining unit) concerned with the negotiation, administration, interpretation and enforcement of written agreement covering joint understanding as to wages/salaries, rate of pay, hours of work and other conditions of employment.”

### **Types of Bargaining**

The types of collective can be viewed under the following; conjunctive bargaining, co-operative bargaining, productive bargaining, and composite bargaining.

1. **Conjugative Bargaining:** In conjugative bargaining, both the parties (the employer and employee) try to maximize their respective gains. It is based on the opinion, “my gain is your loss, and your gain is my loss” i.e. one party wins over the other. The economic issues such as wages, bonus, and other benefits in the workplace are negotiated. Where the workers wish to have an increased wage or bonus for work done, the employer wishes to increase the work load and reduce the wages of the works.
2. **Co-operative Bargaining:** In co-operative bargaining, both parties (the employer and employee) sit together and try to resolve the problems of their common interest and reach to an amicable solution. In the case of economic crises such as recession, which is beyond the control of either party. The parties may enter into a mutual agreement with respect to the working terms. For example, the workers may reluctantly agree for slight deductions in wages or the management may agree to adopt the modernized methods, so as to have an increased production.
3. **Productive Bargaining:** In productive bargaining, workers work very hard to reach beyond the standard level of productivity in order to gain additional benefits from management. Through this type of collective bargaining, both the employer and employee enjoy the benefits in the form of increased production and increased pay respective.
4. **Composite Bargaining:** In composite bargaining, labour bargains for wages as usual but goes a step further demanding equity in matters relating to work condition, recruitment and training policies, with the aim to safeguard their interest and protect the dilution of their powers.

### **Process of Collective Bargaining**

The process of collective bargaining comprises of five steps that should be followed by both the employer and the employee to reach an amicable

solution. They are: preparation, discuss, propose, bargain, and settlement processes.

1. **Preparation:** At the very first step, both parties will choose a negotiation team of representatives of both union and employer. Both representatives of each party prepare the negotiations to be carried out during the meeting. Both parties should be skilled in negotiation and labour laws, and scrutinize available information to determine whether they have a brawny standing for negotiation.
2. **Discuss:** At this stage, both parties decide the ground rules that will guide the negotiations and the prime negotiator is from the management team who will pilot the discussion. Also, the issues for which the meeting is held are identified at this stage. The issues could be related to the *wages*, pension plans, rights and duties, health and safety, job security, and working conditions.
3. **Propose:** At this stage, the chief negotiator begins the conversation with an opening statement and then, both parties put forth their initial demands. There are always arguments and counter arguments as each party gives its opinion on issues discussed.
4. **Bargaining:** At this stage, negotiations starts and each party tries to win over the other. The negotiation can go for days until a final agreement is reached. Sometimes, both parties reach amicable solutions to issues soon. But at times, to settle down the dispute, the third party intervenes into the negotiation in the form of arbitration or adjudication.
5. **Settlement:** This is the final stage of the collective bargaining process. Both parties agree on a common solution to the problem discussed so far. Hence, a mutual agreement is formed between workers and management which is to be signed by each party to give the agreement reached, a general acceptance.

### Rationale for Collective Bargaining

Collective bargaining takes place once collective action is involved whether or not agreement is reached, so long as the parties involved have made genuine efforts to reach agreement. Thus, collective bargaining according to I.C.F.T.U (1966) takes place when:

- a. A single employer is a party negotiating with representatives of the workers. Bargaining of this kind is frequent, for example, in Nigeria and in Ghana during its early years of the first republic and other developing countries where there are few industrial undertakings and the employers are not organized.
- b. A trade union negotiates with a group of employers, each of whom represent a separate undertaking, and the group has developed a joint policy for collective bargaining, even though in temporary collaboration and not a permanent organization. Bargaining with such a group of employers is collective on both sides while bargaining with one employer is collective only on the workers' side.
- c. Bargaining takes place with the representatives of a single organization of employers or with representatives of a number of employers' organizations, each having its separate membership but all having a common interest in the discussion. Bargaining with a federation or confederation of employers' organizations comes under the concept of collective bargaining.
- d. Bargaining on the workers' side is undertaken by an elected committee which can act as a contracting party representing the interests of all union members. This body is generally regarded as a trade union even if it has not acquired a permanent existence. Thus it is sufficient if one party is a group for the process to qualify as collective bargaining and the temporary or permanent nature of the group or organization is not significant for the process to be accepted as collective bargaining.

### Benefits and Importance of Collective Bargaining to the Attainment of Industrial Harmony and Efficient Service Delivery in the Workplace

The benefits and importance of collectively bargaining cannot be over emphasized. Broadly speaking, they are the partway for industrial harmony and efficient service delivery in the

workplace. Thus, the benefits and importance of collective bargaining are as follows:

1. **Collective bargaining benefits both the employer and employees:** In an organization, the negotiation arrived at, benefits both parties (the employer and the employees) by establishing uniform conditions of employment with a view to avoiding industrial disputes and maintaining stable peace in an organization. Organizations attain high level of productivity and workers gain a voice to influence the establishment of rules that control a major aspect of their lives in the workplace.
2. **Collective bargaining develops better understanding between workers and employers:** Collective bargaining provides a platform to the management and the employees to be at par on negotiation table. While management gains a better and deep insight into the problems and aspirations of the employees on the one hand, employees become better informed about the organizational problems and limitations, on the other hand.
3. **Collective bargaining promotes industrial democracy and cordial relationship in the workplace:** Collective bargaining permits workers to achieve a form of workplace democracy in the workplace. Both the employer and the employees who best know their problems, participate in the negotiation process. Such participation fosters the democratic process in the organization as well as helps employer/management and the employees to maintain cordial and harmonious relationship.
4. **Collective bargaining is adjustable to changing conditions in the workplace:** A dynamic environment leads to changes in employment conditions. This requires changes in organizational processes to match with the changed conditions. Among other alternatives available, collective bargaining is found as a better approach to

bring changes more amicably in the workplace.

5. **Collective bargaining 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.
6. **Regulation of conditions of employment:** Collective bargaining provides method for regulation of the conditions of employment of those who are directly concerned about them as well as solutions to the problem of illness in organizations, and ensures that pensions and other fringe benefits are addressed and actualized.
7. **Settlement of grievances:** Collective bargaining leads to prompt and fair settlement of grievances in the workplace thereby, aids to avoiding interruptions such strikes, go-slow tactics and similar coercive activities.
8. **Industrial Jurisprudence:** Collective bargaining builds up a system of industrial jurisprudence by introducing civil rights in industry. In other words, it ensures that management is conducted by rules rather by arbitrary decisions.

#### **Theoretical Framework**

The Systems Theory is adopted as the theory suitable to guide this paper (theoretical framework). Systems Theory was first introduced by Van Bertalanffy in (1950) and was introduced into the organizational setting by Katanz and Khan in (1966). Systems theory is an approach to organizations which likens the enterprise to an organism with interdependent parts, each with its own specific function and interrelated responsibilities. The emphasis is that real systems are open to, and interact with their environments, and it is possible to acquire new properties through emergence resulting in continual evolution (Ryan and Bohman, 1998).

The implication of the systems theory as it is applicable to this work is that, the continuing survival of organizations depends on the interface between it and its workers. Organizations must carry out proper integration and co-ordination as well as continue to sustain its relationship with the workers by allowing them to form unions and also take part in negotiation and decision making on concrete issues accruing in the workplace.

In addition, rules, meetings, priority settings, operational standards, and avoiding negative impacts of their activities by instituting appropriate control mechanism, should be commonly adopted by organizations as the techniques to uphold its relationship with the workers. On the other hand, the workers should provide assistance and contribute to the growth and development of organizations where they work by avoiding conflicts and interruptions such strikes, lateness to work, go-slow tactics. By so doing, management gains a better and deep insight into the problems and aspirations of the workers, on the other hand, the workers become well informed about organizational limitations and try to avoid industrial actions. This would in turn, leads to better understanding between the two parties which is generally a panacea to achieving industrial harmony and efficient service delivery in the workplace.

### **Conclusion**

Collective bargaining covers all arrangements in which workers do not negotiate individually, but negotiate collectively through representatives because it is their representatives that will carry out their functions with a genuine manner. Any organization without collective bargaining is as good as dead. Once an organization is set up, there is bound to be conflict and when this arises, collective bargaining is one of the major methods in settling it, which is generally a road map in ensuring industrial harmony and efficient service delivery in the workplace.

### **Recommendations**

Having enumerated the tenets and imperatives of collective bargaining as a panacea for efficient

service delivery in the workplace. The paper recommends the following:

1. Efficient service delivery is achieved in an atmosphere of co-operation and collaboration. Therefore, organizations should thrive to accomplish their goals by improving workers condition of service. On the other hand, workers representatives should develop appropriate measures that would help to enlighten workers on the need to be seriously committed to their duties to the attainment of organizational goals.
2. Union density, which appears to be dwindling in scope and spread in all spheres of work should be encouraged as appropriate legislation embraced to ensure active enforcement of labour related laws to protect the workman from being subjected to the wishful manipulations of owners of work. Union should be strengthened to protect members against abuse by management and owners of the business.
3. The alienation at work which is evident in the way laborers are removed from being part of decisions that affect their work should be discouraged by employers of labour. No productive ingenuity can be achieved on the part of a worker when workman feels alienated and neglected. The satisfaction that is achieved from recognition can be buttressed by the works.
4. The practice of equity and fair play is fundamental to the existence of due process in organizations. When employees see transparency in all the spheres of organizations activities, they will see the organization as a function of their existence which is a roadmap for industrial harmony and efficient service delivery in the work place.

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