



Good Practice Guide



Factory Improvement Programme

COLLECTIVE BARGAINING

Collective bargaining is the process whereby workers organize collectively and bargain with employers regarding the workplace. In a broad sense, it is the coming together of workers to negotiate their employment.

PROSPECTIVE USERS:

- Anyone who has a paid job or who employs other people in paid work
- Employers, employees and unions negotiating benefits such as wages, working conditions and related issues.

PROBLEM ADDRESSED

Collective bargaining allows both workers and managers to discuss specific terms that can, depending on national law:

- Determine the rules that govern their relationship
- Determine wages
- Deal with other matters of mutual interest such as hiring practices, layoffs, promotions, job functions, working conditions and hours, work safety, worker discipline and termination, and benefit programs.

PROCESS

Collective bargaining is a formal process that involves negotiation, consultation and the exchange of information between employers and workers, the end goal being an agreement that is mutually acceptable to all parties. It is traditionally a bipartite process (i.e. a process involving two parties), although in many countries the State plays an important role in promoting collective bargaining by establishing relevant national legislation.

The agreements reached through collective bargaining are legally binding and apply to all workers, whether or not they actively participated in the bargaining process.

Steps in implementation

1. Preparing for negotiations through collective bargaining involves assembling and consulting extensive data such as:
 - (i) Internal company data related to issues to be discussed (e.g. benefits, leave, work hours and overtime, grievance procedures, discipline, dismissals etc.)
 - (ii) Labour practices employed by other companies or factories in the same industry or region
 - (iii) Relevant national legislation related to the issues to be discussed.
2. Establishing bargaining teams composed of four to six representatives on each side of the negotiating table, including appointed chief negotiators for management and for workers.
 - (i) Try to have all types/levels of workers/management represented as well as all the different job categories so that there will be good representation at all levels and types of jobs.
 - (ii) The chief negotiators should not be the highest-level of staff member in each team, as lower level management/supervisors and regular rank-and-file workers will have the most credibility to represent the interest of the groups they represent.
3. Members of the bargaining teams must consult thoroughly with all groups that they represent prior to coming to the negotiation table. This consultation process is key to building trust and buy-in to the collective bargaining process. It involves:
 - (i) Explaining the steps of the negotiation process
 - (ii) Learning the major issues
 - (iii) Asking questions to understand and note what are the main concerns, interests and expectations regarding these issues.
4. Conducting negotiations through collective bargaining:
 - (i) Open the negotiations with a first meeting devoted to establishing the bargaining authority of the representatives of each side and to determine the rules and procedures to be used during negotiations. Bargaining rights must be clearly defined for both management and for workers.
 - (ii) List and prioritise issues for discussion and set up a meeting schedule.
 - (iii) Submit, analyze and resolve proposals put forward by each side.
 - (iv) In order to reach an agreement, proposals must be resolved. They may be withdrawn, accepted by the other side in its entirety, or accepted in some compromise form. However all decisions must be made by consensus of both sides.
5. Communication the outcome of collective bargaining:
 - (i) Collective bargaining agreements must be put in writing in language that is acceptable to all parties.
 - (ii) Copies of the agreement should be distributed to all supervisors, managers and workers and explained at a meeting (or series of meetings).

RESOURCES REQUIRED

For effective collective bargaining to take place, regular and timely meetings must be held between the bargaining teams. Sufficient time and human resources must also be allocated to the consultation process and assembling data in preparation for collective bargaining negotiations.

POSITIVE IMPACT

Collective bargaining allows workers and managers to discuss issues and settle disputes through consensus and dialogue rather than through confrontation or labour disputes. Both parties know that there is an agreed method for handling disagreements. In addition, collective bargaining allows both employers and workers, or their representatives, to participate in the decision-making process on a variety of topics such as benefits, leave, work hours and overtime as well as grievance procedures, discipline and dismissals.

Benefits to management:

- Workers have a voice and an outlet in the collective bargaining process that reduces uncertainty and instability in the workplace.
- Workers are often more motivated following collective bargaining as they have participated in the process and the outcome.
- Collective bargaining aids in labour market flexibility by helping workers to understand and accept the need for modernization and restructuring.

Benefits to workers:

- Collective bargaining provides workers with a collective voice which may be more effective than dealing with managers one by one.

- Collective bargaining helps ensure adequate wages and working conditions and helps workers to receive a fair distribution of gains that might result from the introduction of new technology.

Collective bargaining is also a vehicle for workplace cooperation in that it can ensure, by mutual agreement, that participative practices are integrated into the day-to-day operations of the enterprise

CHALLENGES AND PITFALLS

Bargaining deadlocks can occur when there is no movement in negotiations between employers and workers because of a lack of compromise by either party. A general precondition to effective collective bargaining is that parties negotiate “in good faith”, meaning that they should come to the negotiating table willing to give and take and ultimately reach an agreement. Often, though, each side feels compelled to “push” the other side in order to get what they want. While collective bargaining has historically been confrontational in some countries and contexts, a major challenge is to try and achieve win-win negotiations.

INDICATORS FOR MONITORING

It is important to ensure that secured collective bargaining agreements are put into practice. It is equally important to provide for the settlement of disputes arising from non-compliance of collective bargaining agreements.

Further Information Available:

FIP References:

Module 2 -Quality

