UNIT 7
COLLECTIVE BARGAINING AND NEGOTIATION

Negotiation & Collective Bargaining
• Collective Bargaining – Mutual determination of the terms and conditions of employment.

• Players – employees, management, corporate organization, unions
Collective Bargaining

- Collective bargaining generally includes negotiations between the two parties (employees’ representatives and employer’s representatives).
- Collective bargaining consists of negotiations between an employer and a group of employees that determine the conditions of employment.
- Often employees are represented in the bargaining by a union or other labor organization.
- The result of collective bargaining procedure is called the collective bargaining agreement (CBA).
- Collective agreements may be in the form of procedural agreements or substantive agreements.
- Procedural agreements deal with the relationship between workers and management and the procedures to be adopted for resolving individual or group disputes.
## Collective bargaining & Negotiations

### Collective Bargaining
- More abstract concept
- Comprises institutional arrangements for the resolution of conflict
- Embraces all the processes, systems and actions employed to resolve collective conflict
- Embraces the totality of actors in the labor relationships
- Win or loses interaction b/w parties in an economic exchange process

### Negotiations
- Practical implementation of particular collective bargaining arrangements by the representative of employers & employees
- Meeting of the parties to resolve a particular issue
- Undertaken by representatives of a particular party/parties
- Interactive process aimed at a fair, reasonable and mutually acceptable positioning of one party vs the other
- Follow various strategies and tactics
- Final goal is to reach a mutual acceptable contract where both parties win.
Characteristics of Negotiations

- There are two or more parties
- There is a conflict of interest between two or more parties
- Parties negotiate because they think they can use some influence to get a better deal that way than by simply taking what the other side will voluntarily give them or let them have
- Parties search for agreement rather than fight openly, and permanently break off contact, or take their dispute to higher authority for resolution
- Expectations in negotiations, give and take.
- Successful negotiation involves managing **of intangibles as and resolving of tangibles**
- Interpersonal processes
- Demand, offer, counteroffers, concession, compromise (characteristics)
Environmental factors affecting negotiations

- Economic influences
- Public influences
- Political influences
- Social influences
- Technological influences
- Demographic influences
Economic factors

- Capitalism - ensures union power is not interfering with free market forces
- Planned economy – interfere with collective bargaining process
- Monetary policy determines economic growth, plus inflation & unemployment
- Above affects employees expectations
- Economic prosperity – employees’ expectations rise
- When labor is high in demand – greater union bargaining power
- Economic crises – union power diminishes
Public factor

- Government set platform for collective bargaining
  - Its guide process by:
  - Makes provision for statutory bargaining agreements
  - Limits freedom to strike or lock-out
- Its policies and legislation affect the conduct of bargaining relationship
Political influence

• Political division – issues raised at CB table reflects this
• Bargaining process is more aggressive if one’s party political viewpoint is opposed/challenged
Social influences

• Class division (employee – employer)
• Community division (division among employees)
• Society attitudes determines union commitment
• Employer – social responsibility
Technological factor

- Technology influences work process
- Mass production – union bargain for job content, work groups
- Introduction of technology – union needs to be informed
Demographic influences

- Younger age – personal development
- Elder workforce – job security
- More women – sexual harassment
- Urbanization – its social problems e.g. housing, crime etc
The press and negotiations

- Press involvement
# Reasons for Negotiations

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<tr>
<th><strong>Employer</strong></th>
<th><strong>Employee</strong></th>
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<tr>
<td>• Mgt believe they are paying well</td>
<td>• Employees think they are getting less</td>
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<td>• Mgt likes to be in control &amp; make decisions</td>
<td>• Continuously challenge this prerogative</td>
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<td>• Mgt guards info (source of power)</td>
<td>• Want to be informed on all issues affecting them</td>
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<td>• Believes that employees do not have company interest at heart</td>
<td>• Believe that their interest are not important to mgt</td>
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<td>• Place interest of company, shareholders &amp; executives above those of employees</td>
<td>• Want to receive equal consideration</td>
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<td>• May enjoy work &amp; expect same enjoyment from employees</td>
<td>• May not enjoy work b/c they cannot develop</td>
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<td>• View matters in company context</td>
<td>• View matters in relation to family, community, sociopolitical framework</td>
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<td>• Often times, they fail to communicate/communicate ineffectively</td>
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Power and Negotiations

- Legitimate power
- Reward power
- Coercive power
- Expert power
- Referent power
- The power of weakness
Guidelines to use power effectively

• Never absolute. Limited by and relative to power held by others
• Not static, and power relationships subject to continual change
• Can be enhanced if based on common ground rather than on coercion/differences
• Power based on authority should be accompanied by responsibility
• Needs to perceived and accepted by other party.
• Be realistic with your perceptions of power. If you exceed your power limits, this leads to loss of self-control
• The end does not always justify the means
• Using power to achieve more power has negative results
• Using power defensively may prove harmful to the user
• The abuse makes the other party a victims. Victims can become aggressors
• A display of power does not always necessitate action
• Less power is not necessarily bad
• The use of power always involves costs and risks
• Power shared is power gained
Qualities of a Negotiator

- Sensitivity, tact, flexibility, discretionary judgment
- Ability to handle info
- Ability to withstand pressure & stress
- Be sensitive to the needs, feelings and perceptions of other party
- Read facial expressions, body language
- Listen carefully
- Knows when to stand firm and when to concede
- Knows when to raise a particular argument and when not
- Plan ahead
- Willing to consider a wide range of outcomes (open-minded)
Qualities cont’

• Look for common ground rather than areas of conflict
• Discuss the key issues in order of priority
• Avoid behavior that the other person is likely to consider annoying
• Avoid participating in a defend/attack spiral
• Not over – emotional
• Be able to see & use power
• Have a sense of humor
Example

**Example A**

Jim: “I can’t believe you are being so rigid.”
Anne: “Rigid! You should talk! You are completely bull-headed.”
Jim: “Right! You should try listening to yourself. You are impossible.”

**Example B**

Jim: “I can’t believe you are being so rigid.”
Anne: “You’re not happy with what I’ve asked for.”
Jim: “You’re damn right! You have to consider what I want.”
Anne: “Tell me more about it, then. I’ll be happy to listen.”
Negotiations Convention

- An offer once made cannot be withdrawn
- Verbal offers & Agreements are taken as given
- There should be no denial of something which has been accepted
- Display willingness to negotiate
- No outside or informal settlement of a negotiable issue
- Maintain confidential. Confidential issues should not be divulge and abused by either party
- No trickery should be employed in the final agreement
- Agreements will be implemented they stand
Skills of a Negotiator

1. Attending Skill
   S-O-L-E-R

2. Listening Skill
   • Questioning
   • Encouraging
   • Paraphrasing
   • Reflection of feeling
   • Summarizing

3. Influencing skills
   • Interpretation
   • Directive
   • Advice & Info
   • Self disclosure
   • Feedback
   • Logical consequences
   • Influencing summary
   • Visualizing
   • Identifying or emphasizing areas of agreement