# LESSON

## 17

### COLLECTIVE BARGAINING

<table>
<thead>
<tr>
<th>CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.0</td>
</tr>
<tr>
<td>17.1</td>
</tr>
<tr>
<td>17.2</td>
</tr>
<tr>
<td>17.2.1</td>
</tr>
<tr>
<td>17.2.2</td>
</tr>
<tr>
<td>17.2.3</td>
</tr>
<tr>
<td>17.2.4</td>
</tr>
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<td>17.2.5</td>
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<tr>
<td>17.2.6</td>
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<tr>
<td>17.2.7</td>
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<td>17.2.8</td>
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<td>17.2.9</td>
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<td>17.2.10</td>
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<tr>
<td>17.3</td>
</tr>
<tr>
<td>17.4</td>
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<tr>
<td>17.5</td>
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<td>17.5.1</td>
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<td>17.5.2</td>
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<tr>
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<td>17.5.4</td>
</tr>
<tr>
<td>17.6</td>
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<tr>
<td>17.6.1</td>
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<tr>
<td>17.6.2</td>
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<td>17.6.3</td>
</tr>
<tr>
<td>17.6.4</td>
</tr>
<tr>
<td>17.6.5</td>
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<td>17.9</td>
</tr>
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<td>17.9.1</td>
</tr>
<tr>
<td>17.9.2</td>
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17.0 AIMS AND OBJECTIVES

In this lesson we shall discuss about collective bargaining. After going through this lesson you will be able to:

(i) Discuss feature, type and objective of collective bargaining.
(ii) Analyse future of trade unionism and discipline administration.

17.1 INTRODUCTION

Bargaining is the process of cajoling, debating, discussing and even threatening so as to arrive at an amicable agreement for those being represented. Collective bargaining is a procedure by which the terms and conditions of workers are regulated by agreements between their bargaining agents and employers. The basic objective of collective bargaining is to arrive at an agreement on wages and other conditions of employment. Both the employer and the employees may begin the process with divergent views but ultimately try to reach a compromise, making some sacrifices. As soon as a compromise is reached, the terms of agreement are put into operation.

The underlying idea of collective bargaining is that the employer and employee relations should not be decided unilaterally or with the intervention of any third party. Both parties must reconcile their differences voluntarily through negotiations, yielding some concessions and making sacrifices in the process. Both should bargain from a position of strength; there should be no attempt to exploit the weaknesses or vulnerability of one party. With the growth of union movement all over the globe and the emergence of employers’ associations, the collective bargaining process has undergone significant changes. Both parties have, more or less, realised the importance of peaceful co-existence for their mutual benefit and continued progress.

17.2 FEATURES OF COLLECTIVE BARGAINING

Some of the important features of collective bargaining may be listed thus:

17.2.1 Collective

It is collective in two ways. One is that all the workers collectively bargain for their common interests and benefits. The other is that workers and management jointly arrive at an amicable solution through negotiations.
17.2.2 Strength

Across the table, both parties bargain from a position of equal strength. In collective bargaining, the bargaining strength of both parties is equal. It is industrial democracy at work.

17.2.3 Flexible

It is a group action where representatives of workers and management expend energies in order to arrive at a consensus. It has sufficient flexibility, since no party can afford to be inflexible and rigid in such situations. The unique feature of collective bargaining is that usually the parties concerned start negotiations with entirely divergent views but finally reach a middle point acceptable to both. It is therefore not a one-way street but a give and take process.

17.2.4 Voluntary

Both workers and management come to the negotiating table voluntarily in order to have a meaningful dialogue on various troubling issues. They try to probe each other’s views thoroughly before arriving at an acceptable solution. The implementation of the agreement reached is also a voluntary process.

17.2.5 Continuous

Collective bargaining is a continuous process. It does not commence with negotiations and end with an agreement. The agreement is only a beginning of collective bargaining. It is a continuous process which includes implementation of the agreement and also further negotiations.

17.2.6 Dynamic

Collective bargaining is a dynamic process because the way agreements are arrived at, the way they are implemented, the mental make-up of parties involved keeps changing. As a result, the concept itself changes, grows and expands over time.

17.2.7 Power relationship

Workers want to gain the maximum from management, and management wants to extract the maximum from workers by offering as little as possible. To reach a consensus, both have to retreat from such positions and accept less than what is asked for and give more than what is on offer. By doing so management tries to retain its control on workplace matters and unions attempt to strengthen their hold over workers without any serious dilution of their powers.

17.2.8 Representation

The chief participants in collective bargaining do not act for themselves. They represent the claims of labour and management while trying to reach an agreement. In collective bargaining the employer does not deal directly with workers. He carries out negotiations with representatives of unions who are authorised to bargain with the employer on work-related matters.

17.2.9 Bipartite process

The employers and the employees negotiate the issues directly, face to face across the table. There is no third party intervention.
17.2.10 Complex

Collective bargaining is a complex process involving a number of procedures, techniques and tools: preparation for negotiations, timing, selection of negotiators, agenda, tedious negotiations, make up of agreement, ratification, enforcement etc.

17.3 OBJECTIVES OF COLLECTIVE BARGAINING

The main objectives of collective bargaining are given below:

i. To settle disputes/conflicts relating to wages and working conditions.

ii. To protect the interests of workers through collective action.

iii. To resolve the differences between workers and management through voluntary negotiations and arrive at a consensus.

iv. To avoid third party intervention in matters relating to employment.

17.4 BARGAINABLE ISSUES

Which are the issues that could be bargained across the table? Practically speaking any issue that has relevance to management and workers becomes the subject matter of bargaining. However, in certain specific cases both management and workers are reluctant to yield ground. Traditionally, management is not willing to negotiate work methods, arguing that it is management’s exclusive right to decide how the work is to be done. Likewise unions do not want negotiations on production norms and disciplinary matters, because any agreement in this regard would put limits on their freedom. However over the years, the nature and content of collective bargaining has changed quite dramatically, thanks to the pulls and pressures exercised by the bargaining parties.

Traditionally, wages and working conditions have been the primary focus areas of collective bargaining. However, in recent times, the process of bargaining has extended to almost any area that comes under the employer-employee relations, covering a large territory. (See Box 17.1)

17.5 TYPES OF BARGAINING

Four distinct types of bargaining have evolved over time, namely conjunctive, cooperative, productivity and composite bargaining. These are discussed below.

17.5.1 Conjunctive/distributive/bargaining

The parties try to maximise their respective gains. They try to settle economic issues such as wages, benefits, bonus, etc., through a zero-sum game (where my gain is your loss and your gain is my loss). Unions negotiate for maximum wages. Management wants to yield as little as possible – while getting things done through workers.

17.5.2 Cooperative bargaining

When companies are hit by recession, they cannot offer the kind of wages and benefits demanded by workers. At the same time they cannot survive without the latter’s support. Both parties realise the importance of surviving in such difficult times and are willing to negotiate the terms of employment in a flexible way. Labour may accept a cut in wages in return for job security and higher wages when things improve. Management agrees to modernise and bring in new technology and invest in marketing efforts in a phased manner. In India, companies like TELCO, Ashok Leyland resorted to cooperative bargaining in recent times with a view to survive the recessionary trends in the automobile sector.
17.5.3 Productivity bargaining

In this method, workers’ wages and benefits are linked to productivity. A standard productivity index is finalised through negotiations initially. Workers do not have to perform at exceptionally high levels to beat the index. If they are able to exceed the standard productivity norms workers will get substantial benefits. Management gains control over workplace relations and is able to tighten the norms still further in future negotiations. Without such productivity bargaining agreements, workers may not realise the importance of raising productivity for organisational survival and growth. Backed up by powerful unions, they may fail to read the danger signals from the market and respond quickly.

17.5.4 Composite bargaining

It is alleged by workers that productivity bargaining agreements have increased their workload. Rationalisation, introduction of high technology, and tight productivity norms have made the life of a worker somewhat uneasy. All these steps have started hitting the unions and workers below the belt. As an answer to such problems, labour has come to favour composite bargaining. In this method, labour bargains for wages as usual but goes a step further demanding equity in matters relating to work norms, employment levels, manning standards, environmental hazards, sub-contracting clauses, etc. When unions negotiate manning standards they ensure the workload of workers does not increase, this helps to maintain the status quo as far as employment level is concerned. By negotiating sub-contracting clauses, unions prevent management from farming out business to ancillaries. If permitted, such an action may result in lower employment in some other plant diluting the bargaining powers of unions substantially. Workers are no longer interested in monetary aspects to the exclusion of work related matters. There is no doubt that wages, bonus and other monetary aspects continue to occupy the centre-stage in bargaining sessions. But there is a definite shift towards composite bargaining. Without such a proactive stand, workers may not be able to withstand the forces of liberalisation, automation, farming out business to outsiders and survive. Through composite bargaining unions are able to prevent the dilution of their powers and ensure justice to workers by putting certain limits on the freedom of employers. For the employer this is a lesser evil when compared to strikes and lockouts. Apart from periodic wage hikes and day-to-day tussles over productivity norms and other related issues there is at least no danger of workers striking work every now and then. Of course, even this situation may not continue for long. In companies like SAIL, Philips, Bata, GKW and even TISCO, workforce reductions have to come if they have to survive in a high-tech environment. The compulsions of a free market economy cannot be put aside just for the sake of maintaining the labour force. It is small wonder despite serious warnings from unions, companies in the recession-hit automobile sector (Hindustan Motors, Premier Automobiles, Maruti, TVS Suzuki, Hero Honda) have either reduced the work force or cut down their benefits.
THE PROCESS OF COLLECTIVE BARGAINING

The following steps are involved in the collective bargainings process:

17.6.1 Identification of the problem

The nature of the problem influences whole process. Whether the problem is very important that is to be discussed immediately or it can be postponed for some other convenient time, whether the problem is a minor one so that it can be solved with the other party’s acceptance on its presentation and does not need to involve long process of collective bargaining process, etc. It also influences selection of representatives, their size, period of negotiations and period of agreement that is reached ultimately. As such it is important for both the parties to be clear about the problem before entering into the negotiations.

17.6.2 Collection of data

Both labour and management initially spend considerable time collecting relevant data relating to grievances, disciplinary actions, transfers and promotions, lay-offs, overtime, former agreements covering wages, benefits, working conditions (internal sources) and current economic forecasts, cost of living trends, wage rates in a region across various occupations, competitive terms offered by rivals in the field etc.

17.6.3 Selection of negotiators

The success of collective bargaining depends on the skills and knowledge of the negotiators. Considerable time should, therefore, be devoted to the selection of negotiators with requisite qualifications. Generally speaking, effective negotiators should have a working knowledge of trade unions principles, operations, economics, psychology, and labour laws. They should be good judges of human nature and be able to get along with people easily. They must know when to listen, when to speak, when to stand their ground, when to concede, when to horse-trade, and when to make counter proposals. Timing is important. Effective speaking and debating skills are essential.

17.6.4 Climate of negotiations

Both parties must decide an appropriate time and set a proper climate for initial negotiations. At this stage the parties must determine whether the tone of the negotiations is going to be one of mutual trust with 'nothing up our sleeves', one of suspicion with lot of distortion and misrepresentation, or one of hostility with a lot of name calling and accusations.

17.6.5 Bargaining strategy and tactics

The strategy is the plan and the policies that will be pursued at the bargaining table. Tactics are the specific action plans taken in the bargaining sessions. It is important to spell out the strategy and tactics in black and white, broadly covering the following aspects:

- Likely union proposals and management responses to them.
- A listing of management demands, limits of concessions and anticipated union responses.
- Development of a database to support proposals advanced by management and to counteract union demands.
- A contingency operating plan if things do not move on track.
Box 17.2: Popular Bargaining Tactics (Sloane and Whitney)

1. **Conflict-based**: Each party uncompromising, takes a hard line, and resists any overtures for compromise or agreement. Typically, what happens is that one party mirrors the other party's actions.

2. **Armed truce**: Each party views the other as an adversary. Although they are adversaries, it is recognised that an agreement must be worked out under the guidelines specified by the law. In fact, the law is followed to the letter to reach agreement.

3. **Power bargaining**: Each party accepts the other party with the knowledge that a balance of power exists. It would be nonproductive to pursue a strategy of trying to eliminate the other party in the relationship.

4. **Accommodation**: Both parties adjust to each other. Positive compromises, flexibility, and tolerance are used, rather than emotion and raw power. It is claimed that most managers and union leaders have engaged in accommodation for the bulk of union-management bargaining issues.

5. **Cooperation**: Each side accepts the other as a full partner. This means that management and the union work together not only on everyday matters but in such difficult areas as technological change, improvements in quality of work life, and business decision making.

Generally each side tries to find how far the other side is willing to go in terms of concessions, and the minimum levels each is willing to accept. “Take it or leave it” kind of extreme positions would spoil the show and hence parties should avoid taking such a rigid and inflexible stand initially. Successful negotiations, after all, are contingent upon each side remaining flexible. Each party should be willing to concede up to a certain extent depending on one’s own compulsions and pressures, with a view to win over the other party. This is popularly known as “bargaining zone” which is the area bounded by the limits within which the union and employees are willing to concede. If neither party is willing to concede a little bit, negotiations reach a deadlock or impasse, which can eventually result in a strike on the part of the union or a lockout on the part of management.

**Box 17.3: Bargaining Limits**

Reed Richardson has the following advice for bargainers:

1. Be sure to set clear objectives for every bargaining item, and be sure you understand the reason for each.
2. Do not hurry.
3. When in doubt, caucus with your associates.
4. Be well prepared with firm data supporting your position.
5. Always strive to keep some flexibility in your position.
6. Don’t concern yourself just with what the other party says and does; find out why.
7. Respect the importance for face saving for the other party.
8. Be alert to the real intentions of the other party—not only for goals, but also for priorities.
9. Be a good listener.
10. Build a reputation for being fair but firm.
11. Learn to control your emotions and use them as a tool.
12. As you make each bargaining move, be sure you know its relationship to all other moves.
13. Measure each move against your objectives.
14. Pay close attention to the wording of every clause negotiated; they are often a source of grievances.
15. Remember that collective bargaining is a compromise process; There is no such thing as having all the pie.
16. Try to understand people and their personalities.
17. Consider the impact of present negotiations on those in future years.

Reed Richardson

Impasse, thus, is a collective bargaining situation when the parties are not able to overcome their differences, usually because one party is demanding more than the
other will offer. One way to avoid impasse is to postponement of difficult issues to a later stage and take up easier ones first with a view to have a smoother passage initially. Another way to avoid breakdowns is for each side to be prepared to offer propositions and to accept alternative solutions to some of the more controversial issues. Skilled negotiators as mentioned by Richardson, take charge of the issue through logical presentations, good manners and cool behaviour.

- **Formalising the agreement:** When a solution comes through what is popularly known as 'good faith bargaining' (Both parties are making every reasonable effort to arrive at agreement, proposals are being matched with counter proposals), a formal document must be prepared expressing everything in a simple, clear and concise form. After this, both parties must sign the agreement and abide by its terms and conditions during the entire term of the contract.

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<thead>
<tr>
<th>Box 17.4: Content of a Labour Agreement</th>
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</thead>
<tbody>
<tr>
<td>Purpose and intent of the parties</td>
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<td>Scope of the agreement</td>
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<td>Management</td>
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<td>Responsibilities of the parties</td>
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<tr>
<td>Union membership and checkoff</td>
</tr>
<tr>
<td>Adjustment of grievance</td>
</tr>
<tr>
<td>Arbitration</td>
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<tr>
<td>Suspension and discharge cases</td>
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<td>Rates of pay</td>
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<td>Hours of work</td>
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<td>Overtime and holidays</td>
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- **Enforcing the agreement:** Collective bargaining does not come to an end with the signing of the agreement. For the agreement to be meaningful and effective, both parties must adhere to the conditions agreed upon and implement everything scrupulously.

### 17.7 COLLECTIVE BARGAINING IN INDIA

The story of collective bargaining is the story of the rise and growth of trade unionism itself. It had its roots in Great Britain and developed in response to conditions created by the Industrial Revolution. In early part of 18th century when trade unions came into existence, the idea of bargaining collectively gained strength. Initially the negotiations were carried out at plant level. By early 1900, industry and national level agreements were quite common. Slowly but steadily the idea spread to France, Germany, USA. After a century of rapid growth, collective bargaining has more or less, become the gospel of industrial relations. It is being increasingly viewed as a social invention that has institutionalised industrial conflict. In other words it is through the process of collective bargaining that organisations have learnt to cope with industrial conflict.

In India trade unions have come to occupy the centre stage only after 1900. In 1918, Gandhiji, as the leader of the Ahmedabad Textile workers advocated the resolution of conflict through collective bargaining agreements. For another 10 years, this method of setting disputes did not gain popularity. The legal steps taken by the government after the Second World War revived interest in the subject once again. The legislative measures included the setting up of a machinery for negotiations, conciliation and arbitration. Basic conflicting issues concurring wages and conditions of employment were sought to be resolved through voluntary means.

After Independence, with the spread of trade unionism, collective bargaining agreements have become popular. A large majority of disputes were resolved through this mechanism.
Most agreements were concluded at the plant level. In centres like Mumbai, Ahmedabad, industry level agreements were quite common – thanks to the legal blessings extended by the respective State Acts. The agreements were found in industries such as chemicals, petroleum, tea, coal, oil, aluminum, etc. In ports and docks, banking and insurance, collective agreements at the national level were also arrived at.

### 17.8 FUTURE OF TRADE UNIONISM

Public sympathy and unqualified support was there for the asking for trade unions and labour leaders when India gained Independence. They were treated as living legends and welcomed into corporate circles and political forums openly. Nationalisation of important services (railways, banking, insurance, power, posts and telegraph, aviation, docks and ports etc.) and core sector activities have paid dividends initially. Thanks to MS Swaminathan, the agricultural sector flourished during 60's and 70's. The industrial sector, unfortunately, failed to deliver the goods on all fronts. To cite an example, absence of competition has led to the government-owned insurance companies becoming slothful, unproductive and expensive to the customers (premium on life insurance is nearly 40 per cent more in India than in any developed country because the Life Insurance Corporation has to compulsorily invest in government securities). The entire decade of the 1970s was lost to empty slogans like 'Garibi Hatao'. The socialist leanings of Mrs. Gandhi did not take the nation to 'commanding heights'. Absence of competition, administrative controls, licensing restrictions, pro-labour policies, were the hallmarks of 1970s and 1980s. Owners were inward looking, focusing more on lobbying than on achieving production efficiency through investments in R & D, technology upgradation and total quality management. Assured jobs, weak employers, pro-labour government policies and collective strength of numbers have encouraged labour to be vociferous and demanding. Ever apprehensive of rubbing the unions the wrong way, governments—especially when elections are round the corner—preferred the velvet glove to the iron fist when dealing with unions. Secure jobs, high wages, absence of accountability and contempt for authority is what the workers of a public sector undertaking have come to personify. These employees (10% of Organised labour harming the interests of the remaining 90%) have held the country to ransom for far too long. They were, all along, inward-looking, resistant to change and always talked about their rights and not their duties.

The process of socio-political and economic churning that was forced upon the country in the early 90’s – thanks to Mandal, Manir and Manmohan (Economic Liberalisation) – has engulfed virtually every aspect of the nation’s life. The Labour Unions during this period failed to catch up with the times. Their refusal to refocus their aims, or even acknowledge the need to change, has led to their irrelevance and alienation from those very sections of the Indian society whose support helped them grow.

### 17.9 DISCIPLINE ADMINISTRATION

There are two ways of dealing with employees who do not obey rules, indulge in acts that are not permitted and tend to fly off the hook at the slightest provocation: i.e., positive discipline approach and the progressive discipline approach. The best discipline is clearly self discipline, when most people understand what is required at work.

#### 17.9.1 Positive Discipline Approach

This approach builds on the philosophy that violations are actions that usually can be corrected without penalty. In this approach, the focus is on fact-finding and guidance to
encourage desirable behaviours instead of using penalties to discourage undesirable behaviours. There are three steps to positive discipline. The first is a conference between the employee and the supervisor. The purpose of this meeting is to arrive at a solution to the problem through discussion, with oral assurance by the employee to improve his performance. If improvement is not made after this first step, the supervisor holds a second conference with the employee to find why the solution agreed to in the first meeting did not produce results. At this stage a written reminder is handed over to the employee. This document details an agreed solution with an affirmation that improvement is the responsibility of the employee and a condition of continued employment. When both meetings fail to produce the desired results, the employees is given a paid leave for one day to decide his future in the organisation. The employee is expected to come back the next day with a decision to make a total commitment to improve performance or to quit the organisation. These three stages are depicted in Box 17.5:

**Box 17.5: Steps in Positive Discipline**

<table>
<thead>
<tr>
<th>Step 1: An Oral Reminder</th>
<th>Notice here that the word <em>warning</em> is removed. The <em>oral reminder</em>, supported by written documentation, serves as the initial formal phase of the process to identify to the employee what work problems he or she is having. This reminder is designed to identify what is causing the problem and attempts to correct it before it becomes larger.</th>
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<tr>
<td>Step 2: A Written Reminder</td>
<td>If the oral reminder was unsuccessful, a more formalised version is implemented. This <em>written reminder</em> once again reinforces what the problems are and what corrective action is necessary. Furthermore, specific time tables that the employee must accept and abide by, and the consequences for failing to comply, are often included.</td>
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<tr>
<td>Step 3: A Decision-making Leave</td>
<td>Here, employees are given a decision-making leave—time off from work, usually with pay—to think about what they are doing and whether or not they desire to continue work with the company: This “deciding day” is designed to allow the employee an opportunity to make a choice—correct the behaviour, or face separation from the company.</td>
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**17.9.2 Progressive Discipline Approach**

In this approach discipline is imposed in a progressive manner, giving an opportunity to the employee to correct his or her misconduct voluntarily. The technique aims at nipping the problem in the bud, using only enough corrective action to remedy the shortcoming. The sequence and severity of the disciplinary action vary with the type of offence and the circumstances surrounding it. Progressive discipline is quite similar to positive discipline in that it too uses a service of steps that increase in imaginary and security until the final steps. However, positive discipline replaces the punishment used in progressive discipline with counselling sessions between employee and supervisor.

The concept of progressive discipline states that penalties must be appropriate to the violation. If inappropriate behaviour is minor in nature and has not previously occurred, an oral warning may be sufficient. If the violation requires a written warning, it must be done according to a procedure. After written warnings, if the conduct of the employee is still not along desired lines, serious punitive steps could be initiated. Major violations such as hitting a supervisor may justify the termination of an employee immediately.

In order to assist a manager to recognise the proper level of disciplinary action, some firms have formalised the procedure. One approach in the establishment of progressive disciplinary action is shown in Figure 17.1.
17.10 THE RED HOT STOVE RULE

Without the continual support of subordinates, no manager can get things done. But, disciplinary action against a delinquent employee is painful and generates resentment on his part. Hence, a question arises as to how to impose discipline without generating resentment? This is possible through what Douglas McGregor called the “Red Hot Stove Rule”, which draws an analogy between touching a hot stove and undergoing discipline.

According to the Red Hot Stove rule, disciplinary action should have the following consequences:

17.10.1 Burns immediately

If disciplinary action is to be taken, it must occur immediately so the individual will understand the reason for it. With the passage of time, people have the tendency to convince themselves that they are not at fault.

17.10.2 Provides warning

It is very important to provide advance warning that punishment will follow unacceptable behaviour. As you move closer to a hot stove, you are warned by its heat that you will be burned if you touch it.

17.10.3 Gives consistent punishment

Disciplinary action should also be consistent in that everyone who performs the same act will be punished accordingly. As with a hot stove, each person who touches it is burned the same.

17.10.4 Burns impersonally

Disciplinary action should be impersonal. There are no favourites when this approach is followed.
17.11 JUDICIAL APPROACH TO DISCIPLINE IN INDIA

The Industrial Employment (Standing orders) Act was passed in 1946 with a view to improve the industrial relations climate. The Act requires that all establishments must define the service rules and prepare standing orders. The term ‘Standing orders’ refers to the rules and regulations which govern the conditions of employment of workers. They indicate the duties and responsibilities on the part of both the employer and the employees. The standing orders contain rules relating to: classification of employees, working hours, holidays, shift working, attendance, leave, suspension, termination, stoppage of work, redressal of grievances against unfair treatment, etc. Thus, standing orders specify the terms and conditions which regulate the employee-employer relationship within a unit. Any violation or infringement of these terms and conditions may lead to misconduct or indiscipline.

Box 17.6: Major Acts of Misconduct

- does not discharge his duties properly, remains absent without leave
- indulges in acts which are unsafe for the employer
- is grossly immoral, dishonest
- is insulting, abusive and disturbs the peace of others
- in unfaithful, corrupt, disloyal
- indulges in theft, fraud, bribery
- does not obey orders
- resorts to illegal strike
- causes willful damage to property, etc.

The Industrial Disputes Act 1947 (as amended in 1982) prescribes an elaborate procedure for discharging a delinquent employee even on grounds of serious misconduct. Likewise, the Payment of Wages Act places restrictions on the imposition of fines on an accused employee. The legal position is quite clear. The employee should get a chance to explain the grounds under which he violated the standing orders. There must be a proper enquiry as per the principles of natural justice before resorting to punishment.

17.11.1 Disciplinary Action

Though there is no rigid and specific procedure for taking a disciplinary action, the disciplinary procedure followed in Indian industries usually consists of the following steps:

i. Issuing a letter of charge: When an employee commits an act of misconduct that requires disciplinary action, the employee concerned should be issued a charge sheet. Charges of misconduct or indiscipline should be clearly and precisely stated in the charge sheet. The charge sheet should also ask for an explanation for the said delinquent act and the employee should be given sufficient time for answering this.

ii. Consideration of explanation: On getting the answer for the letter of charge served, the explanation furnished be considered and if it is satisfactory, no disciplinary action need be taken. On the contrary when the management is not satisfied with the employee’s explanation there is a need for serving a show-cause notice.

iii. Show-cause notice: Show-cause notice is issued by the manager when he believes that there is sufficient prima facie evidence of employee’s misconduct. However, this gives the employee another chance to account for his misconduct and rebut the charges made against him. Enquiry should also be initiated by first serving him a notice of enquiry indicating clearly the name of the enquiring officer, time, date and place of enquiry, etc.
iv. **Holding of a full-fledged enquiry:** This must be in conformity with the principle of natural justice, that is, the employee concerned must be given an opportunity, of being heard. When the process of enquiry is over and the findings of the same are recorded, the Enquiry Officer should suggest the nature of disciplinary action to be taken.

v. **Making a final order of punishment:** Disciplinary action is to be taken when the misconduct of the employee is proved. While deciding the nature of disciplinary action, the employee’s previous record, precedents, effects of disciplinary action on other employees, etc., have to be considered.

When the employee feels that the enquiry conducted was not proper and the action taken is unjustified, he must be given a chance to make an appeal.

vi. **Follow up:** After taking the disciplinary action, a proper follow up action has to be taken and the consequences of the implementation of disciplinary action should be noted and taken care of.

### 17.12 LET US SUM UP

Bargaining is the process of cajoling, debating, discussing and even threatening so as to arrive at an amicable agreement for those being represented. Traditionally, wages and working conditions have been the primary focus areas of collective bargaining. When companies are hit by recession, they cannot offer the kind of wages and benefits demanded by workers. At the same time they cannot survive without the latter’s support. The success of collective bargaining depends on the skills and knowledge of the negotiators. In India trade unions have come to occupy the centre stage only after 1900. In 1918, Gandhiji, as the leader of the Ahmedabad Textile workers advocated the resolution of conflict through collective bargaining agreements.

### 17.13 LESSON-END ACTIVITY

Outline the major collective bargaining issues of companies in India today. What do you foresee as the major issues of the future? Explain your response.

### 17.14 KEYWORDS

Collective Bargaining  
Cooperative Bargaining  
Composite Bargaining  
Discipline Approach  
Judicial Approach

### 17.15 QUESTIONS FOR DISCUSSION

1. What is Bargaining? Name the various types of Bargaining.
3. Describe different steps of Collective Bargainings.
17.16 SUGGESTED READINGS


