CHAPTER 7

IMPACT OF COLLECTIVE BARGAINING

With the advent of liberalisation and market economy under the new industrial policy on the one hand and the pressures generated by slowing down of economy, increased competition, technological compulsions, arrival of multi-nationals and globalisation on the other, have caused major shifts of emphasis in Labour-Management relationship. Workers are no longer solely interested in monetary aspects to the exclusion of work-related issues that have been traditionally within the domain of managerial prerogatives. The management on the other hand retrieves its prerogatives to manage workplace relations. Recent agreements have confirmed this scenario, where the management has acceded to the demands of periodic wage hikes and other monetary matters, but has linked these monetary benefits with higher productivity, discipline and harmonious relations. Trade unions have also accepted these conditions because they can no longer ignore the compulsions of a free market economy where competition and the need for greater technological sophistication require cutting down of costs and a better utilisation of labor. So, the focus has been shifted from distributive bargaining to productivity bargaining. Enlightened management and unions are entering into productivity agreements.

1. IMPACT OF COLLECTIVE BARGAINING ON PRODUCTIVITY

Productivity bargaining is the process of negotiation between two parties to improve the productive efficiency and rewards for work. Such settlements achieve higher efficiency and
a reduction of unit labour cost, and ensure higher earnings. To assess the impact of collective bargaining on productivity, relevant provisions of various LTAs and productivity schemes in different companies are analysed.

1 ESCORT

The Escort Tractors Ltd has a very comprehensive productivity scheme and has linked the wage incentives and production efficiency scheme in order to improve the production/productivity.

The union has agreed that without any addition to the stipulated increase to the number of shop - floor workmen, it will bring up the daily production (two shifts) level as follows:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name</th>
<th>Within 18 days from 5 May, 1990</th>
<th>1.1.1991</th>
<th>1.1.1992</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1990 No. per</td>
<td>Per day</td>
<td>%</td>
</tr>
<tr>
<td>1</td>
<td>Tractors</td>
<td>74</td>
<td>83</td>
<td>12.2</td>
</tr>
<tr>
<td>2</td>
<td>Motorcycles</td>
<td>425</td>
<td>460</td>
<td>8.2</td>
</tr>
<tr>
<td>3</td>
<td>S.S. D-I</td>
<td>7800</td>
<td>8600</td>
<td>10.3</td>
</tr>
<tr>
<td>4</td>
<td>S.S. D-II</td>
<td>2500</td>
<td>2750</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Under the agreement the union has agreed to increase the daily production of tractors by 12.2% in the second year and 10.8% in the third year of the LTA, which means 23% increase in the daily production under the LTA.

The union has agreed to increase the production of motorcycles by 8.2% in the second year and 7.6% in the third year,
which means 15.8% increase in daily production. SSD-I production also increased by 10.3% in the second year and 11.6% in the third year, totaling about 22% under the LTA. The production in SSD-II increased by 19% under the LTA without any addition of workers at shop- floor.

In addition to the above scheme they have a production efficiency scheme in all the four division.

I  TRACTOR DIVISION

The minimum production of tractors was 1000 in 1990 and payment of wages was Rs 240. There are 24 slabs of production corresponding with 24 slabs of wages. The last slab of OK tractors was 2266 in 1990, 2383 in 1991, and 2500 in 1992 and the wages to be paid were Rs 1655.p.m. The production incentive scales are based on certain addition in manpower in mandays and machines, which comes 3% increase in mandays and 2% increase in the machine capability.

II  MOTOR CYCLE DIVISION

In the motor cycles division the minimum production was 7200 in 1990 and the minimum wages to be paid at this level were Rs 240 p.m. Here also there are 24 slabs. In the last slab the production in 1990 was fixed at 14395, 14850 in 1991 and 15305 in 1992 and wages to be paid were Rs 1655 pm. It was subject to 2% increase in the manpower and machine capability.

III  SAD-I

In the Shock Absorber Department- I, the minimum production level was fixed, 1200000 in 1990 with the minimum
wages to be paid Rs 240/- pm. In this department also there are 24 slabs of production corresponding with 24 slabs of wages. In the last slab the production was fixed at 266800 in 1990, 277200 in 1991 and 290200 in 1992 and the wages to be paid were Rs 1655 pm. This increase was subject to 3% increase in manpower and machine capability.

IV SAD-II

In the Shock Absorber Department-11, the minimum production was fixed at 36000 units and the minimum wages paid Rs 240 p.m. Again there are 24 slabs and production fixed at the last slab was 81200 in 1990, 84450 in 1991, and 87700 in 1992 and the wages to be paid at this level were fixed at Rs 1655 pm with condition of 3% increase in manpower and machine capability.

All these Production Efficiency Schemes are very comprehensive and subject to various conditions but one thing is common in all the divisions: the minimum and maximum wages are uniform and the workers of all the four divisions have a fair chance of earning the equal wages if they give the same level of production.

These schemes are not on papers only, but the management and the union have ensured its implementation by putting various obligations on the management and workmen in the collective bargaining agreement. The benefits under the LTA shall become payable only after the production targets mentioned in various schemes are attained. In case workmen in any section/department or division fail to achieve the targets under various
schemes, they shall not be entitled to any of the payments/benefits/improvements agreed to be given under the settlement. The most important point relating to the productivity clause is that the total wages and benefits payable to workmen is based on the condition that they shall produce at full capacity. In case the production falls below the first step due to deliberate action of the workman he would be paid only pro-rata wages.

2 SFFI

The union and management have agreed that the "Productivity Improvement Programme" (PIP) is an integral part of the settlement. The scheme is linked to the production, productivity, efficiency and the attendance of individual workmen. The scheme is very comprehensive and has been in operation since 1st Oct, 1992. The workmen have achieved the targets, reduced the cost and simultaneously increased their earnings. The details of the scheme are not mentioned as the scheme is comprehensive, complex, voluminous and technical because different departments and units have separate "Production Improvement Programme" (PIP).

3. BHARTIA

(1) The union agrees to assist the management in creating proper environment and motivate the workers to increase productivity. Further, they agree to a minimum 15% increase in overall productivity with immediate effect without any increase in workforce.
(ii) Production Allowance Scheme

The management and the union have replaced the Performance Allowance Scheme by Productivity Allowance Scheme where the payment is related to net work output per/unit man-hour of direct production workers.

4. BRITANNIA

The workmen assured not only to maintain 11.2% increase over and above the previous level but also to an increase in the average production. In the last settlement the average production was 33% sacks per plant shift -- the parties discussed and arrived at a Productivity Improvement Allowance payable on the following basis.

<table>
<thead>
<tr>
<th>SACKS PER PLANT SHIFT</th>
<th>PRODUCTIVITY IMPROVEMENT ALLOWANCE RATE PER DAY.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Above 34 and less than 35 sacks</td>
<td>Rs 0.50 per day worked</td>
</tr>
<tr>
<td>2. Above 35 to less than 36 sacks</td>
<td>Rs 1.00 per day worked</td>
</tr>
<tr>
<td>3. Above 36 to less than 37 sacks</td>
<td>Rs 2.00 per day worked</td>
</tr>
<tr>
<td>4. 37 sacks and above</td>
<td>Rs 2.50 per day worked</td>
</tr>
</tbody>
</table>

The scheme proved very effective and the workers achieved the maximum target in order to increase their wages to maximum level.

5. THOMSON

The union agreed to improve the productivity to the optimum level and the employees would give production as per production norms fixed between the company and the union
representatives. Both the parties agreed to have an LTA on production and productivity after the detailed norms were determined. The management and union representatives were discussing the productivity scheme till the researcher visited the company the last time.

6. EICHER

Eicher company introduced "Productivity Profit Scheme" which states that if the production of tractors is above the target number then all the workers under different grades will get profit incentive mentioned below:

<table>
<thead>
<tr>
<th>GRADES</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>Rs 200 pm</td>
</tr>
<tr>
<td>G1A</td>
<td>Rs 210 pm</td>
</tr>
<tr>
<td>G2</td>
<td>Rs 220 pm</td>
</tr>
<tr>
<td>G3</td>
<td>Rs 260 pm</td>
</tr>
<tr>
<td>G4</td>
<td>Rs 270 pm</td>
</tr>
<tr>
<td>G5</td>
<td>Rs 285 pm</td>
</tr>
<tr>
<td>G6</td>
<td>Rs 230 pm</td>
</tr>
<tr>
<td>G7</td>
<td>Rs 300 pm</td>
</tr>
</tbody>
</table>

There are 8 grades and the amount of profit incentives varies in each grade. The workers achieved the targeted production every month to enhance their earnings.

7. SONA, L&T

In both these companies the workmen and the union agreed to maintain substantial improvement over the existing productivity level in all the areas of operations. All workmen
would be jointly and severally responsible to ensure and sustain the increased productivity.

**ANALYSIS**

Out of the 15 sample companies, 8 companies have some productivity schemes under their LTAs. Out of these 8 companies, 5 companies have concrete and comprehensive productivity schemes formulated after detailed work study and intensive discussions with the unions and workmen. The most important characteristics of these productivity schemes are that they are the results of joint negotiations under collective bargaining agreements and not unilateral imposition by management. The union has been a party to such schemes under the LTA and has undertaken to implement the schemes. The workers are happy as the wage increase is fair and judicious and they have been provided with an opportunity to enhance their earnings. In all the 5 companies the scheme have been implemented to the satisfaction of the management, the union and the workmen. In another company the details of the scheme are under consideration. In other two companies though there is no concrete productivity schemes, the union and the workmen have committed themselves to maintain substantial improvement over the existing productivity level.

Only 33% of companies (5 out of the 15 sample companies) have productivity bargaining, but as these companies have increased their production and productivity with the enhanced wages of workers substantially, other companies can also make use of collective bargaining to improve their productivity.
2. COLLECTIVE BARGAINING AND INDUSTRIAL RELATIONS

The term, industrial relations, has a wide ranging connotations. Restrictively, it includes only formal collective relationships between management and employees (through the medium of trade unions), or in an all inclusive sense to encompass all relationships associated with employment. However, the two approaches are not clearly separated and both influence each other. It will, therefore, be more appropriate to study the various indicators and manifestations which influence the industrial relations for a realistic assessment of the impact of collective bargaining on such indicators. The researcher has selected the most effective indicators of industrial relations:

(i) Discipline
(ii) Absenteeism
(iii) Industrial peace/harmony.

(i) DISCIPLINE

Discipline means the compliance of rules and norms under statutes or framed by the organisation. It provides a conducive atmosphere for growth and prosperity of employees and the organisation by reducing the irritants of grievances and spectre of unsavory incidents. Both management and union should examine the various aspects of discipline. Cases of violation or non-compliance of rules are sternly discountenanced. The government has realised that observance of stricter discipline both on the part of management and labour cannot be imposed by legislation. It has to be achieved through evolving suitable sanctions on their own. Indian labour Conference discussed the question of discipline in July, 1957, and laid down certain
principles to ensure discipline in industry, and recommended that a sub-committee should be appointed to consider the recommendations. The tripartite sub-committee, was constituted for the purpose, submitted a draft code of discipline which was considered by the Standing Labour Committee in 1957 and was later adopted with certain modifications. The code of discipline was drawn with a view to checking violence, intimidation, strikes and lockouts. It was rectified by the INTUC, AITUC, HMS and United Trade Union Conference, on behalf of the working class, and by the Employees' Federation of India, the All India Organisation of Industrial Employers and All India Manufacturer's Organisation on behalf of employers.

The code of discipline is a voluntary moral commitment and is not a legal document. Although it worked well initially, but then fell into disuse as the parties developed an attitude of indifference. The most important reason is that the code of discipline is not evolved by the parties which are affected by it or upon whom it applies. If the code of discipline or rules and norms are jointly and voluntarily formed by the parties themselves at departmental, plant or company level, then there is a greater chance of voluntary compliance of such rules by workers and management. Instances of such joint formulations of the rules of discipline through the institution of collective bargaining are analysed to assess the impact of collective bargaining on healthy and constructive industrial relations.

1) ESCORT, THOMSON, BRITANNIA, SONA

The LTAs of these four companies mention comprehensive
rules, duties and obligations of the unions and the workmen to maintain discipline and work-place norms. Though the language and contents of rules are different in all the companies, the objectives are the same, to maintain a healthy work-place relationship between management and workers. These rules are summarised briefly under four points:

i) The union and workmen undertake to strictly adhere to their rest, tea and meals intervals and shall not leave their allotted place of work without prior permission of the concerned supervisor.

ii) It is the responsibility of each workman to keep his place of work clean and maintain his machine in good condition, to follow industrial engineering norms or production.

iii) The union workmen reassure the management that they shall faithfully abide by the provisions of the certified standing orders not to carry any union activity whatsoever in the premises of the establishment. All former and present office bearer of union perform their assigned jobs. The company's production no longer suffer due to any reason unrelated to company matters.

iv) The union/workmen accepted the principle of 'No work - No wage' in case of any workman found absent from workplace and not following production norms established by the management.

2. EICHER

The union/workmen undertake to be present and remain present throughout the shift time to work sincerely to follow the
industrial engineering norms of production, to reduce waste and scrape, and to keep his place of work and machine clean.

3. **SFFI**

All the workmen carry identity cards with them during duty time, observe the scheduled timing of canteen and rest room. They undertake not to leave the workplace early, and the handing over and the taking over the changes in the shift is strictly done. They undertake not to sleep in the plant/workplace, to idle away time or to play cards, read newspapers, magazines, novel etc. "No smoking" is strictly followed within the factory premises, drugs are not to be consumed. The same applies to liquor or any intoxicants. The workmen are not to enter premises in a state of intoxication. In the same way in the field of safety, hygiene/cleanliness and pollution, detailed rules are formulated as a part of LTA.

4. **INVEL**

The workmen and their authorised representatives have agreed not to be late behind the grace period of 10 minutes, to punch the card at the end of their breaks time, exit and entry time, to maintain machines and to follow various other rules, violation of which will be treated as indiscipline liable to be action.

5. **BHARTIA**

The union and workmen will cooperate with the management in maintaining strict discipline in the factory. Workers found absent from their workplace without proper
authorisation or starting work late or stopping work early will be subject to disciplinary action.

ANALYSIS

The quantitative data about the real impact of these provisions on discipline and workplace relationships are neither properly maintained by any company nor provided in a systematic manner. The inadequacy of quantitative data, however, was substituted by intensive discussions and interviews with a large number of respondents (125 managers, 125 union leaders, and 550 workers) to assess the impact of the above provisions in regulating the workplace relationships. The overwhelming majority of the respondents are of the opinion that joint formulation of discipline rules and norms under LTAs can be used as a very effective mechanism to improve orderly workplace life. These provisions are not for any cosmetic design but for sincere commitment to implement them. It is true that the formulation of these rules under collective bargaining agreements will not automatically promote discipline, but they are most effective in containing cases of indiscipline because of their voluntarily and joint formulation by the parties upon which they apply. Secondly, unions and workmen give commitment to follow such rules strictly. Thirdly, the compliance of such rules is linked to various monetary benefits which are quite attractive to workers. Fourthly, under these rules management is authorised by unions/workmen to take any appropriate action against any violation by any worker. Unions undertake not to interfere with any case of such action or to support the defaulting worker.
Out of the 15 sample companies 6 companies have formulated detailed rules covering all aspects of workplace relationship and two companies have rules on some aspects of such relationship under LTAs. In all these companies these rules have been proved very effective in reducing cases of late coming, loitering or absenting, sleeping during working hours, non-compliance of existing rules and norms, non-performance of tasks, poor workmanship, disregarding superiors' instructions, coming to duty under influence of liquor or drug/intoxication, playing cards during working hours etc. Often concessions like overtime and others were demanded by arm-twisting the management. There were cases of even violence in some of the companies with the management and the rival unions. These manifestations did not come overnight but took roots over long periods of time and become synonymous with organisational culture in some companies. In some of these companies there were multiple unions which supported such cases of indiscipline in order to gain their loyalty to increase their membership; and in some companies the office bearers were themselves party to such glaring cases of indiscipline.

The management and union leaders opine that collective bargaining has played a dominant and effective role in containing and reducing the non-compliance of work norms and improving the workplace relationship. Joint formulations of such rules under LTAs make them jointly responsible for implementation. Common workers have supported these measures overwhelmingly as the average worker is opposed to such cases of indiscipline which
involve either union activitists or their executive members/leaders. The rules now require equal treatment irrespective of the position held by the worker.

(ii) ABSENTEEISM

Absenteeism means absence from work without prior permission or without authorised leave. The rule of absenteeism is an indicator of the type of industrial relations. Higher rate of absenteeism is taken as a sign of unhealthy and unproductive management policies. Some companies faced the serious problem of absenteeism which affected production, productivity, profitability, commitment to supply products and workplace relationships. Various companies started good attendance allowance and linking actual days of work with various monetary benefits/allowances under LTAs.

1. Companies like HSW, HNG, SONA, LUMAX, INVEL, SURYA provide different amounts as attendance allowance to ensure better attendance. The HNG pays special allowance if a worker works during April, May, June which is a crops season.

2. In Escort, Leave travel Assistance is linked to the number of actual days of work. If a worker has worked for a minimum 200 to 270 days in a year, only then he is entitled for Leave Travel Allowance. He will get the higher slab in proportion to actual days of work.

3. BRITANNIA

The company linked the house rent allowance, education allowance, special allowance, conveyance allowance, product-
ivity improvement allowance, leave travel assistance directly with the actual days of work. If a worker absents himself for more than 5 days in a specified period, he is not entitled to the above allowances pertaining to that period. Secondly, the worker must work a minimum of 210 days in a year to claim leave travel assistance.

4. **L&T**

House rent allowance and leave travel assistance are linked with the number of actual work days. The worker must work a minimum of 10 days or more to claim house rent for that month and must have earned the minimum of 15 days' privilege leave for the preceding year to claim leave travel assistance.

5. **SFFI**

In addition to linking leave travel assistance with the number of actual days of work, the management and the unions are actively working to control absenteeism amongst the workers. For this a data base has been created on the attendance of the workers and the reason for absenteeism are analysed. The representative of the union and an officer from Industrial Relations Department also visit the house of the absentee employee to discuss the problem and render help to the worker to improve his attendance.

The LTAs provide various incentives and disincentives like linking various monetary benefits with attendance which has resulted in a decline in the absenteeism rate as is seen from the
The above table shows that the rules and regulations jointly formulated by the management and the unions under collective bargaining agreements are very effective in reducing absenteeism. In 1985 the rate of unauthorised absenteeism was 5.68 percent which started declining in 1989 as the LTA contained various provisions which linked monetary benefits directly with the actual days of work. During three years the rate of unauthorised absenteeism has been reduced from 5.30 percent to 3 percent.

SFFI is the only company which maintains data on absenteeism. Other companies have neither maintained systematic quantitative data nor provided it for further analysis. The inadequacy of quantitative data has again been supplemented through intensive discussions and interviews with personnel managers, union leaders and workers. In all the companies monetary incentives and linking of other allowances with actual days of work have helped in reducing the rate of absenteeism.
The scheme in Britannia which linked almost all monetary benefits/allowances with actual days of work has been very effective in reducing absenteeism.

(iii) **INDUSTRIAL PEACE/HARMONY**

Another remarkable effect of collective bargaining is in the field of industrial peace. The stake of employers, union/workmen, government and general public in peaceful labour relations has increased in the era of liberalisation, competitiveness, depressed economy and arrival of multi-nationals. The country has to provide a harmonious and peaceful industrial environment before inviting foreign investors. The future of collective bargaining really depends on the behaviour of the different actors in an industrial society to make a good use of negotiation to ensure constructive and healthy labor-management relations.

Industrial peace is more-than the absence of industrial strife. The peace obtained through coercion, extreme imbalance of power between the parties and government machinery is not likely to last long and is not a sign of healthy industrial relations. But peace/harmony obtained by resolving strife and conflicts through mutual trust, discussion and joint formulations of rules without resorting to economic force by either side is definitely a positive indicator of a mature and constructive relationship between the parties. Peace is not the absence of conflict and it can be obtained by the capacity to face and resolve conflicts, since peace in absolute sense is difficult to achieve. Collective bargaining is one of the devices to make
resolution of conflicts easier in which each side compromises as has been shown in various companies. The LTAs of all the companies mention some duties and obligations of parties to ensure industrial peace. Such provisions in different companies which have a bearing on harmonious industrial relations are analysed to see their impact on industrial peace/harmony.

i) The commitment of unions not to resort to any direct action such as strikes, slow-downs, sudden work-stoppages, intimidation, indecent demonstrations or coercive methods, agitations or any other actions which are violative of companies' certified standing orders or service rules.

ii) The unions/workmen agree that the LTA fully settles all demands contained in the said charter of demands and there is no demand outstanding as on the date of the agreement and they shall not agitate for these demands again at any stage.

iii) Both management and union/workmen undertake to resolve all disputes through mutual discussions or under the provision of law without resorting to any agitational method.

In addition to the above provisions, the LTAs of various companies provide an effective grievance settlement machinery to redress individual and group grievances. These provisions to manage workplace relationship have a positive impact in avoiding irritants and frustrations of workers. Managements in different companies are of the opinion that labour management relations are affected by outside life of workers. 8 hrs life cannot be isolated from 16 hrs life outside the factory premises. The workers bring their dissatisfactions, unhappiness
and tensions to their workplace. The LTAs of many companies provide various schemes for the welfare of workers, their family, and children, social and cultural activities with the objectives to make them happy and committed. All these provisions play a positive role in ensuring harmonious and peaceful workplace relations.

Where collective bargaining works successfully, there has been no major breakdown of production process. In 5 companies, there have been no strike and no mandays loss during the past ten years. In some companies, the workers resorted to demonstrations or tools down at the time of bargaining to put pressure on the management to secure better terms. Even in the following cases of strikes or violence in some companies, the dispute was resolved ultimately through collective bargaining and normalcy restored.

i) The inter-union rivalry, in which one union was actively supported by the political party in power, resulted in serious cases of indiscipline culminating in violence in which 10 workers were seriously injured and the company's property was badly damaged. The management declared a lockout and dismissed 51 workers. But during the lockout the union leaders remained in constant touch with the management. The union and the management through direct discussion, and with the help of Dy. Labour Commissioner, signed a new agreement under which not only the lockout was lifted but all cases and conflicts were resolved to the satisfaction of both the parties.
ii) The Sangharsh Samiti of 6 unions served a charter of demands on all the textile mills in Delhi. Even the good offices of Labor Commissioner, LG and Labor Minister could not resolve their differences and the workers went on a strike which continued for about 70 days. The Delhi Administration referred the case to adjudication. During this period, the managements of all the textile mills and Sangharsh Samitis with the help of the conciliation officer signed an agreement and the strike was withdrawn. The case was also withdrawn from adjudication and the new LTA resolved most of the demands of the workers. The unions assured to maintain peaceful and harmonious relations.

iii) The union leaders manhandled one of the managers during a formal meeting. The company first suspended 5 union leaders and after conducting proper inquiry dismissed them from service as all the 5 union members were held guilty. The workers went on a strike which continued for 5 days. The management and the union resolved the dispute through direct negotiation in which the union agreed to compensate for the loss of 3 day strike in extra timings and all workers applied for two days' leave.

Practically in all such instances, where work stoppages occur, the net result after the strike is a new agreement. More such cases can be cited, but the point to be made is that collective bargaining is the most effective instrument in maintaining and promoting industrial peace by managing differences and grievances at the initial stage and resolving the disputes/conflicts through a joint decision making process.
The opinions of 800 respondents (125 managers, 125 union leaders, 550 workers) were obtained through structured questionnaires and interviews about the impact of collective bargaining on industrial relations:

TABLE 7.1 ATTITUDINAL DISPOSITION ABOUT THE IMPACT OF COLLECTIVE BARGAINING

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Issues/Respondents</th>
<th>Managers</th>
<th>Union Leaders</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No</td>
<td>%</td>
<td>No</td>
</tr>
<tr>
<td>a</td>
<td>Collective bargaining is an effective institution for promoting industrial relations.</td>
<td>125</td>
<td>100</td>
<td>125</td>
</tr>
<tr>
<td>b</td>
<td>Encroachment on management rights.</td>
<td>-</td>
<td>--</td>
<td>-</td>
</tr>
<tr>
<td>c</td>
<td>Cann't say</td>
<td>-</td>
<td>--</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
<td>100.0</td>
<td>125</td>
</tr>
</tbody>
</table>

In a rare unanimity, 100% managers and union leaders opine that collective bargaining promotes industrial relations. 79.5% of workers are of the same opinion, but 11.3% of workers think that collective bargaining is an encroachment on management rights and 9.2% of workers did not express their opinion.

The table 7.2 shows the opinions of respondents about the union-management relations in their organisation.

The table reveals that 20.8% of managers, 9.6% of union leaders and 23.1% of workers opine that their labour-management are cordial. 38.4% of managers, 40.0% of union leaders and 48.2% of workers are of the opinion that relations between management and labor are business-like, concentrating mainly on issues.
Only 15.3% workers opine that the relationship between management and workers are strained, whereas no one is in this category from management and union leaders. 40.8% of managers, 50.4% of union leaders and only 13.4% of workers opine that relationships between the two are normal. The above table shows that relationship in all the sample companies are on positive side and all of them have maintained continuous and effective communication to resolve their differences.

**TABLE 7.2 PERCEPTIONS OF RESPONDENTS ABOUT LABOUR-MANAGEMENT RELATIONS.**

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Nature of relations</th>
<th>Managers</th>
<th>Union leaders</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Respondents</td>
<td>No</td>
<td>%</td>
<td>No</td>
</tr>
<tr>
<td>a</td>
<td>Cordial</td>
<td>26</td>
<td>20.8</td>
<td>12</td>
</tr>
<tr>
<td>b</td>
<td>Working/business like</td>
<td>48</td>
<td>38.4</td>
<td>50</td>
</tr>
<tr>
<td>c</td>
<td>Strained</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>d</td>
<td>Normal</td>
<td>51</td>
<td>40.8</td>
<td>63</td>
</tr>
<tr>
<td>e</td>
<td>Cann't say</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125</td>
<td>100.0</td>
<td>125</td>
</tr>
</tbody>
</table>

From the above discussion, it can be concluded that collective bargaining has influenced various indicators of industrial relations like discipline, grievance procedure, absenteeism, worker's morale, commitment to work and industrial peace. Under collective bargaining, rules and norms are jointly formed by concerned parties, which are morally and legally committed to follow such norms, as decisions are not imposed unilaterally by any external authority. Not only rules and regulation to govern the workplace relationships are formed by joint decisions but collective bargaining provides a voluntary
forum and mechanism to resolve their conflicts through mutual discussions by adjusting their compromises. So, the remarkable ability of collective bargaining is in creating new and varied procedures for resolving problems as they arise to vex industrial relations. It also has the ability to adjust its form to meet unique situations. All this has a salutary effect in maintaining and promoting harmonious and healthy industrial relations in sample companies which use collective bargaining as a mechanism of joint decisions.

3. COLLECTIVE BARGAINING AND WAGES/WAGE STRUCTURE

The earliest labor-management contracts were confined almost entirely to wages and were known by such descriptive terms as 'wage agreements', 'scale agreements' and 'price lists'. "Though the scope of collective bargaining has broadened until today it includes many other topics, wages, are still of major significance in negotiation ...... ....."1. The principal aim of unionism remains economic -- to improve the economic status of the rank and file through negotiated increase in the economic benefits. The era of unrestricted freedom enjoyed by the management or the employer in unilaterally and arbitrarily fixing wages came to an end after the dawn of collective bargaining. Thus, the growth of collective bargaining has brought about a phenomenal change in the determination of wages in actual practice. It is much easier for the parties to evolve an appropriate collective bargaining agreement in a company or plant

1 "In Defence of Insults," Business Week, 1388, P. 176 (April 7, 1956.

289
because they are fully aware of the problems and difficulties in the company than when the wages are determined at industry or national level.

In all the 15 sample companies wages have been and still are the most important subject matter of collective bargaining. In all the 42 LTAs, which the researcher has analysed, wages have been the important issue. In all the LTAs wages have been increased, though the amount and criteria for increase varies from company to company. In addition to the determination of wages through negotiation, new grades/wage structures have also been introduced in the LTAs of many companies:

1 BHARTIA
   Two new grades were introduced in place of earlier grades.

2 BRITANNIA
   All grades were revised with the granting of fitment amount of Rs 100 pm.

3 ESCORT
   (a) In addition to revise all the grades, two new grades W-10 and S-8 were introduced to provide opportunities for the growth of workmen with very high technical skills.
   (b) Part of dearness allowance was merged with the basic salary of workmen.
   (c) The incremental steps in the revised grade structure have been substantially revised.

4 SONA
   (a) All the grades from S-1 to S-6 were revised after
adding the adhoc increase of Rs 260 in their respective basic salaries with the increased rate of annual increments.

(b) Besides the adhoc increase, special increments linked with their length of service were also given to the workmen.

5 INVEL AND L&T

All grades were revised and new grades were introduced by increasing basic wages and incremental steps.

The above 6 companies have revised the wage structure in their current LTAs, but other companies have also revised and introduced new grades whenever management and union negotiated such issue in LTAs.

Thus unions through collective bargaining have succeeded in raising the wages of their members and getting introduced new grades. In periods of prosperity unions argue for higher wages and during periods of declining prices, they argue to hold the wages. But as a consequence of the variability of economic situations, collective bargaining provides a forum to constantly shift or even exchange positions depending on the situation. Such changes become difficult if wages are determined by external agencies. Under a depressed economic scenario and recessionary tendencies in a particular industry, unions adjust their priorities to accept a cut in wages to save jobs. The overriding concern of unions in such companies is to save jobs as all other benefits may accrue only when jobs exist in the first
Thus, the concept of concession bargaining found currency in some organisations. Collective bargaining provides such flexibility to both management and union to adjust their priorities, as it is an effective technique for not only determination of wages but the whole gamut of workplace relationships.