CHAPTER II

COLLECTIVE BARGAINING - THE CONCEPTUAL FRAMEWORK

Development Perspective

In the ordering of community relationships mankind has passed through three stages. At first "might is right", and "the law of the jungle" were very prominent. In the second stage, men's differences were settled by reference to some central authority backed by force. In the third stage both might and force have gradually receded into the background and human communities have devised various conventions by which men can meet together to discuss and settle their affairs by mutual agreement.¹ This concept of mutual agreement has gained wider acceptance and recognition in the sphere of social, economic and political decisions² affecting group interests. In the realm of industry and commerce a new process has been evolving during the past century³ under which decisions are arrived at through mutual negotiations, conferences, even threats of withholding labour or employment by strikes or lockouts - all of which lead ultimately to compromises and the best that can be obtained without resorting to force. This process of negotiation between the management and the employees on the terms and conditions of employment,

³Mary Sur, loc. cit.
and the establishment of peaceful and orderly relations at the site of work, is termed as "collective bargaining".

Although the practice of collective bargaining has been known for more than one hundred fifty years, intriguingly enough, the origin of the term apparently does not go back beyond 1891 when Sidney and Beatrice Webb, the well-known historians of the British Labour Movement, coined it. As an extremely useful, handy, shorthand phrase for describing a continuous, dynamic process for solving problems arising directly out of employer-employee relationships, it was first given wide currency in the United States by Samuel Gompers. The process of collective bargaining has received international approval through the conventions and recommendations of the International Labour Organisation (hereafter to be referred as ILO). Convention 84 of 1947 on the Right of Association and the Settlement of Labour Disputes in Non-Metropolitan territories declares that "all practicable measures shall be taken to assure to trade unions which are representatives of the workers concerned the right to conclude collective agreements with employers or employers' organisations". Convention 98 agreed in 1949 in general in its application and Article 4 of this

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3Derek C. Bok and John T. Dunlop, loc.cit.

Convention provides that "Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiations between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements." 8 During the last few decades collective bargaining has taken rapid strides and has become firmly ingrained and embedded in the industrial relations system of several countries. 9

**Concepts of Collective Bargaining**

Collective bargaining is a set of activities within the larger industrial relations system; it is one form of interaction between unions and management. 10 More elaborately, collective bargaining involves negotiations between workers' and employers' representatives in an attempt to reach agreement on the terms and conditions of employment, the culmination of such an agreement being a written instrument setting forth the terms and conditions of employment for a fixed period of time. The principal aim of collective bargaining is to regulate relations between managers and workers through peaceful resolution of conflicts concerning substantive rules. In this respect, Edwin

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9 Ibid., p. 6.
F. Beal et al. has remarked, "The actors in this particular manifestation of the industrial relations system aim at establishing and maintaining mutually acceptable, mutually beneficial substantive rules and practices to guide their conduct in day-to-day operations and in their work-related mutual and reciprocal claims and obligations."\(^{11}\)

Collective bargaining is an institutional process. It is a method of securing rights and privileges to workers and an instrument for promoting industrial peace by preventing unilateral action by an employer. In collective bargaining, organised group relationships are involved on both sides of the bargaining table, rather than individual dealings between principals.

In unorganized trades the individual workman, applying for a job, accepts or refuses the terms offered by the employer without communication with his fellow-workmen and without any other consideration than the exigencies of his own position. For the sale of his labour he makes, with the employer, a strictly individual bargain. But if a group of workmen concert together, and send representatives to conduct the bargaining on behalf of the whole body, the position is at once changed. Instead of the employer making a series of separate contracts with isolated individuals, he meets with a collective will, and settles, in a single agreement, the principles upon which, for the time being, all workmen of a particular group, or class, or grade, will be engaged.\(^{12}\)

Highlighting the essential ingredients the ILO has defined collective bargaining as

Negotiations about working conditions and terms of employment between an employer, a group of employers

\(^{11}\) ibid., pp. 19-20.

or one or more employers' organisations, on the one hand and one or more representative workers' organisations on the other, with a view to reaching agreement. In the absence of a representative workers' organisation, representatives of the workers duly elected and authorised by them in accordance with national laws and regulations may be parties to collective negotiations. An association of workers established, dominated or financed by employers or their agents is not regarded as a representative workers' organisation for purpose of collective bargaining.\(^1\)

Collective bargaining implies explicit recognition of trade unions as a symbol of the representative system and its role in enabling workers to participate meaningfully in the decision processes which establish the conditions of the work, and, to a considerable extent, of their life. The notion that labour is distinct and different from an ordinary goods or commodity reflects an underlying value system which accords to men the right to give their consent to the terms and conditions of their employment. The present-day highly complex management structures in modern society can, at best, provide utterly inadequate and highly indirect participation to workers. Meaningful participatory democracy seems achievable only through self-organisation and collective action. As such, according to Thomas M. Love and George T. Sulzner, Collective bargaining is a decision-making process which brings workers (as represented by their labour organisation), and management together for the purpose

of reaching mutual agreement concerning rules governing the conduct of work. Collective bargaining in other words, functions as a system of governance (i.e. a political system) at the workplace.14

Collective bargaining is a method of fixing terms of employment and settling grievances arising from those terms by negotiation between labour and management, and if necessary, assisted by a conciliator.15 The parties while meeting together can try to impress each other by asserting the merits of their respective claims and their strength to stand by them. Collective bargaining as such

is a process not only of mutual coercion but also of mutual enlightenment. Concession is made for concession, emphasizing the mutual dependence of the parties. The object of negotiation is to narrow differences and thus to reach a mutually acceptable settlement.16

Collective bargaining can also be identified as a rule-making process to regulate wages and other conditions of employment. The rules in question, like all rules, are of two kinds. They are either procedural or substantive. The procedural rules of collective bargaining regulate the behaviour of parties to collective agreements or contracts enabling trade unions and management to establish their rights and obligations,


16 Ibid.
define each other's status, and to make, interpret and enforce agreements or contracts. The substantive rules of collective bargaining, on the other hand, regulate the behaviour of employees and managements as parties to individual contracts of employment.¹⁷

By and large, the parties involved in collective bargaining or in a collective agreement are the workers, union, management and the employer. Practically, the union acts for the workers and the management for the employer. Both the groups have some common and divergent interests. Collective bargaining starts with claims advanced by the union as well as the management, each knowing that it will have to make some compromise in the end in order to reach a final agreement and thereby to ensure better labour relations. Perhaps that is why Walter H. Carpenter has observed, "Within the latitude left by agreement, the parties begin defining their relationship more precisely by means of oral understanding, grievance settlements, arbitration awards and the like."¹⁸ The signing of an agreement normally gives the parties a new dimension to their work and this very objective leads the parties towards collective bargaining.

Collective bargaining seeks to fulfil three purposes in an industrial community with the traditions of a political democracy: (1) It fixes the price of


labour services. (2) It provides a system of industrial jurisprudence, establishing and administering the conditions, other than wages, under which wage earners render their services. (3) Collective bargaining represents the extension of the democratic idea into the work community.19

In collective bargaining the parties can meet whenever necessary and it provides a flexible means of adjusting wages and conditions of employment to economic and technological changes in industry.

While analysing the nature of collective bargaining, Neil W. Chamberlain suggests that various theories which are related to collective bargaining can be reduced to three. "These are that collective bargaining is (1) a means of contracting for the sale of labour; (2) a form of industrial government; and (3) a method of management."20 All these have been identified as the marketing, governmental and managerial theories respectively. As per marketing theory, collective bargaining is viewed as "the process which determines under what terms labour will continue to be supplied to a company by its existing employees, and by those newly hired as well".21 This has been dealt with earlier by Sidney and Beatrice Webb also. To them, collective bargaining is "one of the several methods used by trade unions to further their basic purpose of maintaining or improving the conditions of their [members] working lives".22 It appears that both these


21Ibid.

theories carry almost similar meaning with minor differences. Perhaps that is why Allan Flanders has remarked about Chamberlain that "his marketing theory does not differ in its essential from that of the Webbs, although Chamberlain is more concerned with the contractual aspect. Legal distinctions may be drawn but for most practical purposes the individual labour contract has been replaced by the collective agreement". The governmental theory admits the contractual character of the bargaining relationship, but the contract is viewed as a constitutional system in industry where the union shares sovereignty over the workers with the management. In the words of William M. Leiserson, its principal function is to "set up organs of government, define and limit them, provide agencies for making, executing and interpreting laws for the industry and means for their enforcement". Under the managerial theory collective bargaining is considered as a method by which the union can join the management in making joint decisions on issues of concern to both the parties. This theory regards collective bargaining as a method whose area of application extends only to those matters in which the unions have secured a voice such as decisions of hiring, discharge, layoff and recall, discipline, wages, hours, scheduling, promotion, methods of production, subcontracting, rates of operation and so on. Assessing the main theme of the

23 Allan Flanders, op.cit., p. 231.
above theories, Allan Flanders observes that "the first theory draws attention to the trade union acting as a labour cartel in collective bargaining, the second sees it as introducing an autonomous and agreed rule of law into employer-employee relations, and the third stresses its contribution towards making management more democratic or further industrial democracy".\textsuperscript{26}

With the passage of time a change has been noticed in the use of the term collective bargaining. Originally, collective bargaining was hardly used except as a means of regulating wages and working conditions. Subsequently, it gradually came to be employed in many industrialised countries as a means of regulating relations between the bargaining parties. Now-a-days, collective bargaining serves this dual purpose in many industrialised countries by simultaneously reconciling the interests of the employers and the workers, ensuring the workers' participation in decisions, advancing social progress and promoting constructive labour-management relations.\textsuperscript{27}

The development of free collective bargaining may rightly be viewed as a bulwark of democracy, a citadel designed to sustain and protect a democratic system of society against the onslaught of authoritarianism. As a determinant of terms and conditions of work and employment, collective bargaining is an essential instrument of participative management which elevates workers to be equal partners with management in all decision-making, thereby developing in them a sense of belonging and

\textsuperscript{26}Allan Flanders, \textit{op.cit.}, p. 232.

participation in the enterprise where they work. "Free collective bargaining between relative equals offers the best hope, the last best hope perhaps, for a twentieth century industrial society to escape the blight of totalitarianism, whether of the left or of the right."28

Private Sector Vs. Public Sector Collective Bargaining

Trade unionism has flourished and expanded by embarking into new occupations, new industries and new geographical areas. After firmly establishing itself in the private sector, it gradually started extending its activities to public sector enterprises and establishments. Since collective bargaining is an essential adjunct and concomitant of trade unionism, the early and rapid growth of blue-collar unionism in the private sector led to collective bargaining as an instrument and device of orderly, peaceful labour-management relations in that sector.

The unionisation of employees in the public sector has been a very recent development. Unionism in the public sector began gaining momentum with a phenomenal increase in the number of public sector employees following the diversified growth of

the areas of public sector employment.\textsuperscript{29} This expanding sector has opened new vistas for organised labour movement to grow and develop. This opportunity is being extensively followed up by a broad array of organisations competing with each other in their struggle to capture new members and supporters and to acquire bargaining rights and political influence. With the mushroom growth of public sector employees unionism, pressure for collective action is bound to grow. Thus, two significant questions emerge: Should public employees have collective bargaining rights as enjoyed by their counterparts in the private sector? Could the strategies and procedures of collective bargaining as designed and developed in the private sector be transferred wholesale to the public sector?

A basic argument for the extension of collective bargaining rights to public sector employees is that rights, 

\textsuperscript{29}A.W.J. Thomson and P.B. Beaumont in their study, Public Sector Bargaining : A Study of Relative Gain (Westmead, Saxon House, 1978, pp. 14-15), have divided the public sector broadly into two groups, namely, (I) public non-market sector and (II) public market sector. Bangladesh jute industry falls in the category of public market sector. The authors have focussed very nicely various similar and dissimilar features of industrial relations of both public non-market and market sectors side by side with private sector. The comparative scene reveals that the similarities between public non-market and market sector exist mainly in the areas such as bargaining structure, scope of bargaining, codification of collective agreements, use of third parties in conflict resolution, nature of bargaining relationship, ultimate wage criteria, etc. In this chapter, therefore, comparative discussion is made broadly between private and public sector collective bargaining from the conceptual point of view. However, wherever necessary, specific examples of public market sector will be given for clearer understanding.
which have been specifically mandated by law in the private sector, should in equity be given to the government's own employees. This is not to suggest that there are not important differences between private and public employment, however, and that these differences have not created some difficult problems as the private bargaining model increasingly pervades the public sector.30

It seems that Rhemus advocates for collective bargaining rights to public sector employees but along with this he also suggests modifications in the procedures and practices of private sector bargaining before these are transferred to the public sector. Raising a comparison between the two sectors to bring out their points of similarity for collective bargaining relationships, Thomas M. Love and George T. Sulzner remark,

> Whether a particular economic enterprise is publicly or privately owned does not change the basic fact that collective bargaining performs a political function. Labour and management groups in both sectors take formal positions on job related issues, they marshal facts and seek to sway public opinion; they manipulate power; they may employ quasi-judicial third parties; they write legally binding agreements; and their decisions affect broad sections of society.31

Thus, it leads us to the conclusion that collective bargaining relationships in both sectors are more or less the same and close to one another. There is hardly any distinction between the union organisations of employees of the public and private sectors in the matter of their objectives, purposes and motivation. They seek to participate meaningfully in decision-making processes which establish the conditions of their work and, to

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a considerable extent, of their life. They press for the introduction of collective bargaining for the governance of at least a part of their employment relations. George H. Hildebrand has very nicely highlighted the motivation of public employee organisations. According to him,

With some exceptions where the lobbying route is preferred, the common purpose of employee organisations in the public sector is to introduce collective bargaining for the governance of at least part of the employment relation. They wish to supplement, if not to supplant, the unilateral determination of all terms and conditions either by management acting under statute or ordinance, in the case of unclassified workers, or through application of civil service legislation and regulations pertaining to classified personnel. The basic question is not whether collective bargaining in the public sector is impossible in law or by definition. Rather it is: what distinguishes bargaining in this sector from its private sector counterpart; and what problems does it pose for public policy.32

It cannot be denied that there are some significant differences between the two sectors and these create difficult problems for public policy. Among the problems the most basic one lies in the divergent objectives of public and private sector undertakings. It is common belief, at least in theory, that Government is not profit oriented at all levels and is sovereign. The unions representing public employees are not dealing with a profit oriented employer. Hence, demonstration or representation in any form by the employees for enhanced benefits are considered unjustified or even illegal. But in actual practice

this has tended to become more of a theoretical distinction since the illegal, supposedly intolerable strikes against public bodies are becoming increasingly, almost openly, accepted in many places.\textsuperscript{33} Delineating the main elements which differentiate collective bargaining for public sector employees from bargaining in the private sector, Hildebrand emphasizes, "the right to strike or lockout is usually taken away by law or force of public opinion, or is relinquished by the union itself. Several hard questions inevitably arise. Should the strike be entirely ruled out? Is loss of the strike or lockout fatal to the bargaining power of either party? How can the community deal effectively with strikes when they do occur? What mechanisms can resolve bargaining impasses?"\textsuperscript{34} These questions mainly cover the effects of collective bargaining on the related parties and the real mechanisms to overcome impasse situations. Most of the questions posed by George H. Hildebrand acquire relevance only if the employees adhere scrupulously to the basic provision regarding strike prohibition or the government is dead set on coercing the employees to observe such prohibition by imposing different penalties.

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\textsuperscript{34}George H. Hildebrand, \textit{op.cit.}, p. 126.
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A second distinguishing feature is that "private sector bargaining is rooted in the economic system, whereas bargaining in the public sector is rooted in the process of political representation, with a public agency ultimately accountable to the public for its performance and financing". This signifies that while public bargainers operate outside the market forces, private bargainers are contained, controlled and circumscribed by it. Private bargainers, as such, are held socially responsible by market forces whereas these forces don't control the behaviour and attitude of public bargainers. Public sector employees are held socially responsible by direct means - by the set rules and devices framed by the government. Thomas M. Love and George T. Sulzner have opined that this difference has resulted in the development of various types of management structure in the two sectors. To them, "A most striking example of this difference is that effective power and authority in private enterprise is vested in management whereas management in public enterprise shares its power and authority with the legislature, and judiciary." Quite inherently managerial or administrative authority is likely to be cohesive in the public sector. The public bargainers in the multi-stage structure of collective bargaining in the public sector are composed of appointed executives as well as elected officials. The elected officials

35 Frank H. Cassel and Jean J. Baron, Collective Bargaining in the Public Sector: Cases in Public Policy, Columbus, Grid. Inc., 1975, p. 5.

by and large hold the right of ultimate command and final consent to any non-delegated subject which needs final decision. The motivation of the two components, that is, appointed executives and public representative are likely to be divergent. The latter are generally more sensitive to the wishes and sentiments of the public in their capacities as members of the electorate, as tax payers, as members of the union and users of public services. But the former are more concerned with efficiency, cost, standards of service, etc. Correlating this unstable relationship between the two components of public bargainers, George H. Hildebrand remarks, "Thus there exists an uneasy and potentially unstable relationship between the managers immediately "in charge" and the elected officials to whom they are responsible and upon whom they depend for their budgets and their jobs. The reason for this instability is that the situation is fraught with "politics" in the non-pejorative sense of the word."37 The elected officials share managerial interest but they also have a basic and a quite different interest of staying in office. As against this, in the private sector the basic motivation of maximizing profits imposes its own discipline and provides a strong incentive for unity, control and decision-making on the part of the management's negotiating team.

Another fundamental difference between the two sectors is focussed by Charles M. Rhemus. According to him, "The public employer is an artificial creature of the electorate established to minister to the needs and desires of the public and to provide the mechanical and administrative structure to carry on these functions. In a democratic system of government, it is elected officials who are normally charged with the control and determination of budget and tax rates, which is the primary way of setting goals and priorities."\(^{38}\) By the very fact of the situation, the legislature designates the council of ministers as an agency with authority to negotiate with the employees and the ministry can delegate its power and authority to administrative officials or appointed executives at different echelons of administration to encourage collective bargaining to the fullest possible extent consistent with public interest. This very approach will not only help to preserve flexibility necessary in an area so suffused with human factors but will also create an atmosphere congenial for effective settlement of differences and problems.

Besides these structural differences between the two sectors, major differences exist in pressure tactics of the parties used for bolstering their bargaining positions. There are certain common tactics in both the sectors such as the threat of a strike or actual concerted abstention from work; the threat by management to change working conditions or eliminate jobs

\(^{38}\)Charles M. Rhemus, \textit{op.cit.}, p. 211.
through retrenchment and the use of publicity generating techniques, etc. There are other pressure tactics which are unique to the public sector but are considered irrelevant to its private counterpart. Tactics like lobbying, support for particular candidate for public office, and control over patronage are important in the context of bargaining in the public sector. But all these have very insignificant or indirect relation to the bargaining activities of private labour organisations.

Pointing out these differences Thomas M. Love and George T. Sulzner remark, "a public employee union could currently engage in some kind of job action, say a refusal to perform non-essential work plus lobbying. Both activities could be employed in connection with a bargaining demand, says a proposed wage increase. In contrast, only a job action would be available to a private sector union". In Bangladesh, a dual government policy prevails as to the right to use pressure tactics of lobbying. Employees of direct government administration, who can only form service associations, are deprived of this very right as per Government Servant Conduct Rules. Regarding the right of the employees to take part in politics and elections, the legal provision is: "The association shall not in any way be connected with any political party or organisation or engage in any political activity", and (ii) "the association shall

\[39\text{Thomas M. Love and George T. Sulzner, op.cit., p.21.}\\
\[40\text{Establishment Division, Govt. of the People's Republic of Bangladesh, "Civil Service System in Bangladesh", Indian Journal of Public Administration, New Delhi, Vol.XXVI, No. 1, Jan.-Mar., 1980, p. 229.}\\
not maintain or contribute towards the maintenance of any
member of a legislative body, or of any member of a local auth-
oriety or body, whether in Bangladesh or elsewhere."^1 But
there is no such restriction for the other class of public
employees,^2 except those who are in charge of administration
or management of public sector undertakings.

Another peculiar problem in the bargaining of public
employees emerges out of diffusion and delegation of decision-
making power and authority in the public sector. Since such
delegation does not empower the lower echelons of administrative
authority to take final decisions and arrive at final agreements,
the executive immediately involved in bargaining may lack power
to commit the government to any final settlement. Instead, an
official of the lower level must obtain the prior approval or
consent of the higher levels of political authority - initially
the executive and finally the relevant law-making body. Some
times even the executive, say a corporation or departmental head,
may not have final authority where bargaining may involve the
distribution or reallocation of funds and, at best, he may only
be able to submit recommendations to the higher levels of poli-
tical authority, i.e., the Minister or Council of Ministers. On
the contrary, in the private sector, the chief negotiator, or
negotiators, on the management side secures full power and con-
sent from the top management or authority to bargain and make an

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^1ibid., p. 229.

^2Refer to page 1 of this study.
agreement. This is mainly possible as there "the power structure is closely linked and cohesive, while the profit motive supplies the necessary unity of interest".\footnote{George H. Hildebrand, op. cit., p. 127.} Perhaps for this reason Charles M. Rhemus feels that the internal logic of public employee bargaining is leading to considerable centralisation of power into the hands of ultimate decision-makers, i.e., the highest level of political authority.\footnote{Charles M. Rhemus, op. cit., pp. 211-212.}

Yet another point of departure arises out of the fact that many of the services provided by the government are supplied free. They are financed by revenues and taxes collected by different government agencies. It may be argued that work stoppages in a private enterprise entail loss in production and revenue, but no such loss incurs from similar interruption in the public sector particularly in the public non-market sector. So it is a distinctive advantage for the government since it lowers the management's cost of disagreement. The above notion is not fully true. Work-stoppages in all types of public sector establishments bring a serious hardship for the whole country. In case the service affected by work stoppages is vital for the public, both parties will have to weigh public opinion in their calculations of cost of agreement and disagreement. In such cases, the force of public opinion will be an important factor containing and controlling the behaviour and strategies of both the parties. Further, since it is generally possible to shift additional cost on to the tax payers in the shape of taxes, the
tendency to raise prices to cover such costs is relatively less. "Furthermore, since the services need not be self liquidating, the management is free of the discipline of having to balance costs against revenues."\textsuperscript{5} The differences between the two sectors and the need for recognising the distinctive nature of public sector labour-relations has been emphasized by Jay F. Atwood. He remarks, "Even though the claim of comparability between private and public sector labour relations continues to be set-forth, an experimental analysis demonstrates that it is a myth."\textsuperscript{6} He highlights the following characteristics which make the public sector labour relations distinctive:

i) Employees of public sector being more highly organised than their counterparts in private sector.

ii) Pervasive political implications of labour-relations in public sector because the negotiating process culminates in the allocation of public resources which is a political decision involving elected representatives.

iii) Diffused authority of public management.

iv) Absence of economic market constraints.

v) Limits on the scope of bargaining due to the existence of alternative or competing methods of determining the terms and conditions of employment.

vi) Existence of merit or civil service employment systems.

\textsuperscript{5}George H. Hildebrand, \textit{op.cit.}, p. 127.

vii) Greater reliance on arbitration as a bargaining impasse settlement technique for interest disputes.\textsuperscript{47}

It needs mentioning that there is no unanimity about the above features of public sector industrial relations. However, out of the total features, only two, viz., absence of economic market constraints and existence of merit or civil service employment system are relatively less distinctive in the case of public market sector.

Many of the traditional terms and conditions of employment which are determined through the bi-lateral decision-making process in private industry are established unilaterally by either the legislative or independent boards and commissions in the public sector.\textsuperscript{48} Thus, the public sector enjoys a milieu distinct from that of the private sector. The public sector offers a more complex picture than the private sector with respect to ownership pattern, size and complexity, nature of technology and administrative practices.

It will, therefore, be useful to realise that these differences between the two sectors call for an intelligent designing of a distinctive apparatus and framing of somewhat different procedures, processes and rules for collective bargaining system in public employment. Though there are broad similarities in the demands and motivations of employees in the two sectors, enormous problems exist in the public employees bargaining and most of them are due to the complex nature of collective bargaining

\textsuperscript{47}\textit{ibid.}, p. 25.

\textsuperscript{48}\textit{ibid.}
in the public sector. The basic differences and the need for search for answers to the various distinctive issues arising therefrom make it imperative that deep thought be given to the policies, structure, procedures and practices to be adopted and developed in the public sector bargaining system. Despite these differences, however, the basic facts brook repetition that collective bargaining is a basic necessity and it has to operate as an institution of civilised society committed to democracy and socialism at all levels of management of the public sector organisations. But, "what makes it operative is a set of conditions, the right to organize, the right to obtain recognition, the opportunity to bargain over at least some substantive matters, the possibility of reaching a viable understanding or even a written agreement prescribing at least some of the rules of the employment relationship, and provision of some procedure for resolving questions of interpretation and application of the terms negotiated." George H. Hildebrand has emphasized adequate legal arrangements in order to make public sector collective bargaining operative and successful. But, even if the legal conditions are met, problems remain. The interaction between union representatives and managers in the various phases of collective bargaining takes place within an environment which may be rapidly changing or relatively stable. There are a lot of environmental and other ingredients which tremendously influence the operation

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49 George H. Hildebrand, op. cit., pp. 127-128.
50 Ibid.
and effectiveness of collective bargaining in any sector. These are:

i) The structural setting of the parties.

ii) The labour market conditions in which management buys labour services.

iii) The product market conditions in which goods are sold.

iv) The technical and physical conditions of the enterprise or industry.

v) Attitude and bargaining efficiency of the parties.

vi) A country's socio-politico-economic environment.

In this respect C. Wilson Randle and Max S. Wortman observe, "Four major groups of environmental factors which affect the mature collective bargaining relationships are: (1) industrial factors; (2) community factors; (3) political factors; (4) time factors."\(^{51}\)

Therefore, conclusion may be drawn by admitting the facts that the operational effectiveness of collective bargaining in all sectors, by and large, depends on a great deal of factors such as legal, industrial, political, economic, social, psychological, etc. As such, while analysing the collective bargaining system in an enterprise or industry or country, one should take into account all those ingredients which affect the whole system.