

# **COLLECTIVE BARGAINING AS A VERITABLE TOOL FOR RESOLVING CONFLICTS IN ORGANIZATIONS.**

**BY**

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## **ABSTRACT**

This study investigated the role of collective bargaining in resolving conflicts in organizations with a view to solving the current phenomena of conflicts being experienced in organizations and making them more effective, efficient and conducive for the development of the organization. The purposes of this study also ascertain the relevance of collective bargaining as an alternative approach to conflict resolution among industrial workers in an organization. Participants were selected purposively from the members of the organization. 310 subjects were used for the study which includes 185 males and 125 females, with the mean age of 33.06 and a standard deviation of 7.19. Three hypotheses were tested and the findings of the study revealed that neither the male nor female exhibited more conflict resolution than the other (crit-t= 1.96, Cal.t = 0.39, df=308,  $P > .05$ ) Besides, the findings of the study also revealed that there was a significant difference between collective bargaining conflict resolution. (Crit-t = 1.96, Cal, t= 24.383, df = 309,  $P < 0.5$ ). Based on the findings of the study, it was recommended that collective bargaining should be allowed in all establishments in order to forestall industrial conflict and enhance peace and harmony.

**Keywords:** collective bargaining, conflict resolution, trade unions, industrial conflict

## **INTRODUCTION**

A lot of views have been expressed about collective bargaining. Collective bargaining was a means of institutionalizing and containing conflict. In the earlier stages of the industrial revolution when work places were smaller it was easier to contain conflict.

In this study the effect that collective bargaining has on conflict resolution will be investigated. It is important to assess whether collective bargaining has its intended effect on conflict resolution. Collective bargaining is traditionally the main function of trade union. It is the process by which employers and organizational groups of employees seek to reconcile their conflicting goals through mutual accommodation thereby reaching a collective agreement that regulates terms and conditions of employment.

There has been a continual expansion in the incidence of collective bargaining and in the number of employees who are covered by collective agreement. Also, there has been an extension in the scope of collective bargaining not only over pay and condition but also over non pay issues such as saving schemes, pension working methods, disciplinary redundancy procedures. There has also been a change in the process of collective bargaining.

However, it is important to make two important and dramatically opposite theories about management school of thought. Taylor (1998) viewed the worker as a mere cog in the organization structure. According to Taylor, the worker does not possess creative ability let alone intelligence and wisdom. The elements of human oriented management systems which promotes sound conflict resolution such as communication, consultation and participation, found no place in the theory. This concept of management can be seen as an idea breeding ground for conflict resolution system rather than cooperation. Thus, the hallmarks of organizations based on this model are centralized and clear lines of authority and responsibility, and close supervision.

Matters relating to collective bargaining and conflict resolution are often seen as very crucial because this organization comprises of various groups of people who come together under this umbrella but have diverse interest and needs to satisfy.

Recently, organizations are facing stiff competition and struggling with the need to manage conflict, restructure their organization and remuneration. These problems are compounded by other difficulties, such as the determination of the subject for negotiation and their distribution between the various levels within the complex territorial and operational structure of the organisation.

## **HYPOTHESES OF THE STUDY**

1. There will be a significant difference between collective bargaining and conflict resolution between management and workers.
2. Sex will more likely predict conflict resolution.
3. Age will have a significant difference on conflict resolution.
4. Academic qualification will more likely predict conflict resolution.

## **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **LITERATURE REVIEW**

There are various works that has been done on collective bargaining by different researchers to determine conflict resolution. Bendersky (2003) found that dispute between employers can be the source of the problem, such as discrimination, bulging, or violation of health and safety. According to Berdersky (2003), it is also widely accepted that human resource managers should have the main responsibility for the effective operation of conflict management practices or with line managers and supervisors (Folyer and Crop-anzaro, 1995).

Collective bargaining processes are seen to be in need of reform so that they are less adversarial and more “interest based” in character (Lutcher and Gersherfild, 2003). More intensive information and consultation arrangements as well as other innovation such as brain storming and proactive communication management are seen as necessary to encourage a more consensual atmosphere at the workplace (Rowe and Bendersky, 2003). Solving workplace conflict is usually seen as involving a number of formalized procedures (Lewin, 2001). The assumption is that the interest of employers and employee are in competition, which encourages the employee to go head to head in an instrumental bargaining contest. In other words, negotiation need not be seen as a zero-sum situation where the gains of one party in the negotiation occur at the expense of the other party. Instead, negotiation can lead to mutual gains, deal that incorporates the interest of both parties (Barret and O Dowd, 2005).

Typically, unionized organizations are considered to possess wide spread and formalized disciplinary and grievance procedure to reduce problem at the workplace (Budd and Colvin, 2005).

### **IMPORTANCE OF COLLECTIVE BARGAINING**

For a businessperson, the challenges and outcomes of collective bargaining are totally different from those in commercial bargaining. In collective bargaining, the partners are the representatives of the workers employed in the sector or company, and the outcome is a collective agreement that guarantees social peace in that context. In contrast, the interlocutor in commercial bargaining is another business person, and the outcome is usually a communication contract fixing price and the modalities of delivering and payment for a product and service. In case no agreement is reached, in collective bargaining the outcome is social conflict, and the risk of a strike or reduction in jobs, whereas, in communication bargaining, a lack of agreement means no delivery of product or services and the risk of fines or sanctions.

### **OBJECTIVES OF COLLECTIVE BARGAINING**

The objectives of collective bargaining may be described as the following.

1. The setting of working conditions and other matters of mutual interest between employer and employees in a structured, institutionalized environment.
2. Confronting and predictability through the creation of common substantive conditions and procedural rules.

3. The promotion of workplace democracy and employee participation in managerial decision.
4. The resolution of disputes in a controlled institutionalized manner.

The main function of collective bargaining is the reaching of collective agreement that regulates terms and conditions of employment. What renders the bargaining collective is the presence of the trade union that represents the interest of employees as a collective. The other party to collective bargaining is usually the employer; however it could be a number of employers or employer's representative, and the government forms a third party to the collective bargaining process so that a form of tripartite collective bargaining can be instituted.

## **COLLECTIVE AGREEMENT**

The aim of collective bargaining is to conclude on collective agreement, such agreement is always a compromise between the initial claims and the alternative proposals by the employers. If employers and trade union are not ready to reach a compromise, then it will be very difficult. To conclude an agreement, the final content of the compromise will depend on how bargaining is carried out, whether both parties are ready to make some concession, and whether they are ready to revise and modify their initial positions. For these reasons, bargaining should not take place in public, or in front of the cameras and microphones of the media, but only in a discrete environment between duly mandated representatives of employers and workers organization. The final text of collective agreement can be written by a representative of either bargaining partners, or by a civil servant specially appointed by the ministry of labour, or by an external expert selected by the partners. Regardless of his or her identity, the author will have to work under the supervision of the negotiating partners. The text of agreement must include all the nuances and details which had been discussed and agreed upon by the partners.

## **CONFLICT RESOLUTION**

Conflict arises when after long negotiations the parties cannot reach a collective agreement and the trade union decide to start industrial action instead of continuing to negotiate. At first the aim of trade union is to show the employers that their claims or request are really supported by their members, that they have the backing of their base. They believe that the employer will review his position in this case. In order to avoid cases in which trade union actions disturb the normal activity of the company, it is important that some rules are respected before the union begins their action. The best rules are those which have been negotiated in advance, long before a conflict arises. The rules should be agreed to and accepted by both parties. This situation is much better than a case in which the government or parliament impose rules that have not been fully accepted by the parties.

Conflict, latent or manifest is the essence of industrial relations, but the object of industrial relations as technique is the resolution of conflict. More recently, the state has become a bargaining adversary seeking to influence the outcome of the labour transaction between unions and employers. The locus of conflict in which the adversaries operate is either the bargaining table for the negotiation of the agreement or the shop floor for further negotiation or application of the agreement. The second locus of conflict is politics, where unions and employers pursue

their adversary interest and occasionally common interest in the forum provided by the public policy.

## **THEORETICAL FRAMEWORK**

This study will look at four well known collective bargaining theories: Webb's model of collective bargaining, Kuhn's contribution, Chamberlain's theory and the Marginalist-Behavioralist theory.

### **THE CLASSICAL MODEL OF COLLECTIVE BARGAINING**

The classical model of collective bargaining as propounded by (Sidney and Beatrice Webb, 1987) over a half century ago, in their famous book, industrial democracy, was essentially an economic model. It defined the main role unions have bargaining over the price labour, although this was not the only method used by trade union in the nineteenth century in England.

According to the Webb, unions alternatively use mutual insurance and legal enactments method for obtaining various benefits for their members. As for collective bargaining itself, it was exclusively a trade union method with no implicit or explicit interest on the part of employers. It substituted collective will for individual bargaining. The Webbs did not define collective bargaining but produced many examples such as the one below:

In unorganized trades the individual workmen, applying for a job, accept or refuses the terms offered by the employer without communicating with his fellow workmen and without organization consideration other than the agencies of his own position for the sale of his labour he makes, with the employer, a strictly individual bargain. But if the 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 employer making series of separate contracts, with isolated individuals, he meets with 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. The example given above and similar others in their books, suggested that the Webbs conceptualized the method of collective bargaining as:

A collective equivalent and alternative to individual bargaining, in which the role of employers and their association was overlooked; and the rule making character of the process was not clearly stated, recent critics of the Webb's theoretical model have argued that individual bargaining can and coexists with collective bargaining, individual bargainers may have plenty of scope, depending upon the nature of labour market to obtain wages over and above the minimum level laid down in collective agreement.

A more serious oversight in the Webb's model is considered to be the lack of emphasis on the power relationship which exists in a collective bargaining situation. It is argued that fuzziness in the Webb's concept of collective bargaining is removed if its two essential features, rule making and power relationship, are placed in the proper prospective.

Much of this criticism about the conceptual inadequacy of the Webb's framework is unjustified as the institutional nature of collective bargaining itself has drastically changed since (1897)

when they made an empirical observation of the trade union behavior in England. A matter of greater academic concern and significance in the contemporary scene is the uni-dimensional emphasis found in the Dunlop controversy. To regard trade union behavior vis- a vis management as primary economic or political in nature is a rather unrewarding intellectual exercise as collective bargaining relationship is essentially kaleidoscopic.

The question arises, why does a union or management negotiate, or even a student of collective bargaining needs theory? The justification for this theory per say, is not lacking. It is needed because it has an enormous explanatory power and it is predicative. Remove theoretical body from any physical science such as physics, chemistry or biology, and what remains is utterly limp and barely classificatory material. According to Professor Tripp, there exists an intellectual frustration, at least since World War 2, over the lack of theory of collective bargaining.

### **COMMON'S THEORY OF THE LABOUR MOVEMENT**

Perhaps the most plausible explanation of trade union development almost universally acceptable is John R. Common's concept of expanding markets.

In his article on American Shoemakers (1648-1895) Commons has established a cause and effect relations in an integral fashion, proceeding with the extent of market expansion, advancing stages of production, dichotomy of interest, outgrowth of competitive menaces to the final creation of protective organization. It is interesting to note that Professor Tripp's theory of collective bargaining draws heavily from common's concept of expanding market.

The development and structure of trade union movement although says nothing definitive about the outcome of a negotiation or the pattern of conflict resolution.

### **MARGINALIST BEHAVIOURAL THEORIES OF THE FIRM.**

As we explored the reasons for the development of the trade union movement in the phenomenon of expanding markets, so must we find theoretical basis of management resistance to unionism, both in economic and behavioral terms. The guiding principles for an individual employer, under competitive condition is to expand output (by employing additional units of land, labour and capital to the point where his marginal cost becomes equal to his marginal revenue. This will ensure maximum output and more profit. This lies the marginalist explanation of management tendency to maximize, leading to a large body of abstract. Behavioralist, insist that operating a business is a complex organizational (bureaucratic) and decision making process.

### **METHODOLOGY**

#### **RESEARCH DESIGN**

The design for this study is survey research design. The independent variable of the study is collective bargaining while the dependent variable is conflict resolution.

## SUBJECTS

The study was based on a sample of 310 respondents. The participants comprised of 185 (59.7) males and 125 (40.3) females. Also, the respondents comprised of old and young people. The mean age of the population was 33.06, while the standard deviation was 7.19. The entire participants were direct member of the organization. A total of 123 (39.7) are single and 185 (60.3) are married.

## INSTRUMENTS

This study made use of questionnaire for data gathering. This questionnaire is divided into 3 sections namely, A, B, and C. Section A consists of demographic information such as Sex, Age, Marital status and Academic qualification. Section B measures conflict resolution, which is a scale developed by Amuhaya (2010) which was adopted for this section. The scale consists of 15 items with response format ranging from Always (5) to Never (1). Section C measures collective bargaining. The Scale was developed by Hewit (2000). It is a 12-item scale ranging from strongly agree (1) strongly disagree (4). The scales were further revalidated to establish their consistencies, and the Cronbach alphas are 0.75 and 0.89 respectively.

## STATISTICAL ANALYSES

The data collected were analyzed using frequency counts and simple percentages, regression analysis and t-test. Hypotheses 1, 2 and 3 were tested using t-test, and hypothesis 4 was tested with regression.

## DATA PRESENTATION AND ANALYSES

**Hypothesis 1:** The first hypothesis states that there will be a significant difference between collective bargaining and conflict resolution.

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**able 4.1: Summary of t-test showing the collective bargaining and conflict resolution.**

	N	Mean	Std.Dev	Crit-t	Cal-t	Df	P
Collective bargaining	310	48.7355	8.7933.	1.96	24.383	309	.000
Conflict Resolution	310	34.6613	6.8350				

The table above showed that there was no significant difference between Collective Bargaining and Conflict Resolution (Crit  $-t = 1.96$ , Cal.t =24.383, df=309;  $p < 0.5$ ).The hypothesis is therefore accepted.

**Hypothesis 2:** The second hypothesis states that there will be a significant difference in the Conflict Resolution exhibited by male and female respondents.

**Table 4.2: Summary of t- test showing male and female respondents difference in Conflict Resolution.**

Conflict Resolution	N	Mean	Std Dev	Crit -t	Cal -t	Df	P
Male	185	48.5008	8.5008	1.96	.039	308	.969
Female	125	48.7120	9.2438				

The result above shows that there was a significant difference in the Conflict Resolution of male and female respondents (crit -t = 1.96, df=308; P> .05).The hypothesis is therefore rejected.

**Hypothesis 3:** The third hypothesis states that there will be a significant difference between Age and Conflict Resolution.

**Table 4.3: Summary of t-test showing that there will be a significant difference between Age and Conflict Resolution.**

	N	Mean	Std Dev.	Crit -t	Cal-t	Df	P
Age	310	33.0600	7.1900	1.96	23.509	309	.000
Conflict Resolution	310	48.7355	8.7933				

The result above that there was a significant difference between Age and Conflict Resolution (Crit-t= 1.96, Cal-t = 23. 509; df=309, P<.05). The hypothesis is therefore accepted.

## **DISCUSSION**

This study examined the role of collective bargaining on conflict resolution in organizations. This implies that collective bargaining is a very important factor in ensuring industrial peace and harmony among workers.

The findings of this study revealed that collective bargaining has a direct influence on conflict resolution in organizations. Findings correlate with Lewin (2001) Berdersky (2003), Lipsky and Augar (2004), Keep and Mayhew (1990) and Huselid (1995) who reported a significant relationship between collective bargaining and conflict resolution. Therefore, employees and employers are partners in the enterprise. In exchange for security in the form of lifelong employment, employees and trade unions cooperate with employers; joint responsibility is taken for their survival and prosperity of the organization.

Moreover, the findings also revealed the strength of collective bargaining on conflict resolution among workers in selected work organizations. The findings tally with Cutcher and Gersherfield (2003), Lynch (2001) and Rowe (1997) who submit that collective bargaining and conflict resolution had significantly influenced worker's commitment and enhanced cordial interpersonal relations.

## CONCLUSION

The findings of this study established that collective bargaining directly influenced conflict resolution. It also revealed that gender did not have a significant difference on conflict resolution. Age was also found significant on conflict resolution. The findings implied that collective bargaining resulted in maximization of profit and therefore enhances industrial peace.

## RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made:

1. Collective bargaining should be allowed in all establishments in order to forestall industrial conflict and enhance peace and harmony.
2. Opportunity for collective bargaining must be available to all staff and should be by the management of the organization. There should not be gender or tribal discrimination in the participation of workers in collective bargaining; this will definitely ensure organizational goal achievement.

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