



A just share to the fruits of one's labor is a right guaranteed to all workers. How this right can be exercised prudently is the main concern of the module. Collective bargaining entails a membership that understands its responsibility from the moment a collective bargaining negotiation is proposed until the time that an agreement is finally implemented.



### WHAT IS COLLECTIVE BARGAINING?

*Collective bargaining is a process of negotiating an agreement regarding the terms and conditions of employment through a system of shared responsibility and decision-making between labor and management.*

### WHAT ARE THE FOUR ESSENTIAL ELEMENTS OF COLLECTIVE BARGAINING?



**Legal.** *Collective bargaining is a process of negotiating an agreement.*



**Economic.** *Its contents specify the terms and conditions of employment (e.g., salary/wage increase, benefits, etc.).*



**Political.** *The agreement is a product of a negotiation between labor and management.*



**Moral.** *It involves a system of shared responsibility and decision-making.*



### WHY IS COLLECTIVE BARGAINING AN IMPORTANT ASPECT OF LABOR-MANAGEMENT RELATIONS?

Collective bargaining is important because it promotes the rights and ideals of labor.

**Right to life.** *Collective bargaining is a means of improving workers' standard of living through just compensation and humane working conditions.*

**Right to work.** *It guarantees security of tenure and employees promotion on the basis of seniority.*

**Right to equity.** *It defines the right and responsibilities of labor and management.*

**Right to participate.** *It affords participation to labor in running an enterprise through shared decision-making, control, management, and ownership of the means of production.*

**Industrial peace.** *It includes machinery for settling grievance or labor-disputes on employment –related issues.*



## **WHO ARE THE PARTIES INVOLVED IN COLLECTIVE BARGAINING?**

The union as the  workers' representative and the management as the  employer's representative. Note that only a duly registered union that is recognized as the exclusive collective bargaining agent of workers can undertake the collective bargaining process.



## **WHO MAY BE COVERED IN A COLLECTIVE BARGAINING AGREEMENT?**

According to the Labor Code, only rank-and-file employees perform functions that do not include formulating, recommending, or executing management policies- job descriptions that are reserved to managerial employees. Rank-and-file is divided into four groups: casual, contractual, probationary and regular. Of the four groups, only regular employees are included in the union coverage of most collective bargaining agreements. Contractual, casual, and probationary employees however, may also form their own unions for collective bargaining purposes.



## **WHAT ISSUES ARE DISCUSSED IN COLLECTIVE BARGAINING?**

Two kinds of issues are generally discussed in collective bargaining:



### **Economic Issues**

- 1. Check-off (payment of union fees).**
- 2. Working days and hours**
- 3. Salary increases / allowances / bonuses / profit-sharing**

4. Leaves
5. Overtime / holiday/ shift premiums
6. Employee welfare (e.g., hospitalization benefits, dental benefits, etc.)



### **Non-Economic Issues**

1. Union recognition / coverage
2. Definition of employees category
3. Union security
4. Rights and responsibilities of parties
5. Security of tenure
6. Seniority
7. Grievance machinery
8. Arbitration
9. Job evaluation and wage and salary administration
10. Employee services (e.g., workers' education, job enrichment, etc.).
11. No strike / no lockout



### **WHAT ARE THE PROCESSES INVOLVED IN COLLECTIVE BARGAINING?**

#### **Preparation**

Preparation includes researching and formulating proposals. A collective bargaining research must take into consideration the economic factors on which union demands are based: minimum budget requirements, cost of living, productivity, company's ability to pay, industry practices etc. The result of the data analysis of these economic factors determines the content of a collective bargaining proposal.

A union engaged in collective bargaining prepares two sets of research studies. The first contains the demands of the union based on its research findings. These demands are presented to the general membership for adoption or approval, after which they become proposals that are then submitted to the management for collective bargaining purposes. The second research study is a definition of the arguments supporting the proposals of the union. This research study is submitted to the Department of Labor and Employment (DOLE) to be used as a reference material should the negotiation reach a deadlock as to require mediation or conciliation and arbitration.

#### **Negotiation**

**Negotiation is the actual deliberation of proposals by the union and the management. It is composed of five stages:**

- 1. The union submits a notice to negotiate together with its proposals to the company.**
- 2. The company answers the notice to negotiate within ten (10) days after receipt of said notice.**
- 3. The union's bargaining representatives and the management hold meetings and conferences to discuss the proposal.**
- 4.  If both parties agree on the proposal, a collective bargaining agreement is signed. If not, then a deadlock or a disagreement regarding certain proposals ensues between labor and management.**

** During a deadlock, the union may file a notice of strike while the company may file a notice of lockout to the DOLE. Both parties, however, may opt for conciliation and mediation in which government representatives through which conciliators or mediators help labor and management in settling their disagreement. If the deadlock is not resolved within thirty days, the union can go on strike while the company can lockout provided they have submitted a winning strike-vote or lockout-vote seven days prior to intended date of strike or lockout. The DOLE, on the other hand, may elevate the case to compulsory arbitration. A decision arrived at in compulsory arbitration is appeal able up to the Supreme Court.**

- 5. The CBA is presented to the general membership for ratification. A CBA, to be considered ratified, requires a vote of not less than one-half of the total membership of the union. This procedure, however, is not applicable to agreements whose contents are results of compulsory arbitration.**

### **Implementation**

**The merit of a collective bargaining agreement lies to a great extent of the implementation of its provision. Most CBA's have a term of three years. The date of effectivity of a provision (e.g., wage increase) is usually specified in the agreement. How this provision is put into practice is subject to the interpretation of labor and management, a process that sometimes leads to a dispute. To accommodate the conflict, CBAs include machinery for settling grievances or disputes.**



## **HOW CAN MEMBERS HELP THE UNION DURING THE COLLECTIVE BARGAINING PROCESS?**

### **Preparation**

- 1. Study the significant labor laws and related legislations.**
- 2. Assist in gathering data by administering questionnaires and interview schedules and by researching on cost of living, industry practices, etc.**
- 3. Help collate data.**
- 4. Be realistic in costing your demands. Consider not only your benefit but also the current position of your company.**
- 5. Understand your union's collective bargaining proposals.**
- 6. Help in disseminating information and in explaining your union's collective bargaining proposals to other members.**
- 7. Participate in all collective bargaining-related meetings or activities, particularly in the approval of proposals.**

### **Negotiation**

- 1. Be supportive of your bargaining representatives.**
- 2. Keep yourselves apprised on the progress of the negotiation.**
- 3. Be present in consultation meetings called by your union during the negotiation**
- 4. In case of a deadlock and the consequent arbitration that follows, be cooperative with the conciliators or arbitrators.**
- 5. Let facts and realities, not emotions, dictate your actions during a strike. Consider what you will gain and what you will eventually lose in the process.**
- 6. Be flexible. Your demands may be modified without necessarily defeating the objectives of your union.**
- 7. Make sure that you participate in the ratification of your CBA.**

8. Do not blame your bargaining representatives if the CBA does not contain all the proposals that you presented. A CBA, after all, a product of collective effort. You are equally responsible for the agreement as much as your representatives.

### **Implementation**

1. Study your CBA. Make sure that your union and the management agrees on a common understanding of the agreement.
2. Monitor the implementation of the CBA.
3. Abide by the provisions of the CBA.
4. Should a CBA violation occur, exhaust the grievance machinery to settle the conflict within the company.