

COLLECTIVE BARGAINING PROCESS

Key concepts

Collective Bargaining involves three interrelated processes: research and preparation, negotiation, and contract administration and evaluation

Research and preparation

There are at least two things to prepare prior to negotiation: the research component, which provides objective and tangible information necessary in the negotiation; and the definition of basic negotiation strategies based on the analysis of the people, structure and context of the negotiation.

Content of Research

Collective bargaining proposals are based on the following indicators:

Standard of living – The ideal standard of living is specifically how much an average family should earn to reasonably live a decent human life.

It is also use to determine the effect of prices on the real value of wage.

Ability to pay – The financial ability of the company to satisfy union demands, it indicates whether the company is gaining or losing.

Comparative-norm principle – The assumption that the economics of a particular bargaining relationship should neither fall substantially behind nor be greatly superior to that of other employer-union relationships. Generally, it is good practice to keep up with the crowd, or to lead it if necessary.

Sources of data

- The Company's accounting department
 - As of companies in the same industry
 - National Census and Statistics Office
 - Wage Commission
 - Foods and Nutrition Research Center
 - Central Bank
 - National Economic and Development Authority
 - Center for Research and Communication
 - Securities and Exchange Commission
 - Department of Labor and Employment
 - U.P. School of Labor and Industrial Relations

- Ibon Foundation

Data gathering

Data for Collective Bargaining purposes can be classified into primary and secondary.

Primary data

These are facts gathered by the union directly from its members. They pertain to income, expenditures, size of family and other similar information. Interviews and questionnaires can be administered to gather this information.

Secondary data

These are data gathered by agencies and published in periodicals or statistical bulletins.

Data analysis

After gathering data, the union analyzes them in relation to the other elements of the negotiation: communication, relationships, commitments, criteria, option, alternatives and interests. Data analysis complements the determination and crafting of the Best Alternative To Negotiated Agreements (BATNA) and the negotiation strategies.

Formulation and submission of proposals

The union formulates two studies:

1. Collective Bargaining proposals for submission to management
2. Arguments supporting the demands for the negotiators to master or to present to the Department of Labor in case of deadlock. These arguments will be used to respond to the objection posed by management. In case of deadlock, they can also serve as exhibits worthy of consideration as the arbiter decides over the merits or demerits of the case. Before submission to management, the proposals are reviewed by the union's executive board, which in turn presents them to the general membership for approval.

Negotiation: The interest-based negotiation option

Our usual assumption of negotiation is that it is a win/lose game, where in cases of conflict, negotiating strategies at the table should be focused on outwitting and overpowering the other party. The objective of the other party is to force the other to give in. This notion of opposing positions often pervades in collective bargaining deadlocks.

The win-lose assumption compels the parties to choose the strategy of either capitulation (soft style) or confrontational (hard style) or a combination of both. It becomes a rigodon of hard and soft bargaining between the parties.

Do you want it hard or soft?

Hard negotiation and soft negotiation are usually associated with the basic win/lose assumption of positional bargaining. Either party can resort to hard negotiation when the other takes the soft strategy, or both parties can meet head on, clash and reach an impasse.

Hard or soft positional bargaining usually feels illegitimate and may not meet party's interest.

| CAPITULATION (SOFT) | CONFRONTATION (HARD) |
|--|--|
| <p>A party that uses this techniques:</p> <p>Gives value to the relationship and may not be able to separate the issues from the persons</p> <p>Has reaching an agreement as its primary goal</p> <p>Is soft on people and on problem, to the extent that it makes concessions in favor of the relationship</p> <p>Makes offers and changes positions easily</p> <p>Accepts one-sided losses just so an agreement can be reached</p> <p>Searches for even a single acceptable position</p> <p>Avoids contest of will and yields easily to pressure</p> | <p>A party that uses this techniques:</p> <p>Considers the other party as an adversary</p> <p>Requires concessions as a condition of the relationship</p> <p>Has victory as its primary goal</p> <p>Is hard on people and on the problem</p> <p>Makes threats and is critical of the other party's positions</p> <p>Considers one-sided gains as the end result of the agreement</p> <p>Searches for even a singly acceptable position</p> <p>Tries to win a contest of will and will apply pressure</p> |

Interest-based negotiation

When we think about it, although policemen and street vendors have opposing positions, in an informal sector setting, their interests are actually not contradictory. They are both merely working to earn a living.

Textile garments manufacturers are tolerating the existence of home workers, not because the latter are viewed as competitors but because home workers are complementary satellite structures that allow manufacturers to meet their production requirements.

In recent negotiations, the term “win-win” solutions gained popularity, giving the impression that both parties are contented with the results. What are win-win solutions? How can one party involved in the negotiation say that they are contented with the results? Is it similar to a “compromise”? Is it correct to immediately reveal your positions or should you “stall your aces”?

Do we want an agreement?

Sometimes, the best solution to conflicts at the bargaining table is not to forge an agreement but to move away from the negotiating table. The negotiators’ basic problem is to DECIDE whether they want a DEAL or NOT.

This decision will have to consider a certain analytic framework of the persons involved and affected by the negotiations, the context in which the negotiation are initiated, and the structure of the negotiation itself.

People

In negotiations, it is important to make an analysis of the persons involved and affected by the negotiations. Two related levels of behavioral assessment are important: individual and social (or collective)

It is important to understand that people have different histories, values, experiences, and motivations, interest and style. Recognition of individual biases and perspective helps you understand people and their approach in the negotiations.

Socially, in terms of culture or race or when, for example, in informal sector negotiations involving different individuals and groups, it is important to note a variety of socio-cultural and psychological dynamics that influences the process and outcome of negotiation.

Context

The context defines the situation that shapes the negotiation and defines the expectations on how it should be approached. For example, negotiation for project and technical cooperation between formal sector groups and funding agencies may be approached within the context of collaboration and confidence-building initiatives, with the end in view of establishing good relationships. There are at least three important interrelated elements of negotiations that need to be considered: communications, relationships and commitments.

The context of the negotiation defines decisions on the systems of communication between the parties, on whether the negotiations should be creating a “one-shot during negotiation” relationship or long term, on whether the result should be written or should be verbal commitments.