

# Trade union response and collective bargaining management essay



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According to the dictionary of Human Resource Management (2010, p. 370-371), Trade union is defined as, “ A representative or member organization of workers that exists to protect and advance the interests of working people.”

According to the National Archives of UK, as of 2002 there were 213 trade unions in UK with a membership of 7.7 millions. Whereas, in Pakistan the total number of trade unions is around 7200 out of which only 1900 have a right to act as collective bargaining agents (CBAs) (Ghayur, 2009, cited in Ahmad, p. 8). Collective bargaining agents are those, which have been given a legal permission or right by the Government to collectively bargain with the management on their members' behalf.

According to Jeff (1989, p. 66-67) the trade unions can be divided into five main types:

- i. Craft unions: These types of unions organize the workers on the basis of their skill irrespective of the organization or industry they are employed in. For example, doctors or engineers whether from private or public sector join together to form a union.
- ii. Occupational unions: These kinds of unions organize workers belonging to a single occupational category regardless of the level of their skills or experience. These kind of unions are also being developed from the craft unions in order to increase the number of organized workers. For example, the construction workers joining hands together to form a trade union covering both skilled and low-skilled workers in the construction industry.

- iii. Industry Unions: This type of union organizes the workers only in a specific industry. For example, nurses union representing the health care industry or a union representing the lecturers from different universities.
- iv. General Unions: It organizes workers over a range of industries, occupations and skills. For example, a workers union may include employees from health, education and call centers etc.
- v. Company Unions: This type of union is formed only by the members of specific organization. For example " Union Unite" represents the members of British Airways Authority.

The other types of unions may include sectoral unions and ideological unions.

The trade unions have been on a decline since the 1980's due to the unions' inability to organize workers specifically in the constant growing high technology, IT and the service sectors in USA and in the 90's the evidence became more apparent that the union power was going through a similar downfall in many countries, including Sweden and Germany, where unions had a very strong position (Katz, 1999). This decline has also been experienced by UK as well (Arthur, 2010). Also at the same time, due to globalization, network societies, increase market competition and the decentralization of authority have also influenced on the decline of union membership. Another factor might be the rising real wages and increasing inflation has also decreased the incentives for workers to join unions (Blyton and Turnbull, 2004, p. 143). The rising costs of living have made the workers reluctant to join or renew their unions' memberships. Another factor could be <https://assignbuster.com/trade-union-response-and-collective-bargaining-management-essay/>

due to the sharp increase in the unemployment rate across various economies due to recession and other factors. For instance the youth unemployment rate in UK (20.5%) as of today is the highest since 1994 (BBC, 2011). The general unemployment rate of UK has also increased from 5% to 7.5% during the last five years (office for national statistics). This has resulted in management having more power in terms of hiring and firing of employees. Low supply of jobs against the high supply of workers have made the workforce in direct competition with each other which again has led to de-unionization of the workforce.

Another reason why workers today are more hesitant in favour of trade unions is that they are not sure about whether unions can actually “deliver” (Diamond and Freeman, 2001 cited in Blyton and Turnbull, 2004 p. 143). The trade unions have usually failed to live up to their expectations to the workforce in the past. At the same time, more and more managements in the organisations, whose workers were vulnerable enough to join the trade unions, have come up with pro-active strategies to keep the workers satisfied under the umbrella of management which have again resulted in the decline of the trade unions.

But at the same time, during the last decade the rate of decline has been constantly decreasing. This is due to the fact that the trade unions have tried to come up with different sort of revival strategies to attract and organize more workers. These strategies are as follows:

Consumerism: This strategy involves around individual members of the workforce. The idea is to focus on needs of an individual which will then provide

them motivation for applying and retaining union membership. The benefits provided by the union include monetary discounts, insurance and holiday travels, legal counseling and training and development. Despite the excessive advertisement of these services, its still did not marked as a driving force for the workers to join or leave the unions.

Mergers: This strategy includes joining hands with the other unions through mergers or acquisitions in order to tackle the decline of union membership and to increase the power of collective bargaining. As mentioned by Gennard (2009, p. 117) the trade unions can merger by any one of the two different methods. One is a union transferring its membership property, processes and finances to another union. The acquiring union maintains its name and workbooks but now has more assets in terms of workers, employees and finances to organize its members. The other one is by dissolving two or more unions to create a new union with a new name and a union rulebook. The essence of such move is that a new union with a new identity and modus of operandi will attract in new members and will be in better position to retain its members by providing them a fresh motto and new directions. Dr Undy (cited in Gennard 2009, p. 118-119) concludes that this strategy does not provide an answer to the issue of declining union membership meanwhile the transferring of union membership is relatively more successful than by to dissolve unions to create a new one. It could be because of the fact that workers, now under the umbrella of a brand new union and the way it organizes, may not like to see this sudden change and some would even may found it more riskier.

Partnership: Guest and Peccei (1998 cited in Peter and Michael, 2001, p. 166) define partnership “ in terms of commitment to a set of principals which do not include recognition of autonomous workers representation.” Whereas, “ Social Partnership” is a very vague term and in UK can have various meanings based on its interpretation under the spotlight of union activities (Ackers and Payne, 1998; Guest and Pecci, 2001; Taliby and Winchester, 2000, cited in Heery, 2002, p. 21-24). Social partnership at European level will refer to a social dialogue between the European countries such as Spain, Denmark, Italy, Holland etc; and will try to achieve a mutual ground between the workforces of different countries on the framework provided by the European Union.

At State level, it implies that the unions have a commanding role in terms of deciding the objectives of the economic and social management. At company level, it implies as the collaboration between the unions and the management to provide a win-win deal for both the parties. There has been varied evidence in terms of success or failure of this kind of union revival strategy.

Organizing Model: The organizing model aims to make unions as campaigning organizations, which focuses on mobilizing the workers against the injustices faced in the workplace. This model mainly revolves around building the unions from the scratch with the help of the following strategies (Bronfenbrenner, 1998 cited in Heery, 2002, p. 27) described below:

The organizing model involves carefully planned campaigns in which the target work force is identified and the means to recruit them are planned out

in an organized manner. The planned campaigns also emphasizes on the issues and concerns of the target work force which are identified through surveys or focus groups. These are then used as the selling point in the campaigns in order to retain and attract more members. The strategy also involves various advertisements/propaganda tools such as posters, badges, petitions, publications and strikes. These models also involve around the idea of lead organizers or in other words as project managers in order to start, monitor and increase the rate of participation amongst the target work force. The strategy is overseen by an organizing committee, which involves the members of the target work force as well. By using mapping or location methods to point out and locate all the potential members of the work force and then rank them in degree of their likeliness to join the union. More members are also recruited on like-to-like basis in which specially trained recruiters are used to convince the non-members to join the union. For example, a mother-to-mother, young-to-young etc are specifically used to attract more members to the union. This model also emphasizes on the development of the support of community so that it can reach out to the people outside the work force as well in order to enhance its image and position.

John Goodman (1984, p. 145 cited in Blyton and Turnbull, 1994, p. 177) describes collective bargaining as " A process through which representatives of employers and employee organizations act as the joint creators of the substantive and the procedural rules of employment". It involves trade union representatives and management negotiating over substantive employee rules such as pay, working hours, pensions, sick leave etc and procedural

employment rules such as the nature of acceptable employer conduct and behaviour. Whether the collective bargaining can function successfully in a society; depends upon the nature of its institutions, legislations and the roles played by the three actors of employment relationship i. e. government, management and labour. The best way to understand the collective bargaining is to have a deep insight in the process and the values associated with it. Vernon (1963, p. 549-550) outlines the following six elements for the better understanding of the process of collective bargaining:

1. There is a “ real” interdependence exists between the parties. The workers need the management, the management needs the workers, and both the management and workers need the government and vice-versa. Without any of these actors, an organization cannot be run successfully or efficiently and on the same page, the government needs both the parties to play their roles in the development of economy. Therefore, this dependency cannot be terminated even with issues between the parties.

2. Even all the parties are committed in the continuous operations of an organization; these parties can still have their own individual interests as well. Therefore, an absolute union and management corporation cannot be expected because there will always be a clash of interests.

3. Even in the unions itself, there could be workers ranging from different backgrounds and having different professional level and occupation in the union. Also there is usually a traditional vertical hierarchy in the unions, for example, senior and junior management. These factors can lead to internal differences in between the unions as well. This phenomenon is also similar



across the management of an organization/company, for example, a senior finance manager will have different individual interests in comparison to a cashier or a line manager.

4. The parties involved in collective bargaining, most of the times, are not absolutely aware of the exact nature of the stances of the other. The parties are well aware of their own standpoint due to the common work environment and the common interest as well but have little background knowledge regarding the stance of the others.

5. Due to the diverse nature of the parties involved in collective bargaining, all the parties operate with certain limitations as well. For example, a certain “rigid” organizational internal policy may hinder the process of bargaining in between the parties as no party will be willing to change their policy. At the same time, there might be some external limitation in terms of economic, political, social and legal obligations as well, which may also act as a barrier for the process of bargaining.

6. In addition to the above-mentioned factors, there is also a struggle for the power, which can hinder the process of collective bargaining.

### **The Case of Pakistan:**

Pakistan, an underdeveloped country, has suffered from internal political disputes and low levels of foreign investments since the day it was born. The constant acts of terrorism in the last decade, earthquake in 2008 and recently the record floods in 2010 across the country have been a major blow to the economy of this country. As of 2007 the total labour force of

Pakistan constitutes of approximately 48 million. During the 1969, the <https://assignbuster.com/trade-union-response-and-collective-bargaining-management-essay/>

Industrial Relation Ordinance was passed by the government regarding the trade unions and industrial disputes. This ordinance was changed by all the respective military regimes on the sole basis of protection of their “ power” which came after 1969. In 2008, the Pakistan’s people’s party reinvented the Industrial Relations Ordinance into a new legislation called the industrial relations act, 2008.

Regarding the collective bargaining it is a constitutional right for the trade unions in Pakistan but at the same time, there are certain limitations on the right of strike of a worker. For instance, the employees in the public service sector do not have the right to organize. Therefore about half of the work force, which is usually from the private sector, only has the right to organize. Even of these members affiliated with the unions, only those have the right to bargain on collective bases whose unions have got the recognition as the Collective Bargaining Agent by the Government.

Similar to the trends of the union decline already mentioned, the labour unions in Pakistan have also experienced the decline both in terms of size and power in its brief history. As some of the factors mentioned by the literature regarding the decline of trade unions may be applicable to Pakistan as well, but there is an another unique factor which has played a major role in the union membership decline. This factor is the periodic military interventions which especially pose a great threat to the rise of trade unions. As mentioned by Candland (2007, p. 55), the military will continue to regard the unions as a hazard to their interests and therefore will limit and dictate the workers’ unions. There were even some cases in which the

management of an organization accused the trade unions representatives of  
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illegal activities under the Anti- terrorism act. An example is of Pakistan Telecommunication Company Limited (PTCL), in which the management of PTCL accused thirty-five union leaders and were charged under the anti-terrorism laws.

### **Research Objectives:**

Based on the preliminary literature evaluation it can be concluded that there has been little research done on the trade unions and collective bargaining under the spotlight of frequent changes in the government regimes. As in the case of Pakistan there has been a constant power struggle between the military and the political parties. So far there has been three military interventions resulting in military presidents in power from 1958 till 1971, 1977 till 1988 and the last one was organized by Gen. Pervaiz Musharraf from 1999-2008. The constant shifts of the government systems have also resulted in different style of policies for the workers in Pakistan.

Historically, the military regime in Pakistan had this policy of breaking down the trade unions in terms of their effectiveness and the workers membership. This was due to the fact that the military power did not wanted the workers to organize in any way as collectively, the workers can pose a threat to the military regime. Whereas, under the democratic system, the political parties allowed the trade unions to organize the workers at least in the private sector but still the political parties would favour those unions, which can guarantee them an electoral vote in the next elections.

As it can be seen, it is quite a unique situation in Pakistan regarding the role trade unions have to play. So far, most of the researches conducted on trade

unions and collective bargaining have been carried out in developed economies like UK, USA, Germany, Italy and Japan etc. These countries have stable governments usually having consisting workers polices.

Therefore, the aim of this research is to test out the union revival strategies and the role of collective bargaining in the private banking sector of Pakistan. The research will focus on previous literature and the research findings and will test the theories drawn from it under the spotlight of the unique situation in Pakistan. Therefore, the aim of this research will be to explore the role of trade unions and collective bargaining in the banking sector considering the current political climate of Pakistan and in what ways these roles have changed since the last military rule.

The research will be focusing on Pakistan Worker's Federation which came into being through the merger of three trade unions of Pakistan, namely: All Pakistan Federation of Trade Unions (APFTU), All Pakistan Federation of Labour (APFOL) and Pakistan National Federation of Trade Unions (PNFTU). Regarding the work force, the research will also concentrate on the employees of a private bank in Pakistan to highlight the workers attitudes towards the trade unions and collective bargaining.

The research will focus on the following questions:

1. How does the trade union organize their workers currently in Pakistan?
2. In what ways these activities have changed since under the military regime?

3. What are the views of managerial and non-managerial employees of a private bank on the trade unions?

4. What are the views of the same mentioned employees on collective bargaining?

### **Research Design:**

It is a qualitative research focused on to describe and explain the methods of trade union organizing and collective bargaining and the workers attitudes, behaviors and experiences involved in this process.

As mentioned before, in the context of the unique situation of Pakistan, an ontological position seems an appropriate paradigm as the reason to use interviews in this research. This position implies that the people perceptions, experiences, awareness, opinions, analysis, and relations are meaningful assets of the social reality, which the research questions are aimed to explore. Further more, the common/native language (Urdu and Pushto) used by the respondents and the researcher will provide a better insight in exploring their views regarding the research questions.

The research will aim to test the variety of existing literatures regarding the union decline and revival and the process of collective bargaining by adopting an iterative approach. This will enable to identify new insights (if any) into the existing subject area.

The nature of inquiry as mentioned before is going to be explanatory and descriptive. The unit of analysis will be based on the attitudes of managerial and non-managerial staff regarding the role of trade unions and collective

bargaining. On the union's side, the unit of analysis will be the 'activities' taken by the trade union in order to tackle the rate of decline of its members. It will focus on the activities taken by the trade union in the last military rule and in the current democratic government.

The research design is going to be a case study approach. Its focus is instrumental, as this case study will provide further insight on the previous theories of organizing trade unions and the collective bargaining. As already mentioned, this research is going to focus on a bank and a trade union. As mentioned by Yin (2003 cited in Bryman and Bell, 2007, p. 64) this can be categorized as a single case study having the features of "representative or a typical case" as it is aiming to explore a situation which can be exemplified to the organizations under consideration.

Such kind of design has already been used by the researchers such as Walters (1987), Wolf (1949) and Leopold and Jackson (1990).

One of the research site is going to be the "Pakistan's Workers Federation". This organization is chosen because of the fact; it is the single largest trade union in Pakistan and having a membership of more than 880, 000 workers across the country. The second organization is going to be a private bank from the financial sector. Specifically the private bank is chosen as in the public service sectors like Water and Gas, Energy and Health etc, the workers do not have a right to form or associate with a union and hence therefore, no right of collective bargaining as well.

## **Research Methods:**

The research is going to be based on semi-structured interviews. The reason for selecting this method is because of the fact that it will allow to construct the interview questions based on the understanding from the previous literature and research done in the field of trade union organizing and collective bargaining. At the same time, it will allow the respondents to raise their own voice, experiences, knowledge and interpretations regarding the research questions. The qualitative interview enables the researcher to understand the phenomenon under consideration from the other person's perspectives (Patton, 2002, p. 341).

As highlighted by Bryman and Bell (2007), the semi-structured interviews are usually related with qualitative studies and they should be flexible enough to seek out the views of respondents as well. The same authors (p. 507) also outlined that tape-recorded and then transcribed is the appropriate method for a qualitative interview. Tape-recording methods are time saving, provide scope for more interaction and authentic account as well.

In the case of trade unions, they will be more open to provide the feed back whereas there might be some limitations in the case of bank as some of the employees may not provide reliable feed back due to the sensitivity of their position in the organization. Also the lack of time does not permit to conduct interviews with a large number of respondents.

Apart from interviews, a secondary data analysis will be used which would include the data collected by other researchers. There are various advantages of secondary analysis ( Bryman and Bell, 2007, p. 328-334) such

as in terms of cost and time, high quality data and offers an opportunity to re-analyze from a new interpretation. Some of the limitations of the secondary data analysis (Bryman and Bell, 2007, p. 334-336) are the lack of familiarity with data as this data is not collected on first hand basis, its complexity as the data can be very large in terms of size and scope, the commercially financed research which may lack objectivity and the absence of variables which are of interest to the researcher. Having said that, there seems to be a limited secondary data available regarding the trade unions, collective bargaining and workers attitude in the context of Pakistan.

### **Sampling considerations:**

The interviews are going to be conducted on the managerial staff and employers across both genders in the trade union as well as the bank. Since the focus of this research regarding the role of trade union organizing is more strategic in nature therefore interviews will be also be conducted on the higher managerial positions in the union. Whereas, interviews will be conducted on officers as well as managerial levels in the bank in order to asses their attitude and behavior regarding the trade union and collective bargaining on different levels of this organization.

As mentioned by Liza, Michelle, Karen, Julie, Nicky and Jeanne (2007, p. 541)

” the single case study is limited by a very small sample but it can provide interesting and important information about a setting”. For the purpose of this research a cluster sampling technique will be used. The employees in the bank will be categorized in terms of their occupation, job, gender and their position in the hierarchy. Than a sample of approximately fifteen

respondents will be selected so that there can be an equal representation  
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across each clusters. As there might be a probability that a specific cluster can influence the outcomes of the research. For example, an employee who has just joined the bank will have different or lesser opinion regarding the union in comparison to employee who has worked in the same bank for more than five years.

The total number of respondents will be approximately 15-20 ranging across from both the organizations.

## **Methodological Considerations:**

### Generalizability:

One of the issues of the qualitative research design as demonstrated by Bryman and Bell (2007, p. 423) is that these are very difficult to generalize. The findings of this research based on a case study approach; may not be applicable to the overall population. As the case study approach focuses on a small population in a specific work context such as the banking sector of Pakistan in this case. The policies, work environment and attitudes may vary from one organization to another; therefore, it cannot be generalized to the whole population but at the same time mentioned by Bryman and Bell (2007, p. 424), “ the findings of qualitative research are to generalize to theory rather than to populations”. As the aim of this research is to test out the theoretical debates and the previous researches done on the revival of trade unions and collective bargaining, therefore, the findings of this research will be useful to provide a new insight in the current literature on the topics in focus.

### Reliability:

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The research will be initially carried out through a comprehensive literature evaluation to provide a better insight and interpretation regarding the decline and revivals of trade unions and collective bargaining under the context of different economies. It will also provide an opportunity for better understanding of the theme of this research, as at current there is a very limited literature found on the specific context of Pakistan. As mentioned before, the sampling is going to be conducted on the category of theoretical sampling. The members of the group will be selected through cluster sampling to make sure that a thorough complete representation of the population of the respective organization and trade union can be achieved.

Andreas (2003, p. 82-83) compiled the different methods of various academics/researchers, which can be used to increase the reliability in a case study research. These are as follows:

To give full account of theories and ideas for each research phase and record observations and actions as authentic as possible (LeCompte and Goetz, 1982).

Development and refinement of the case study protocol in the research design phase can be achieved by conducting several pilot studies, testing the way of questioning and its structure (Eisenhardt, 1989; Mitchell, 1993; Yin, 1994).

Record data by using a tape recorder (Nair and Riege, 1995).

Use peer review/examination (LeCompte and Goetz, 1982).

Validity:

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The qualitative method is the most appropriate one in order to evaluate the knowledge, experiences, attitudes and behaviour, the interaction and perception regarding the topic under study. The semi-structured interviews will enable the researcher to devise the questions based on the previous literature and research findings and a room for self expression and opinions raised by the respondents will be considered as well. The triangulation of interview tapes, documents and others can be used for protection against the research biasness (Flick, 1992; Perakayla, 1997 cited in Andreas, 2003). Reviewing of draft case study reports in the report-writing phase with the assistance of the research supervisor to change the blurred features of the data analysis and the results are useful to enhance the validity as well (Yin, 1994).

### **Constraints:**

One of the constraints regarding this research is the issue of time, as it does not permit to extend the scope and size of research. The other issue could be the age gap between the researcher and the respondents as some of the respondents might be too experienced and may underestimate the skills of the researcher. Another constraint is in terms of budget, which is in parallel with the time as well, as it will be difficult to carry out the interviews in the other branches of the bank and in the other regional headquarters of the trade union.