

## COLLECTIVE BARGAINING IN JAMMU AND KASHMIR BANK

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### **ABSTRACT**

The paper analyzes the importance of Collective Bargaining in J&K bank Ltd, a private sector bank of Jammu and Kashmir. It also analyzes the role and scope of Collective Bargaining in the bank and determines the issues of disagreement in the bank. It also tries to see whether the Unionism is strong in the Bank. The study is related with trade union and management, so, we selected the sample from them mainly; however other employees who had been part of the union were also chosen in order to make the sample healthy. Two Research Instruments were used viz personal interviewing and Closed ended questionnaire. The instruments measured employees' knowledge about Collective Bargaining, importance of collective bargaining in the Bank, strength of unionism in the bank, issues of collective bargaining in the bank, relationship between management and staff in the bank and conflict resolution in the bank. The findings reveal that all the employees are aware about the term collective bargaining, collective bargaining is important in every organization and the J&K Bank uses Collective Bargaining to achieve a mutually agreeable condition of employment. Further the Unionism is strong in the bank and Promotions, transfers and incentives form the basis of collective bargaining mostly in J&K Bank. Moreover, the Conflict / Disagreement arise between management and staff rarely and the bank uses win-win approach to resolve the conflict.

**KEYWORDS:** Banking, Industrial relation, Collective bargaining, Trade unionism, Conflict resolution.

## INTRODUCTION

Collective bargaining is process of joint decision making and basically represents a democratic way of life in industry. It is the process of negotiation between firm's and workers' representatives for the purpose of establishing mutually agreeable conditions of employment. It is a technique adopted by two parties to reach an understanding acceptable to both through the process of discussion and negotiation. It involves the process of union organization of employees, negotiation, administration and interpretation of collective agreements covering wages, hours of work and other conditions of employment, engaging in concerted economic action and dispute settlement procedures. It is called 'collective' because both the employer and the employee act as a group rather than as individuals. It is known as 'bargaining' because the method of reaching an agreement involves proposals and counter proposals, offers and counter offers and other negotiations.

## REVIEW OF LITERATURE

Salokhe Vidya (2003) in her book "Human Resource Development In Banks" strongly reported that, H R policies of each bank should be uniformly reoriented; there should be special training program for bank employees, transparent performance appraisal system and post appraisal interview, and separate career counseling and training information cell'. The bank may evolve appropriate modifications to the existing mechanisms of employee welfare and have HRD professionals appointed in the Banks. The term "collective bargaining" is governed by federal and state statutory laws and is referenced as negotiations between an employer and a group of employees so as to determine the conditions of employment (Cornell University School of Law, 2009). According to Byars & Rue (2004), the ideal end result of collective bargaining is that employer and union come to agreeable terms and conditions on these mutual interests and enter the terms and conditions into a written agreement, which will govern the daily administration of the working relationships between management and employees. "Collective Bargaining is a mode of fixing the terms of employment by means of bargaining between an organized body of employees and an employer, and an association of employers usually acting through organized agents. The essence of collective bargaining is a bargain between interested parties, and not a

decree from outside parties”. – Hoxie. In the writings of IFSTA Chief Officer (1993), it is noted, “The collective bargaining process is basically one of communication.” Misunderstandings will occur because people, attitudes, and feelings will be added to the discussion at the table. In the search of the literature there is little information to be obtained on the composition of management bargaining unit teams. Due to the complexity of labor relations it was advised that it may be beneficial to utilize a human resource professional at the bargaining table (Hunter, 1997). “Conflict is the perception of differences of interests among people” (Thompson, 1998).

Another definition of conflict would be a process of social interaction involving a struggle over claims to resources, power and status, beliefs, and other preferences and desires. The aims of the parties in conflict may extend from simply attempting to gain acceptance of a preference, or securing a resource advantage, to the extremes of injuring or eliminating opponents. (Bisno, 1988, pp. 13–14; see also Coser, 1968, p. 232) To Elton Mayo, conflict was an evil and should be minimized or, if possible, eliminated from organizations altogether. Child (1995) concluded that Mayo had: “a deep abhorrence of conflict in any form. . . . Mayo and his colleagues assumed that ordinary employees were largely governed by a “logic of sentiment,” which was of a different order from managers’ rational appraisal of the situation in terms of costs and efficiency. Conflict with management was thus an aberration that threatened the effectiveness of organizations. (pp. 88–89)”. Conflict is certainly one of the major organizational phenomena. Pondy (1967) observed that organization theories “that do not admit conflict provide poor guidance in dealing with problems of organizational efficiency, stability, governance, and change, for conflict within and between organizations is intimately related as either symptom, cause, or effect, to each of these problems” (p. 504). It has been observed by Baron (1990) that “organizational conflict is an important topic for both managers and for scientists interested in understanding the nature of organizational behavior and organizational processes” (p. 198). In a review of literature on conflict and conflict management, Wall and Callister (1995) made the following comments: “[W]e raised three of the most important questions in this article: is moderate conflict desirable? Is too little conflict as dysfunctional as too much? And should leaders, at times, promote conflict to attain organizational goals? Our tentative answers to these questions are no, no, and no” (p. 545). Wall and Callister’s approach to handling conflict is inconsistent with the recognition of scholars that organizational conflict has both functional and dysfunctional outcomes. Their

conclusions fall within the realm of conflict resolution, which involves reduction or termination of all conflicts. This is like throwing out the baby with the bath water.

## OBJECTIVES

The main objectives of the paper are:

- To analyze the role and scope of Collective Bargaining in the Bank.
- To determine the issues of disagreement in the bank.
- To see whether Unionism is strong in the Bank.

## METHODOLOGY

### Data

The sample of 40 employees from J&K Bank were chosen for the purpose of the research. As the research was related with trade union and management, so, the sample from them mainly was chosen; however other employees who had been part of the union were also chosen in order to make the sample healthy.

### Research Instrument

Two Research Instruments were used viz PERSONAL INTERVIEWING AND CLOSE ENDED QUESTIONNAIRE. Questionnaire research design proceeds in an orderly and specific manner.

### Research flowchart

Each item in the research flowchart depends upon the successful completion of all the previous items. Therefore, it is important not to skip a single step.

Design Methodology



Determine Feasibility



Develop Instruments



Select Sample



Conduct Pilot Test



Revise Instruments



Conduct Research



Analyze Data



Prepare Report

## FINDINGS

- Most of the employees strongly believe that collective bargaining is important in every organization.
- Collective bargaining represents democratic way of life.
- J&K Bank uses Collective Bargaining to achieve a mutually agreeable condition of employment.

- Unionism is strong in the bank.
- Promotions, transfers and incentives form the basis of collective bargaining mostly in J&K Bank.
- Conflict / Disagreement arise between management and staff rarely.
- Some employees believe value conflict, some economic conflict, some power conflict and some believe some other type of conflict/disagreement to be prevalent in the bank.
- Industrial Relation attempts at arriving solutions through mutual understanding.
- The industrial relation Officer of the bank is not active in resolving different conflicts.
- The bank uses win-win approach to resolve conflict.

## DISCUSSION

In completing the research and review of the materials available, it became clear that the issue of Collective bargaining is critical. The basic issues discussed initially in the literature review centered on industrial relations, collective bargaining and conflict resolution...The interest based approach seems to be the most agreeable to both parties in the cases where open communication and cooperation is occurring. It is important to note that both labor and management have an obligation and the various laws that have been enacted have gone a long way to balance the labor and management playing field. The power put on the approach to “win-win” bargaining is really a credit to where labor management relations are today. In Jammu and Kashmir bank there is an important need to promote trade unionism in order to maintain healthy relationship between management and staff, better channels of communication should be there and grievance should be handled credibly. This in turn will give impetus to the process of collective bargaining and the work environment will remain congenial.

## RECOMMENDATIONS

The following recommendations are intended for the Jammu and Kashmir Bank Ltd.

- Better system of promotions, incentives and transfers should be provided by the bank.
- Trade unionism should be promoted in the Bank for the healthy relationship between management and staff and to improve conditions of employment in the Bank.
- The bank should adopt better channels of communication within the organization and should treat all employees alike. Employees should not be discriminated.
- Industrial Relation Officer of the bank should be made active in resolving different conflicts.
- The bank must handle employee grievances in a better way.

## CLOSURE

The intent of these recommendations is to better the process that is being used to collectively agree in the bargaining process and whenever possible develop “win-win” solutions. Poor or ineffective relations between labor and management are unproductive and inefficient. The time, energy, and money spent resolving these conflicts could be put to much more positive and productive use for the department and the community.

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ANNEXURE

Collective Bargaining in Jammu and Kashmir Bank Survey:

1. Collective Bargaining is important in every organization.

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

2. Collective Bargaining represents a democratic way of life in an industry.

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

3. J&K Bank uses Collective Bargaining to achieve a mutually agreeable condition of employment

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

4. Unionism is strong in J&K Bank?

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

5. What issues form the basis of collective bargaining mostly in the Bank?

- a) Promotions
- b) Transfers
- c) Incentives
- d) All of the above

5. Trade Unionism should be promoted in the Bank for the healthy relationship between management and staff and to improve conditions of employment in the Bank.

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

6. Conflict / Disagreement arise between management and staff.

- a) Most of the times
- b) Occasionally
- c) Rarely
- d) Never

7. Which type of conflict/disagreement is most prevalent in the Bank?

- a) Economic
- b) Value
- c) Power
- d) Any other

8. What are the causes of the Conflict/Disagreement?

- a) Miscommunication
- b) Misunderstanding
- c) Dissatisfaction of employees
- d) Discrimination

9. Industrial Relation attempts at arriving solutions through mutual understanding.

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

10. Industrial relation Officer/Officers of the bank are very active in resolving different conflicts.

- a) Strongly Agree
- b) Agree
- c) Disagree
- d) Strongly Disagree

11. Which approach is mainly used to resolve conflicts in the Bank?

- a) Win-lose
- b) win-win
- c) Lose-lose
- d) any other