

The Factors Impacting the Long Term Settlements and Its Counter Impact on the Industries

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Abstract

Purpose of the Study: This paper aims to study the impact of Long Term Settlements, (LTS) which are considered to be instrumental in maintaining long term harmonious industrial relations in the organizations, by the Actors of Industrial Relations. The critical role played by such an instrument had been accepted in the available literature on the subject. But on its control mechanisms of maintaining long term harmonious industrial relations, the existing literature provides a limited insight. **Data/Methodology:** This study utilized a qualitative methodology and makes use of the inputs received from the respondents interviewed on the impacts of LTS in the emerging industrial context and industrial relations dynamics. The data collected from the interview were outcome of the experience in dealing in the organizational contexts where an LTS is in execution between the Management and the Trade union. **Findings:** In LTS, the parties get involve in “social dialogue” (both the trade union and the management) while having their respective interest in the LTS which helps in generating alternatives consistent with their interests. The LTS are social process of emerging to mutually acceptable norms on the payment of wages to the workers by the management for specific return on business, which is regulated under a dynamic context. The social dialogue and collective bargaining are the instruments to LTS both for the Management and the trade union. This study is very practical in nature, and it provides important insight on the dynamics of LTS as an outcome of “collective bargaining” and “social dialogue” in a specific industrial context. **Originality:** The study is based on the primary data source collected from the industrial context through the contribution of the respondents. It uses the existing conceptual literature for arriving at specific conclusions. So the question emerges “**what are the tools that structures the LTSs in an industrial context, and how it impacts the industry?**”. The paper attempts to answer the same.

Keywords

Long Term Settlements, Negotiation, Collective Bargaining, Social Dialogue

1. Introduction

Long Term Settlements (LTS) are the practices followed by the Management for imposing conditional terms associated with paying higher wages. Through such settlements, the workers through the labour unions are assured of certain benefits and in return they undertake to co-operate for improving the productivity, and productivity related aspects for the organization, e.g. maintain discipline and work culture, work as per the norms and standards, ensure quality of output on time, etc. Such in-return deliverables may be through techniques of newly adopted methods of work or innovations or new technology or any other means. The wage settlement process through Long Term Settlement (LTS) is an old practice and the process allows the labour unions to raise different demands which are discussed either at bi-partite or at times tri-partite levels and negotiated settlements are arrived, in the form of agreements, between the management and the labour union/unions.

The process of LTS with time as a norm appreciated that such wage negotiations/LTSs are not the prerogative of the union only rather the process expects that the labour unions to ensure the relevant requirements of the management (in the form of for reaching/increasing productivity or profitability), and in return the management is expected for paying higher wages. The process involves collective bargaining (CB) between management and the labour union or a representative committee of workers. The settlement between the parties can be signed under Sec 18(1) of the Industrial Disputes Act, 1947 or it can also be signed before a Labour Officer or any officer of the labour department, under Sec 12(3) of the Industrial Disputes Act, 1947.

Both the labour unions and the management have their own agendas, in the LTSs. For the unions, it is an occasion for the leaders to show their leadership and demonstrate the management and the support they have from the workers. It is also an occasion to address some of their major concerns associated with improvement of the quality of life through higher income generation. On the other hand, for the management, it's an opportunity for negotiating with the trade unions for achieving business promotions, expecting higher efficiency, both at the individual and group levels. It's an opportunity for them to invest and plan for business growth.

The interests of the trade union and the management being conflicting to each other's interests the settlement process is a negotiating process, which is expected to happen in a cooperative context equally contributed by both the parties. The situation is of negotiating for settling amicably for mutually acceptable solutions. The foundation to this cooperative philosophy is grounded in the

constitutional and recommendations of ILO [Discussed under the review of literature.].

The two sides are represented by the management being interested to explore the business opportunities and the potential growth for the future (“*the business expectations*”), against paying affordably higher wages in the uncertain emerging business context structures. On the other side the trade unions, who are aware of the company’s financial position during the tenure of the settlement obviously structure their expectations and projects the same in their charter of demands. Further the labour unions being well informed of the wage settlements that have been taking place in the region in other organizations and industries, would plan their strategy on “*what to demand from the company*”. The process is a resolving phenomenon, between management’s “*the business expectations*” and the trade union’s “*what to demand from the company*”.

Some of the recent spectacular LTSs in the Indian industries are discussed below in brief:

1) Wage settlement with the BRIEF-South India Paper Mills, workers’ union.

The management of BRIEF-South India Paper Mills, reached a LTS with their workers to settle the long pending disputes on wage on August, 2017. With this settlement the ongoing strike was called off by the workers [1].

2) LTS in Tata Motors with Sanand workers’ union.

A LTS was signed between Tata Motors Sanand Union and the management of Tata Motors on June, 2017, which became applicable for a period of 5 years, effective from October 2015 to September 2020. The total wage package as per the agreement was Rs 16,000, which was agreed to be spread across the term period of the LTS uniformly. In addition to the above amount, the company also introduced a performance-linked payment of 10 per cent of the total salary linked to productivity, quality and safety [2].

3) The General Motors India signs 3-year wage agreement with Talegaon plant workers

GM India at the Talegaon plant in Maharashtra, signed a three-year wage agreement with the General Motors Employees’ Union on March 2017. A hike of Rs 22,000 was agreed which will be paid in the ratio of 80:10:10 over the next three years [3].

4) LTS in Hyundai Motors

The management of Hyundai Motor finalized LTS with their labour union, the United Union of Hyundai Employees (UUHE), on Feb, 2016. The agreement was effective with retrospective effect from April 2015. As per the agreement technicians were paid an average. increase of Rs 19,000 per month spread over three years. Technicians have received 50% of the increased salary in the first year and 25 percent each in the remaining two years [4].

5) Ashok Leyland, employees’ union sign 3-yr wage settlement

The management of Ashok Leyland signed the wage-settlement agreement with the Ashok Leyland Employees Union which is valid for three-years, cover-

ing over 3,000 workers at their Ennore plant [5].

6) Hero MotoCorp LTS for 3-Years with Gurgaon Workers

The management of Hero MotoCorp made a wage agreement on July, 2016, with its permanent workers at Gurgaon plant. The management agreed for a hike of Rs. 12,500 spread over three years. The three-year agreement was implemented with retrospective effect starting from August 1, 2015 till July 31, 2018 [6].

7) LST of GlaxoSmithKline at Nabha Plant

The management of GlaxoSmithKline Consumer made a LTS with their trade union on June, 2016. With the signing of the agreement the workers agreed to withdraw the continued strike in the plant [7].

8) LTS of Renault-Nissan with Workers at their Chennai Plant

The management of Renault Nissan Automotive India signed a LTS on June, 2016 with their workers at Chennai plant with a hike of Rs. 18,000 a month, spread over the next three years [8].

9) LTS of Maruti Wage agreement of September, 2015

The management of Maruti Suzuki India, Ltd on September 25, 2015 reached a wage settlement agreement with their workers at its Gurgaon and Manesar plants, under which employees will get an average salary hike of around Rs. 16,800 per month spread over three years [9].

10) LTS at Bajaj Auto up to Rs. 10,000 per month

The management of Bajaj Auto made a wage agreement with their permanent employees on August, 2014 assuring to pay all employees having five or more years of service in the organization, a wage hike of Rs. 10,000 a month while those having spent at least three years will be given Rs. 9500 a month [10].

The above examples are few among the large mass of LTS happening in organizations, and are referred, just to establish that the practice of LTS as a periodic phenomenon. LTS being an un-disputed process of resolving issues concerning the salary, benefits and the conditions of employment between the employer and the employees had been a well-accepted process in a developing country like India.

The stakeholders to the LTS, such as the trade unions, workmen, trade union's affiliation bodies, the factory management, shop-floor engineers & supervisors, the business leadership and the Government authorities constitutes the three actors of Industrial relations. The three actors have their diverse objects. e.g. the trade union wants to maximize the hike in pay and benefits through the settlement. The workmen look at the settlements from a micro limited aspects confining to questions e.g. "*What's in it for me*". For the labour unions LTS are opportunities to demonstrate their leadership. It is also an opportunity to address some of long pending concerns and aspirations of the workmen to improve the quality of their work by ensuring better income. Whereas the factory management wants to close the deal to get some savings in their approved budget and take the credit for the same. In the process they ensure to understanding of the contributing role of the workers in productivity and performance [11]. Objec-

tively the management focuses for “*how to get the workmen to improve their performance and productivity*”. The Government represented by the Labour Department, with more focus for maintaining industrial peace makes all efforts to ensure that management does not indulge in high handedness nor the labour union. LTS for the Labour Department implies focusing for “*maintaining industrial peace*”.

In short the three actors playing their respective roles, in the industrial context are challenged by their business context and the economy’s competencies and intern challenges each other to gain the best out of the context.

The different stake holders of LTS, *i.e.* the Management represented by the shop-floor supervisors and the engineers, the management officials including the officers of the HR Department, and the top management; the workers represented by the trade union; the Government representing the State; have also the reasons for organizing themselves into a cohesive group for achieving the common organizational goals. On the other hand, the groups are also focused at their respective interests while organizing themselves to the common interests. This interest based relationship qualifies such stake holders to be termed as the “Actors of Industrial Relations”.

The objective of the study

The study focuses to identify the contributing factors that impacts (positively or negatively) the LTS in the present industrial context of the Indian economy. Conceptually LTS have been accepted as the instruments for maintaining long term harmonious industrial relations in an organization. The existing studies while conceptually establishes that a LTS leads long term harmonious industrial relations but very little efforts or no efforts have been made to recognize the factors that contributes to the LTS in the dynamic industrial context.

Review of literature

The LTS adopts collective bargaining as a basic tool for settling the disputes/differences between the employers and the employees/the representative of the employees. Collective bargaining has been universally acknowledged as the most ideal method for regulating the labour management conflict. *ILO recognized Collective Bargaining to be an instrument of settling labour and the management’s disputes*. The parties to a collective bargaining, very often begin with divergent viewpoints but ultimately reach agreements on wages and other conditions of employment [12].

ILO considered collective bargaining as “the negotiations about working conditions and terms of employment between an employer, a group of employers or one or more employers’ organization on the one hand, and one or more representative workers organizations on the other hand, with a view to reaching an agreement” [13].

The pre requirements for an effective Collective Bargaining (as widely accepted) are:

Firstly, for the successful of the process of collective bargaining it is essential to have a well-organized and recognized trade unions.

Secondly, the spirit of giving and taking between the employers and the workers makes collective bargaining an effective technique for settling industrial disputes.

Thirdly, the conditions are voluntary and the parties act in good faith on the basis of mutual agreement. There are no legal sanction behind such acts.

Fourthly, understanding and appreciation of each other's viewpoints makes the bargaining process effective. Face to face meetings between the representatives of workers and employers are useful in the context.

Fifthly, there is no existence no uncertainty regarding the area in which the parties are legally required to bargain collectively since the condition of employment binds the parties to the collective bargaining process [14].

Legal framework of Collective bargaining

The Indian laws which contributes to the formation of the legal frame work of collective bargaining includes:

- **Article 19(1)(c) of the Indian Constitution**, which guarantees freedom of associations and union, and formation of trade unions as a fundamental right.
- **The Trade Unions Act, 1926** dealing with the formation, registration, and purpose and constitution of a trade union;
- **The Industrial Disputes Act, 1947** dealing with the process of settlement of industrial disputes and all associated aspects of disputes concerning the management and the labour; Aspects e.g. *a settlement, the binding/applicability of a settlement* on the parties, which constitutes to form the backbone of collective bargaining are dealt under Section 2(p), 4 and 18(3) of the Industrial Disputes Act, 1947, which provides that collective agreements to settle industrial disputes can be reached with or without the involvement of the conciliation machinery.

Section 18(3) of the Industrial Disputes Acts provides, A settlement/agreement being a written agreement, between the employer and the workmen is arrived at in the course of conciliation proceedings, and is binding, on not only on the actual parties to the industrial dispute but also on the heirs, successors or assignees of the employer on one hand and all the workmen in the establishment, present or future.

Section 36(1) of the Industrial Disputes Act deals with *representation of workmen*. Any collective agreement would be binding on the workmen who negotiated and individually signed the settlement. It would not, however, bind a workman who did not sign the settlement or authorize any other workman to sign on his behalf. A settlement with one trade union is not binding on members of another or other unions unless arrived at during conciliation proceedings.

- **The Industrial Employment (Standing Orders) Act, 1948**, dealing with the condition of service of the employees

ILO's recommendations

The Preamble to the Constitution of the ILO recognizes factors e.g. *Freedom of association* including *the right to form and join unions* for the *protection of*

one's rights and interests, as one of the fundamental human rights [15]. The Convention No. 87 and 98 of ILO influences to the constitution of the basics to the formation to the rules for the collective bargaining, in India. Convention No 87 provides for “*Freedom of Association and Protection of the Right to Organise*” adopted in San Francisco, 31st ILC session (09 Jul 1948). Convention No 98 provides for “*Right to Organize and Collective Bargaining Convention*”. *Convention* concerning the application of the Principles of the “*Right to Organize and to Bargain Collectively*” adopted in Geneva, in the 32nd ILO session (01 Jul 1949),

Ingrained in the concept of collective bargaining is “*social dialogue*”. The practice and the process of collective bargaining are founded on the concept of “*social dialogue*”, since the parties without involving themselves in social dialogue can hardly make any collective bargaining process a successful process. “*Social dialogue*” has been considered by ILO, to “*include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy*”. The concept reflects that it encompasses a wide range of *working definitions*, e.g. all types of negotiation, consultation, simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. The process does not promote any particular *model of social dialogue* [16].

Social Dialogues is considered as “*all types of formal dialogue, involving discussions, consultations, negotiations and joint actions undertaken by employer representatives and worker representatives on working conditions in the workplace*.” [17]. The objective of the concept is to promote, consensus building and democratic involvement among the main stakeholders in the world of work. There are observations that “*there is no one size fits all in the field of social dialogue even though there are many similarities in social dialogue practices and processes across countries and regions*” [16]. But “*most social dialogue happens without much fanfare on a day-to-day basis in myriads of workplaces, and in a wide range of bipartite and tripartite bodies*” [16].

ILO believes in certain *basic enabling conditions* that are essential to the development of a constructive and effective social dialogue. ILO lists the same as *respect for freedom of association and the right to bargain collectively, the existence of independent and representative employers' and workers' organizations and political will and commitment to engage in social dialogue* by all parties. For social dialogue, the following are considered as essential elements:

- Strong, independent workers' and employers' organizations with the technical capacity and the access to relevant information to participate in social dialogue;
- Political will and commitment to engage in social dialogue on the part of all the parties;
- Respect for the fundamental rights of freedom of association and collective

bargaining;
and

- Appropriate institutional support [16].

The nature, content and form of social dialogue depends on the respective country's historical, cultural, economic and political context. Here again, there is no "one-size-fits-all" model ready for adoption by any and every country [16].

One of the key functions of social dialogue is the building of mutually satisfactory and rewarding relationships between the social partners, which leads to decent working environments, job satisfaction and good enterprise performance and, in general, outcomes with rewards for all.

In the opinion of researchers, in Indian social dialogue has been considered as "*one of the potential instruments for effective prevention and settlement of labour disputes and for creating an atmosphere conducive to efficiency, economic growth and development*". It has also been observed that "*the labor regulatory framework in India provides a conducive environment for social dialogue and collective participation in the organizational decision-making process*" (Venkata Ratnam, 2009) [18].

2. Methodology

The researcher followed a qualitative approach to derive a connection between data and theory following Baxter and Jack (2008) [19]; Gibbert and Ruigrok (2010) [20]; and Bansal and Corley (2011, 2012) [21] [22]. The constant comparison and coding method in grounded theory approach was followed.

The Sample

The study was conducted in the emerging industrial context of India. The researchers purposefully selected a respondents group who are working as HR experts and who have work experience of at least seven years and, was involvement in at least one LTS. The essence and sanctity of data, data accuracy and data validation were maintained following the suggestions of Bryman and Cassell (2006) [23] and Learmonth (2006) [24]. The total number of respondents were 9 in number.

Data collection

Semi-structured Nominal Group Technique (NGT) for personal interview was followed, since FGD (Focused Group Discussion) was considered as an impractical proposition due to the non-availability of the group at a common place and time. In order to eliminate the possibility of individual bias, personal interviews were conducted following NGT, where the researcher himself acted as the moderator. Multiple NGTs acted as a proxy for theoretical sampling and plurality (Charmaz 2000) [25]. On an average, each personal discussion lasted for about one to one and half hours. The predefined thematic questions were asked to the respondents in the discussion. Also, some probing questions were designed to probe more to get an in-depth understanding. During the discussion, the responses of the respondents were transcribed. The length and width of the res-

ponses varied from one respondent to another, as the questions were open-ended. The responses were in different forms like short stories, narrations, short answers and one-liners. Whatever forms the answers were in, care was taken to transcribe it keeping the meanings unchanged.

Steps followed for m (NGT) and personal interviews:

Step 1: Select the groups of people who were to be interviewed. Total No of sample selected for NGT was 9. Since the composition of the group has important implications for the outcome of the discussion it was ensured that HR professionals who have not been involved in at least in managing one LTS and having at least 7 years of experience in the domain of HR. Since the research had a specific agenda and it was expected that the group selected to contribute from their personal experiences each member was allowed to speak to the open ended questions raised before them with instances and examples, where ever they preferred to.

Step 2: Each member of the group were interviewed as an individual, and the summaries of the responses and ideas of each member of the group were shared with the other members.

Step 3: A transcript was developed from the inputs of each individual members of the group.

Step 4: The transcripts were shown to the other members of the group, providing a scope to them to react and provide the second round of responses.

Step 5: The counter opinions and observations of the member of the group were noted and converted to transcripts. By using the Nominal Group Technique (NGT) the objective was to avoid the influence of or the opinions of one or more very dominant group members, on the responses of other individuals.

Data coding

The analyses the transcripts for arriving at extracted theme, was done following open coding method of Strauss and Corbin (1990) [26]. Data were coded following the grounded theory coding method (open, axial and selective) as suggested by Strauss and Corbin (1990). Out of the techniques of coding *i.e.* “word by word”, “sentence by sentence” or “paragraph by paragraph”, in this study, coding was done paragraph by paragraph. The transcripts were organized into a coherent sets of paragraphs to make it suitable for analysis. The paragraph-by-paragraph axial coding was done simultaneously with open coding. While doing axial coding, researcher analyzed those paragraphs that reflected relationships which were either causal and/or moderating/ or intervening between concepts.

Data analysis

Data analysis was done with open coding. Efforts were made to identify at least one key concept related to LTS from each paragraph. The identified key concepts were considered for analysis and verified with the available literature.

Considering that any predictor concept can cause one or more outcomes, the strength of any causal relationship was moderated by some concept. The causal and moderating relationships which was supported by the interview out-puts

were also deductively validated by referring to the relevant existing literature. During the coding stage it was ensured that Strauss and Corbin (1990) approach was followed for linking and referring to the existing literature on the subject, which sensitized the data analysis.

During selective coding, the researchers integrated all causal and moderating relationships already validated using axial coding through “explicating the story-line” (Strauss and Corbin, 1990, p. 119). In other words, selective coding was used to structurally connect various distinct causally connected pair of concepts and moderating concepts intervening particular causal relationships through organizing relevant quotes. Thus, the final structural model is the result of selective coding. Hence, the final grounded theory model depicted as Figure 1 is the outcome of all three types of coding, and the story lines are described in the “Findings” section. Axial coding method as proposed by Strauss and Corbin (1990), was followed to analyse the causal relationships pair of concepts.

Step 1: Open coding method was followed for identification of the themes.

Step 2: Causal relationship between the themes and the expected standards for an effective LTS were identified.

Step 3: All standards and the themes were connected to develop the model.

SI No.	Tests	Phases of research	Tactics
1	Construct validity or dependability (identification of correct operational measures for the concepts studied)	Data collection	1) Data triangulation: multiple source of evidences, <i>i.e.</i> NGTs method for personal interviews. 2) Plurality: multiple NGTs and multiple personal interviews. 3) Methodological triangulation: comparing transcribed data with audio recorded data.
2	Internal validity (seeking to establish causal relationship)	Data analysis	1) Pattern matching: having constant comparison among NGT information and personal discussion information 2) Explanation building: constructing an initial theoretical statement, revisiting the theoretical statement and comparing the other details. Repeating the process until no further change was possible with the given information.
3	Reliability (dependability)	Research design	Deriving theoretical statement and structural framework from first round of NGTs and personal interviews, and testing the theoretical statement and the structural framework in the second round of NGTs

The propositions and questions are given below:

P1. The parties in LTS uses mutual interest based Collective Bargaining (A Win-Win) format. The parties may agree to the establishment of ground rules which will govern the outcome of LTS.

Q1. What is the approach of the bargaining parties in LTS?

P2. The process of LTS often involves workers participation in decision making through informal mechanisms rather than through collective negotiation.

Q2. How the negotiators influence each other for achieving their respective interests and create value for each other through negotiation?

P3. The structure of the negotiation process in LTS ensures the practice of social dialogue for conflict resolution. The approach of the bargaining parties are founded on attributes of mutual trust, group alliance and there by contributing to organizational value creation.

Q3. How the bargaining powers of the trade unions and the management influences the success of LTSs?

Q4. Does the LTSs ensures the management's objective of higher business growth against paying higher pay to the workers?

Analysis and Findings:

The parties to LTS involve themselves in **interest based collective bargaining** was evident in the observations of all the respondents.

While observing on the expectations of the management from LTS it was expressed that "*the expectations of the management, legitimately the most qualified labour will be available at a price which permits a reasonable margin for further investment (cost)*" (Respondent 4).

Similar observations like "*management will be willing get the best out-put from the labour for the additional payments made by them*" (Respondent 3).

The management "*in return to the additional spending in terms of wages and benefit is a natural expectation of the management*" (Respondent 2).

It was also expressed that "*ROI is natural for an investor*" (Respondent 6).

"*The logic of LTS lies in the fact that management expects to competitively position the organization in the market so expects a higher returns from the workers by paying more through LTS*" (Respondent 7).

It concludes from the above that since both the trade union and the management have their respective interests in the collective bargaining approach, though they concentrate on their respective interests and, but also generates alternative solutions consistent with their respective interests, to arrive at mutually acceptable solutions.

On the process of LTS and involvement of workers in participative in decision making through informal mechanisms rather than through collective negotiation, the following observation draws the attention.

"*The technique of LTS tends to make the parties more flexible and open to alternative solutions generated through discussions.*" (Respondent 8).

"*In one of the negotiation process I experienced the trade union leader started the talk on how to make the negotiating ground rules of the process to develop a trusting relation-ship*". (Respondent 9).

"*A sense of setting objectives to address the overall atmosphere of the negotiation, including following the assignment of responsibilities and the timeframe for all activities which were considered prelude to LTS.*" (Respondent 3).

“For the first time in my 21 years of experience, while dealing with the 4th LTS in my organization I found the trade union proposing for jointly drafting the issues to be addressed and as group brainstorms on how to address the issues in ways that answers their dilemmas.” (Respondent 2).

“I have found while I tried liking the people on the other side of the table collectively bargaining with me, some of the trade union representatives, with time became close to me.” (Respondent 1).

It concludes from the above that the parties (both the trade union and the management) get involve in informal as well as formal dialogue, while having their respective interest in the LTS which helps in generating alternatives consistent with their interests.

On the structure of the negotiation process in LTS and parties ensuring the practice of social dialogue for conflict resolution the following quotes establishes the utilization of social dialogue as a principle instrument.

“Existence of the attitude of conflict, among the trade union and the management is a contextual dimension and needs to be addressed considering the attitude toward LTS of the employees at large instead of few representatives seating in the negotiation.” (Respondent 3).

“Employers engaged in a conflicting relationship with unions will attempt to prevent union’s initiatives by legal and illegal tactics. The support of the employees in this context to the management will tend to narrow the union’s anti-management initiatives.” (Respondent 4).

“The power to negotiate of the trade union’s is a derived out-come of the employees support. The employers at times attempt to keep unions weak but they never interfere with union’s activities. So LTS which are normally considered to be the expectations of the employees at large may turn out to be a creation of the body of the trade union.” (Respondent 2).

“The trade union approach is more accommodative and cooperative in course of the LTS, which are the present trend.” (Respondent 8)

“The respondents candidly expressed that the management’s interest in planning higher production by paying more is countered by an equivalent expectation of the trade union/worker’s interest in planning for the family’s better life standards, and in being protected against an interruption in his mode of existence, through a rise in income. Collective Bargaining as a tool in LTS balances this conflicting interest through the process of negotiation.” (Respondents 9)

On the theme of extent to which the parties to LTS “influencing each other for mutual interests” the respondent’s observations were the following:

“The negotiation which normally starts in a tone of hard ball approach, to each other’s expectations, from both the sides with time repositions to a cooperative approach of acceptance and understanding for each other,” (Respondent 2).

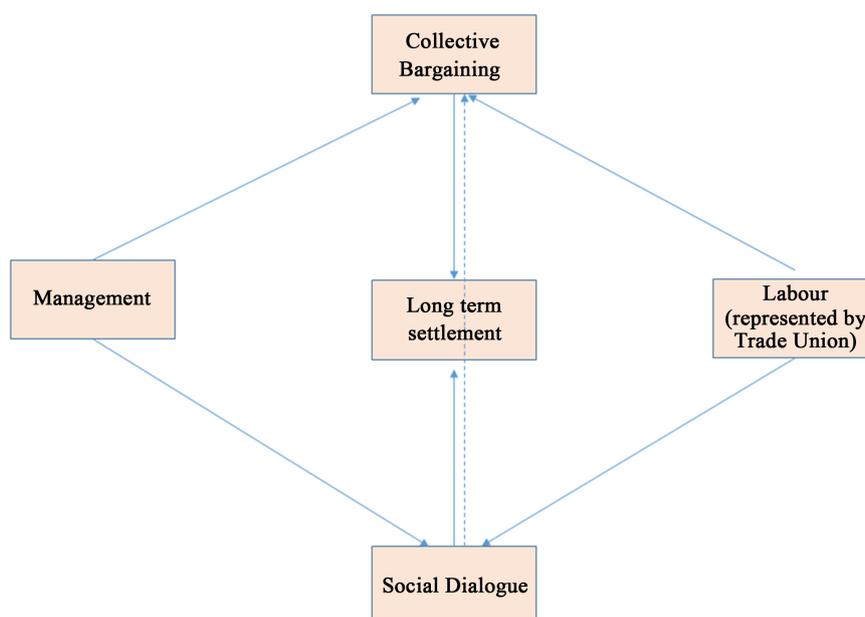
“In the long run, the parties forget that they are two blocks and have their individual interests, when the organizational performance data with accounts statement from the profit and loss figures are presented on the negotiation table.

The limits of financial performance makes the parties to accept the reality, thereby limiting the negotiation to finding acceptable solutions.” (Respondent 1).

“There appears visible signs of not negotiating rather navigating towards mutually acceptable solutions.” (Respondent 6).

“Conflict is replaced by cooperative understanding and exploring for solutions”; (Respondent 7).

It concludes from the above that the parties get involve in “social dialogue” (both the trade union and the management) while having their respective interest in the LTS which helps in generating alternatives consistent with their interests.



The above model emerges explaining the following:

- The LTS is a social process of emerging to mutually acceptable norms on the payment of wages to the workers by the management for specific return on business, which is regulated under a dynamic context.
- The social dialogue and collective bargaining are the instruments to emerging on an interest based LTS both for the Management and the trade union.

3. Conclusions

All collective bargaining is interest based. The “actors of industrial relations” *i.e.* the Management the Trade Union and the Government in their respective focused zone of interests and generates alternative solutions consistent with their respective interests, to arrive at mutually acceptable solutions. The parties (both the trade union and the management) get involve in informal as well as formal dialogue, which helps in generating alternative solutions consistent with their interests.

A practice of social dialogue for resolving conflicts resolution is adopted by

the negotiating parties. Conflict is an inevitable part of the process but the objective of amicably reaching to a conclusion by exploring the possible alternatives is contributed by social dialogue. Getting involve in “social dialogue” (both the trade union and the management) while having their respective interest in the LTS helps in generating solutions consistent to their interests. While LTS is the outcome for maintaining long term harmonious industrial relations, the instruments of social dialogue and collective bargaining are the facilitators for achieving LTS.

Limitations of the Study

Chances of the study suffering from some contextual limitation can't be ruled out altogether. The respondents were from the National Capital Region, (NCR) which includes the Nation Capital of Delhi, Gurgaon (an industrial town of the State of Haryana), and Noida (an industrial town of Uttar Pradesh). The industrial belt of NCR is the base of manufacturing industries, IT industries, as well as trading and services organizations. As such the industrial culture of NCR may tend to be different from the other parts of India. Since the prevailing industrial culture impacts the industrial relations of the organization, the same also influences the LTS. So the contextual cultural differences impact the LTS.

The number of respondents was 9, since a qualitative approach was adopted for the study. Had the number of respondents been more the chance of getting some more insights to the study can't be ruled out.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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