

An empirical investigation of the collective bargaining and labour management relationship: evidence from selected 24 private sector firms in Sri Lanka

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This study examined the impact of levels of collective bargaining on perceived degree of labour management relationship (LMR) and bargaining scope of private sector firms in Sri Lanka. The sample of this study that was randomly selected contained twenty four private sector firms out of sample frame of 76 firms which formulated collective agreements with their clerical employees during period 2003-2006. Out of 24 firms 12 were selected from firms which tailored collective agreements under firm level bargaining and the rest of 12 were selected from the firms which tailored collective agreements under industry level bargaining. The main objectives of this study were to identify the relationship between the levels of collective bargaining and the perceived degree of LMR, to find out the relationship between bargaining levels and bargaining scope.

In order to achieve the first objective of the study a questionnaire was sent to 192 middle and lower level managers of firms under study. LMR was measured by Opatha & Ismail (2002) revision of the perceived degree of LMR description questionnaire. Bargaining scope was measured by using a sheet contained of elements of bargaining scope adopted from Sloan & Witney (1995). Collective bargaining was considered under two bargaining levels; firm & industry level. LMR was analyzed into five dimensions: dispute, understanding, co-operation, participation and grievance while bargaining scope was analyzed into four dimensions namely; wage concessions, benefit concessions, administrative issues and institutional issues. The independent sample t test was used to analyze data related to hypotheses.

The statistical results of the study revealed under firm level bargaining, perceived degree of LMR is more favorable than under industry level bargaining. Bargaining scope was also wider in collective agreements which formulated under firm level than under industry level.

Key words: Collective bargaining, Bargaining scope, Firm level, Industry level, Collective agreement

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