

The main concern on having collective bargaining agreements was to adjust the salaries par to the country inflation. Therefore two types of increases had been practiced by the organization for signing agreements during last two decades. Those increases were prepared based on lump sum and percentage of their current salaries. There were six collective bargaining agreements had been signed during the period of 1995 to 2015 by the organization with Trade unions. The first collective bargaining agreement was signed in 1996 taking into account of percentage increase proposed by a retired labour officer. Then latter collective bargaining agreements also had been considered on same increases until 2010. That had made a huge anomaly of salaries of employees recruited after years. That affected severely on retaining employees (operative category) in the organization in later stage.

The government had announced a revision of minimum wages in October 2012. Again revised in 2013 due to high scarcity of skilled technical personnel. The organization had been categorized under engineering trade under wages board act 1947. The highest minimum wage was introduced for that category by Department of Labour due to high labour demand in the industry. The increase of salary proposed by the government in 2012 were paid as a separate payment for all employees by the organization. Later in year 2013 salaries of all employees were revised considering all the revisions made by the government in 2012 and 2013 in addition to the increases proposed by collective bargaining agreement. CBA negated intermediate increases imposed by government unless it exceed proposed minimum salary of all employees.

The period of 2010 to 2013 branch union was weak in strength and leadership. Hence Employer Federation of Ceylon proposed to repudiate the union agreement. The repudiation of the branch union in 2013 made a jolt to reunite the branch union again in 2014. A letter informing a reformation of trade union was received in February 2014. Since Membership was more than 40% of employees, the management of was compelled to recognize the trade union. A check off agreement was signed in April 2014 and subsequently all employee related issues were discussed with participation of trade union until it was dissolved in 2015. There were plenty of demands forwarded by the trade union to the organization through their parent union. All correspondence were made by two intermediate parties of parent union and Employer Federation of Ceylon.

The increase of salaries incurred considerable amount of increase in cost of production. Following table depict the additional cost increase over the period of last eight years. Amount increase in cost