**Bargaining Power**

When the union and the employer go to the table and try to negotiate on a collective agreement that is favorable to their proposal, they must obtain an edge over the other party by having a higher level of bargaining power. The bargaining power is an important factor that can influence the outcome of distributive bargaining and eventually agree to your proposals. Many factors can affect this power from externally (economy, social) and internally (workplace, organization).

First we will be looking at a few factors that affect the employer’s bargaining power.

- **Inventory Levels:** If an employer produces products that can be stored and sold for another date, they will be in a strong bargaining position. This all depends on the industry the employer is in and what strategic plan they have implemented. Since, an employer who uses just-in-time delivery, they won’t have any product in inventory to withstand a strike which gives up their leeway when it comes to bargaining. If an employer has inventory product than they will be able to withstand a strike which will give them the upper hand over the union. This is an internal factor that influences that affects of the employer’s bargaining power.

- **Competitive Position:** During a strike, the competitive position compared to their rivals can be affected by a strike. If the employer loses customers during the strike and most likely return at the end of the strike than the employer is in a strong bargaining position. If customers do not return than the union will have the upper hand. Many external factors can influence the return of the lost customers. First will be the brand loyalty of the customer which determines if they return or not. Another factor would be if the employees find alternative jobs elsewhere and customers do not return after the strike when the jobs are lost, this will affect the bargaining power for the employer.

- **Time of Negotiation:** many business operate seasonally and this can affect the employer`s bargaining power. Business like construction, the employer`s would be in a weak position during peak season since this when they make majority of their revenue. The union will have the advantage. During off season like winter, the work will be slow for the union and the employers will gain the bargaining power.

- **Ability to Continue Operation:** In many jurisdictions, employers are not allowed to use replacement workers during strike such as British Columbia and Quebec. This has become a controversial issue since this can either give or take away the bargaining power of both parties. If an employer does plan to use replacement worker, they must look at the size of the operation. Replacing 200 employees would but be practical, but where the technology allows a replacement of a few supervisors to continue operation would be very beneficial to the employee. This would give the employer an edge on the bargaining power. The external factor the influences the outcome of the bargaining power would be political, legal, and government legislation. When the government intervenes during the bargaining process, their actions have affected the union’s bargaining power. The
government would mandate that the union accept the wages and benefits instead of there being a great mass of layoffs and plant closures.

Overall, the employer usually controls the discussion at the table unless both parties are negotiating a first collective agreement. During this situation, the union find themselves with minimal ability to impact the agenda. The employer`s demand usually reflect the economy status, so having higher level of bargaining power than the union is significant.

Now we will be looking at a few factors that affect the union`s bargaining power.

- **Size of Strike Fund:** Union members usually pay members fees from their wages. This fee would be cut from the employees cheque and transferred to the union`s account. This fund is uses to help out the union in a time of need. Now depending on the amount of money saved in the strike funds will determine who has more bargaining power. If the funds are of a large amount than the union will have more bargaining power since the employees will get paid a certain amount so they will be able to withstand the strike themselves. If the funds are of a small amount this will give more power to the employer and union might budge from their demands.

- **Time of Strike:** If the timing of the strike affects the employer`s revenue than the union is in a stronger bargaining position. If union members go on strike at a construction company during peak season this will give the union more power to seek their demands since employer will be losing money. This can even force employers to shutdown their operation, which adds to the bargaining power of the union.

- **Effect of Picketing:** A strike usually gives the employer bad publicity, and if a strike can cause customers and suppliers to avoid the employer than the union will have a strong business. Also the public opinion may affect the union`s power. Unions sometimes look for help from the community to help support against the employers.

Most of these factors affect both parties, either if it is the timing of negotiation or the timing of a strike. Depending on who makes the first move relies on the status of the economy. Since the recession that began in 2008, the total amount of work walk outs has fallen to the lowest point in 20 years.
Proposals

Behalf of the Employer

Article 1- Bereavement

1.01 All employees are entitled to three days’ leave upon the death of an immediate family member. The immediate family member includes a spouse, common-law spouse, parents, child, brother, sister, In-laws, grandparents and grandchild.

1.02 The employees’ who uses leave of day due to a death in a family, must show a death certificate within a two week period of the last day missed due to bereavement.

Article 2- Holidays

2.01 Both parties agree that employees are paid for any statutory holiday. The employee who works on a holiday must be paid time and a half of their regular rate

2.02 For an employee to receive their holiday pay, the employee must work the schedule shift before and after the holiday.

Article 3- Sick leave

3.01 All employees are entitles to sick leave when they are unable to work due to an illness or injury. All employees have 14 sick days within the year; these sick days are not transferrable to the next year if these days are not used.

3.02 All employees are required to show medical certificate from a qualified practitioner. The certificate must be presented to management within a reasonable time frame (5 days)
Behalf of the Union

Article 1- Hours of work and Scheduling

1.01 Full time employees must work five, eight hour shifts per week. Each shift will have one a half hour unpaid-break. Also, all employees will have two 15 minutes paid breaks. This break cannot be combined with other breaks. All part time employees can only work a maximum of 24 hours per week not including overtime. Furthermore, no shift can be less than three hours. Employees may exchange shifts with the approval of the manager.

1.02 In case of higher demand within the workplace, part time employees must be called in to fill in shifts.

1.03 All employees will be off 12 hours from their last shift.

Article 2- Overtime

2.01 All employees may be required to work overtime. Employees will be paid double of their regular pay. For full time employees, overtime is considered after 44 hours. For part time employees, overtime is considered after 24 hours, only able to work a maximum of 6 overtime hours.

2.02 All employees must sign a voluntary signup sheet; it will be first come first serve basis.

2.03 Employer must provide a 10 dollar meal allowance for anyone that work 2 hours of overtime per shift.

Article 3-Maternity and parental leave

3.01 Employees are entitled to maternity and parental leave as written in the provincial employment standards legislation.
In regards to the proposal submitted by management, their experience a big issue with absenteeism and turnover. The average of employees being absent is 50 percent higher than days before and after public holidays. Also many workers have been missing work due to death within the family. So in order to solve these issues the management has proposed the following.

- All employees will be given three days of bereavement; this will be only for the immediate family. If employees do not show death certificate than employee can be disciplined. Allowing employees the day off on important dates such as death within a family will lower the rate of absents on a regular day. Showing the employee’s you care and support them in a time of need might change the workers attitude towards the employer. I believe this proposal is fair for the union and they will appreciate the proposal and would agree to the requirements of a death certificate and the 3 day maximum. First we’re show the union members how many people have been taken days off due to death within the family. Secondly we would show how many people went to the funeral of a person who wasn’t in the immediate family. From there we will tell the workers will give them bereavement under certain requirements.

- Continuing with the issue of absenteeism. The rate of employees missing work the day before and after is too high. We propose that in order for an employee to receive holiday pay, they must work the schedule shift before and after the holiday. This will but the absenteeism among all employees. We accepted the union member to disagree with the fact employees have to work the schedule shift before and after. In order to reach a finally agreement, we would propose that if an employee does miss their schedule shift they must submit any documents that give them a just cause for being absent.

- Lastly, would be the sick leave given to all employees. Giving the employees 14 sick days within a year will minimize the absent rate. Since there are requirement to follow, this will allow the management team to take discipline action due to just cause. We believe the union will somewhat agree to this proposal, since we are giving them sick days, but they might be hesitant for the requirements. To reach an agreement we would most likely deduct days from the original proposal to put some pressure on the union to agree.
In the regards for the proposal submitted by the union, the big issues they felt a lack of workers on each shift. This created more work and stress for all the employees. Also there weren’t enough incentives to work overtime; basically it was costing the employees to work overtime.

- With the first proposal, the union has listed requirements for work schedule and how many hours each employee is allowed to work. Also within the proposal it describes that when facing over capacity within the workplace, workers must be called in the help relieve the stress of other employees. Management would not agree to most parts of this proposal since it affects the operating cost. In order to reach a final agreement, both parties should work together and find right scheduling plan so operation can work effectively.

- Secondly is the overtime pay for works. Most employees do not like to work overtime since the incentive doesn’t cover the cost for meals. The union is looking forward to increasing the allowance to meal vouchers from 5 to 10 dollars. Most employees will not volunteer to work overtime cause of the low incentive. So in order for employers to get the employees to work overtime they might agree to the proposal. Also the big issue regarding this for management was that employees who work a couple get the meal allowance, this increased the cost. The union has added a requirement that workers must work 2 hours to receive the allowance. This proposal is fair for both parties; I believe this will reach the agreement.

- Lastly, the issue with maternity and parental leave is bothering both parties. The union is looking to increase the maternity leave while employers are looking to reduce it. The union has proposed that the maternity leave should follow the provincial employment standard legislation.