

## AN ECONOMIC ANALYSIS OF THE COMMUNICATION SKILLS IN GLOBALISED INDUSTRIAL RELATIONS: SOCIAL DIALOGUE AND THE NEGOTIATION PROCESS IN TURKEY

## UN ANÁLISIS ECONÓMICO DE LAS HABILIDADES DE COMUNICACIÓN EN GLOBALIZADO RELACIONES INDUSTRIALES: DIÁLOGO SOCIAL Y EL PROCESO DE NEGOCIACIÓN EN TURQUÍA

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### ABSTRACT

The purpose of this paper is to provide an economic analysis of the social dialogue experience in Turkey with an emphasis on the role of communication in industrial relations. We ascertain social dialogue -and the related negotiation process- as a major communication form in industrial relations and attempt to find out whether it serves well to promote consensus building and democratic involvement among the main stakeholders in employment. We particularly question the success of the existing social dialogue structures and processes in Turkey in resolving economic and social issues through communication, advancing social and industrial peace, improving

competitiveness through increased productivity and complying international commitments in employment.

#### KEY WORDS

Communication - Industrial relations - Social dialogue - Negotiation - Dispute

#### RESUMEN

El propósito de este trabajo es proporcionar un análisis económico de la experiencia de diálogo social en Turquía, con un énfasis en el papel de la comunicación en las relaciones laborales. Comprobamos el diálogo social y el proceso de negociación relacionadas, como una forma de comunicación importante en las relaciones industriales y tratar de averiguar si se sirve bien a promover la creación de consenso y la participación democrática de los actores principales en el empleo. En particular, la pregunta del éxito de las estructuras de diálogo social existentes y los procesos de Turquía en la resolución de las cuestiones económicas y sociales a través de la comunicación, promover la paz social e industrial, la mejora de la competitividad mediante una mayor productividad y el cumplimiento de los compromisos internacionales en materia de empleo.

#### PALABRAS CLAVE

Comunicación - Relaciones laborales - Diálogo social - Negociación - Conflictos

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## 1. INTRODUCTION

Communication barriers are the problems that arise at every stage of the communication process and have the potential to create misunderstandings and confusion. Such problems may not only hinder communication but can actually alter meaning. Major goal must be to minimise the frequency and seriousness of communication barriers. A great deal of communication skills are required to maintain one's composure and achieve the goals when stakes are high and emotions are aroused, when resolving a conflict, overcoming a resistance or handling negotiations.

Recent decades have witnessed solutions in industrial relations built on more consensuses towards internalising negative externalities, particularly with the involvement of government through social dialogue. Social dialogue includes all types of negotiation, consultation or simply exchange of information between governments, employers and workers, on issues of common interest relating to economic and social policy. This type of a communication process in industrial relations can be tripartite, with the involvement of government as an official party or it may consist of bipartite relations only between labour and management with or without indirect government involvement. Concentration can be informal or institutionalised, and often it is a

combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of all of these.

The purpose of this paper is to provide an economic analysis of the social dialogue experience and the related negotiation process in Turkey with an emphasis on the role of communication in industrial relations. We ascertain the social dialogue process in Turkey in order to find out whether it serves well to promote consensus building and democratic involvement among the main stakeholders in employment. We particularly question the success of the existing social dialogue structures and processes in resolving economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress. We present facts and data over time which have influenced, or are influencing, the development of industrial relations in Turkey. We attempt to identify the elements which may be regarded as features of a good industrial relations system. We then seek to explain what sound industrial relations and labour relations policy formulations are, and thereafter to underline the importance and objectives of healthy communication in the current - and to some extent the future context.

## **2. The Role of Communication in Industrial Relations**

Existing empirical literature proves that the quality of industrial relations matters for economic performance thus should be considered as an essential part of economic systems. Increased quality of industrial relations is expected to increase productivity through better labour standards and healthier communication between the workers and employers.

For a sound industrial relation to occur, an effective communication should exist between the workers and the employer. Blanchard and Philippon (2004) have argued that, in countries where wages are largely determined by collective bargaining, the effects of changes in the economic environment on unemployment will depend in large

part on the speed of learning of unions. The latter is seen as a reflection of the quality of the dialogue between the employer and the workers - or the "quality of industrial relations." That is, the more unions and firms share a common economic model, or the more they discuss the economic implications of different shocks, the faster learning and adjustment is likely to be. In the model, the effects of shocks on unemployment depend largely on whether and how fast they are perceived by unions.

In today's globalised competitive environment, the effectiveness of the procedures and systems which are established for better information flow, understanding and consensus building is critical for achieving competitiveness. Traditional assumptions that productivity is achieved through managerial control, technology and allocation of resources have given way to the view that productivity is the result of greater involvement of workers in the decision making processes regarding their working conditions.

Focusing less on formal structural design and more on effective management processes, enterprises today should be less concerned with controlling workers' behaviour than with developing their capabilities and broadening their perspectives. Thus, successful enterprises should realise the importance of the basic concepts of information sharing, consultation and two-way communication. As such, the basic ingredients of sound enterprise level labour relations are inseparable from some of the essentials for managing an enterprise. These essentials require placing greater emphasis on worker involvement, harmonious employer - worker relations and mechanisms, and on practices which promote them. These developments have had an impact on ways of motivating workers, and on the hierarchy of organisations. They are reducing layers of management thus facilitating improved communication.

Communication is essential not only in relation to existing employees but also in relation to new employees who must be made aware of what the job entails. Making available to employees the means of communicating their opinions and problems is also important to an effective performance appraisal system.

Productivity can be improved by the employer through the development of working conditions and motivation of workers. Effective two-way communication is an important source of motivation. Hence the link between productivity, motivation and effective two-way communication is to be found in the fact that proper productivity management requires concerted or joint action between management and workers. For this purpose confidence between management and workers is important, and the starting point of confidence-building is sharing information (and not merely 'top-down' communication). This has prompted the view that productivity management is also information management - information helps to promote the commitment that is necessary to improve productivity. Two-way communication can also promote productivity improvement through innovation and creativity.

If effective communication is achieved in industrial relations, a higher degree of consensus would be created in decision making. With consensus implementation of decisions will be quicker and easier because disputes or differences of opinion would be less likely compared to enterprises where decisions are taken unilaterally with little consultation and information sharing. In a highly hierarchical and 'top-down' form of management there is little scope for development of communication skills and channels which, in turn, promote productivity.

There are several International Labour Standards of the ILO which seek to give effect to the elements of communication. The Communications within the Undertaking Recommendation 1967 (No. 129) prescribes a communications policy for an enterprise.

It underlines the importance, in the interests of both management and workers, of mutual trust and understanding which can be generated through an exchange of information. It contemplates the adoption by management of an effective communications policy, but only after consultation with representatives of workers. The policy adopted should ensure that information is provided and that consultation takes place, before management decisions are made on matters of importance, provided the disclosure does not prejudice either party.

The conflict of interests between labour unions and employers is inevitable. However, in order to develop a stable industrial relations system, both management and labour have to be aware of the importance of information sharing in an industrial relations system. Several mechanisms have been developed in order to ease the possible conflicts which are mainly on issues such as working conditions, working hours, leave, safety and health, welfare and cultural activities, bonus, pension and retirement payments, work scheduling, education and training, recruitment; transfers, lay off, job assignment. Among these, negotiable issues are dealt under collective bargaining and non-negotiable ones under joint consultation. Where during joint consultation some issues become negotiable (which could happen in relation to matters on which it is not clear whether they are negotiable ones or not), they will be transferred to the collective bargaining forum. Research suggests that information-sharing through the joint consultation system has had a positive effect on profitability, labour productivity and on reducing labour costs.

Joint consultation has made a significant contribution to enterprise level labour relations by creating mutual understanding on a range of management issues which impinge on the lives of employees. This in turn has had an impact on collective bargaining, which tends to take place in an atmosphere in which workers have been informed of management objectives, so that the areas for misunderstanding and conflict

are considerably reduced. In effect, therefore, collective bargaining takes place from a point which has achieved some degree of common objectives. Since information on wage criteria is also shared, differences in wage negotiations (which in most countries are highly contentious) are narrowed, facilitating acceptable compromises and negotiations without disputes. The following section presents more information on the collective bargaining issue.

### **3. Collective Bargaining and Social Dialogue as Forms of Communication**

#### **3.1. Collective Bargaining**

Collective bargaining is exactly what its name implies: a bargaining process. The trade union might hold the allegiance of its members, with apparent “success” at the collective bargaining table. If the union is unable to deliver the service to its members, it knows that it cannot survive in the long run. The trade union is usually assumed to maximise the sum of its member’s utilities or the expected utility of a representative member by protecting job and income security, individual worker protection and union security; in either case, the union is viewed as maximising a welfare function that depends on the wage and employment level.

Bargaining practices vary considerably and negotiations may be carried on at several levels simultaneously. The degree of participation of various interest groups on both the labour and management sides may also vary even within a particular firm or unit. In general, however, a common practice is for some kind of internal consultative arrangements to be established on both sides. It is a process of discussion, proposals and counter-proposals that eventually leads to a mutually acceptable compromise. Trade unions, employer associations and in some cases government involve to the negotiations. The annual pay rounds occur during the negotiation between trade unions and employer associations or sometimes large industrial employers. If each party’s



ultimate point of compromise overlaps, an agreement may be reached. Collective bargaining described by Salamon (2000: 325) is much more than just a mechanism for pay determination. It is important to understand its significance also as a process for regulating the managerial authority aspects of the employment relationship and for providing employees with a means to participate in workplace decision making.

Neither party in collective bargaining can convince the other of the legitimacy of its position without understanding the other party's perception of that position. Therefore the first task of a negotiator is to understand the other party's perception. For example, during hard economic times, a union's non-economic demands for job security may be more important to the union than management perceives. Agreement becomes easier when the basis of the agreement is recognised criteria.

In a pluralistic society, collective bargaining is an important aspect of the communication between workers and employers since it enables the parties to jointly fix the rules of employment upon terms which represent an acceptable compromise between their competing interests. Collective negotiation helps resolving conflicts, projects democratic values into the workplace; ensures the participation of workers in the formation of employment policies, represents a significant advance over unilateral employer control.

Collective agreement often institutionalises settlement through dialogue. For instance, a collective agreement may provide for methods by which disputes between the parties will be settled. This has the distinct advantage that the parties know beforehand that if they are in disagreement there is an agreed method by which such disagreement may be resolved.

A continuing dialogue is needed in collective bargaining which generally results in better understanding of each other's views. Where collective bargaining institutionalises methods for the settlement of disputes, differences or disputes are less likely to result in trade union action.

It could lead to cooperation even in areas not covered by collective bargaining arrangements. It acts as a means of exerting influence on the employer or the worker, as the case may be, where the unreasonable position of one party results in a deadlock. Both parties know that the current dispute is only one of many situations which are likely to arise in the future, and that a good relationship needs to be maintained for the overall benefit of their respective members.

The entry of a union and employers' organisation into a dispute facilitates conciliation or mediation. Sometimes one or both parties are able to divorce themselves from the main conflict or from their position as representatives of their members, and mediate with a view to narrowing the differences and finding compromise solutions. Collective bargaining often leads employers' organisations and trade unions to establish communication links, and to look for and increase areas of common agreement. This in turn ensures to the benefit of their respective members.

Each stage of the collective bargaining process represents a democratic communication form between the workers union and the employer. The start of this form of communication is formalised as the invitation to collective bargaining occurs. The stages evolve in Turkey as follows:

### **3.1.1. Invitation to Bargaining**

Following the finalisation of the union's bargaining status for an establishment or establishments or for an enterprise, the negotiation process must begin. An invitation

should be issued to meet for collective negotiations to the other party within 15 days of receipt of the communication or the certificate (Act No: 2822, Article 17)<sup>1</sup>. Within six working days of the date the invitation is delivered to the other party, the date, place and time for negotiations must be fixed by agreement between the parties, and the competent authority must be informed (Act No: 2822 Article 19). In the absence of such an agreement, the competent authority must, upon the request of any party within three working days, fix the date, place and time of the meeting within six working days of the request and must notify the parties accordingly (Act No: 2822 Article 19/I and II). If the inviting party does not attend the meeting within 30 days of the invitation date and negotiations do not begin, its authorisation status becomes null and void.

### **3.1.2. Negotiations**

The process begins with the parties presenting their authorisation documents to each other. The first meeting deals with deciding on policy issues, methodical and procedural aspects of negotiations, the dates on which successive meetings should be held, etc. Then negotiations on proposals and counter-proposals pick up; controversial items perceived as being too difficult to settle are generally postponed to subsequent meetings. Items on which agreement is reached are recorded and co-signed at the end of each meeting. One problem which had plagued the previous system was the extremely prolonged nature of negotiations, but with the imposition of new time limits the violation of which entails the forfeiture of bargaining rights as well as the requirement that the negotiations stage can last only up to sixty days. (Act No: 2822 Article 22). Certainly after the formal 60-day negotiations stage is exhausted, negotiations may continue through the mediation and strike-lockout-stages, until the date on which a final settlement is reached on all disputed items, and this is usually the case in most tough bargaining cases.

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<sup>1</sup> Collective Agreements, Strike and Lockout Act of Turkey No: 2822, <http://www.mevzuat.adalet.gov.tr/html/609.html>, Ministry of Labour and Social Security of Turkey

Most unions, before going into negotiations, survey their situation and plan their position (Interview with Uzeyir Ataman)<sup>2</sup>. The union and employers need to be making continuous studies of changes in wages, markets, technology and of industrial trends generally in order to decide what changes are needed in the labour management contract. As a basis for determining the size of the package that would be appropriate, companies and unions participate in local, regional or national surveys of changes in wages and employee benefits. And unions regularly exchange information with other labour unions.

In today's increasingly data-conscious society, much general information can aid the parties in their advance planning. Ministry of Labour and the State Institute of Labour Statistics of Turkey are prolific issuers of information relating to wages, workers benefits, and administrative clause practices-and not only on a national basis but for many specific regions, industries, and cities. Many employer groups stand ready to furnish managers with current and past labour contracts involving the same union with which they will be bargaining, as well as other relevant knowledge.

Each bargaining party may also find it advisable to procure and analyze information that is more specifically tailored to its needs in the forthcoming negotiations. Management has also made use of the research services of academicians and other outsiders on an ad hoc basis. In multiemployer bargaining situations, whether or not an official employers' association actually handles negotiations, the same premium on authoritative investigation has become increasingly visible.

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<sup>2</sup> From the interview with ATAMAN, Uzeyir: Secretary General of Oil, Chemical and Rubber Workers Union of Turkey. Istanbul. 2010.

“Negotiation” applies to a particular process of dialogue between people to resolve their differences and reach an agreement. In industrial relations this is conducted primarily through representatives of management and employees.

Opening the Encounter phase of the negotiation is often referred to as “the dialogue of the deaf” or “challenge and defiance”, because, as Torrington (1998: 39) noted, “the negotiators appear to be ignoring the arguments presented by the others and concentrating their whole efforts on the presentation and consolidation of their own case”. The issue of who should open the encounter, Salamon (2000: 512) noted, “is generally determined by which party is seeking the negotiation”. Ataman (2010) denoted, in a negotiation relating to a wage claim, it would be the union which opens by stating its justification for an increase, while management will open the encounter if it is seeking the agreement of the union to work changes.

The following appear to represent the essential aspects which theorists have undertaken to emphasise in their models of the bargaining process as applied to labour-management negotiations Cheng (1968: 163);

- i The degree of precision each party possesses in knowing his own utilities as a joint function of the terms of employment under negotiation, including wages.
- ii The degree of precision each party possesses in knowing his opponent's utility function.
- iii The capability of the parties in carrying out bilateral trading of benefits on the basis of principle of comparative advantage.
- iv The variability of the threat point, i.e. the utility associated with the condition and the expected duration of strike to both parties. A peaceful strike and a violent strike, for example, represent two quite different types of threat points.
- v The time factor as a variable in affecting points i through iv as negotiation progresses.

vi The learning factor and the expectations of the parties as they relate to the time factor and the concession process.

vii The extent of interpersonal comparison of utilities. For example, satisfaction gained by one party induces dissatisfaction for the other.

The negotiation encounters distinct phases which are preparation, opening the encounter, the negotiating dialogue and the termination.

During negotiations, parties often conceal their real goals and objectives from the other side to enhance their opportunity for the best possible settlement. Every negotiator must decide how open and honest to be in communicating needs and preferences. "If a negotiator is completely open and honest, he or she often will settle for less than if he or she conceals goals and fights harder for a better settlement. However, if a negotiator is completely deceptive about goals, the talks may never move in the direction of a settlement. This dilemma of trust poses a key problem for negotiators." As both sides begin to trust each other, this process becomes easier (Carrell and Heavrin, 2004: 215).

### **3.2. Social Dialogue Experience in Turkey**

Social dialogue plays an essential role in protecting rights and achieving employment objectives. In 2002, the International Labour Conference adopted a resolution concerning tripartism and social dialogue, recognising that social dialogue plays an essential role in the achievement of employment objectives and the improvement of social protection. Social dialogue can be instrumental in adopting effective, concrete policy responses by helping to improve the design of reforms, and it can help to bolster support for reforms in general (Rychly, 2009)<sup>3</sup>. At the Eighth European Regional

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<sup>3</sup> Social dialogue mechanisms and processes, as outlined in the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), and the Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152), as well as in the Consultation (Industrial and National Levels)

Meeting of the ILO (Lisbon, February 2009), participants emphasised the significance of social dialogue as a key means of developing strategies to counter the recession and secure the commitment of governments, employers and unions for the implementation of the relevant strategies. The social partners and local governments in Turkey have agreed on a series of policy recommendations which envisage recommendations developed by the ILO and tripartite constituents and based on their experiences. "Lessons learned from the project were outlined in a working paper and presented at the final conference in 2007. These included (a) promoting social dialogue, including sectoral dialogue, as a method for addressing a wide range of economic and social issues, (b) creating decent job opportunities, (c) improving governance which also called for the strengthening of İŞKUR and the labour inspection services, reform in labour legislation and the need to regulate private employment services and temporary work agencies, (d) promoting entrepreneurship and fair competition, (e) combating poverty and (e) raising awareness and understanding" (Dereli, 2010).

Developing effective negotiation skills is the essential part of a productive and sustainable social dialogue. Types and levels of social dialogue; collective bargaining as a special form of social dialogue at the micro level; major collective bargaining theories and their relevance in practice; negotiation skills for effective collective bargaining; preparing for negotiations; criteria in formulating demands, proposals and counter-proposals; formulating strategy; designing and implementing tactics in negotiations, mediation and industrial conflict (strike and lock-out); trade-offs necessary for reaching the collective agreement; qualifications of effective negotiators; some contemporary approaches in collective negotiations and their applicability in Turkey; techniques and problems in negotiations between the government and public servants' union; social dialogue between social partners for reaching consensus in order to bring the Turkish system into conformity with the ILO and EU standard. The main objective

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Recommendation, 1960 (No. 113) and the MNE Declaration, need to be part of the strategy in Turkey, Tripartite Consultation Board.

is to emphasise basic negotiation skills which the parties to a social dialogue must possess and use actively in order to obtain the best results which will serve their interests (Parlak, 2002). It is generally held that the collective bargaining process is the first, and probably the foremost, form of social dialogue at the micro level. Since Turkey's experience in collective bargaining covers a time span of almost fifty years, most negotiation skills used in this process provide useful clues at other and higher levels of social dialogue for the parties concerned.

### **Negotiation Skills for Collective Bargaining and Social Dialogue**

Negotiation skills in collective bargaining and social dialogue can be examined in terms of interview skills and techniques.

#### **4.1.Determination of Interview Subjects**

Usually when new issues to discuss through collective bargaining are brought by trade unions, employers' side has to respond to these recommendations. With the increasing importance of global competition, however, new requests brought to the bargaining table today are more than they were in the past. Labour unions' call groups are determining claims by taking opinions of the present members. This process is carried out by meetings with trade union representatives or written or electronic questionnaires in the general assemblies of the trade union. Most of the times, new requirements are determined by using the expired collective contractual disputes. Employers are to consider proposals of the supervisors for the production line when determining the working conditions demands. The scope of bargaining demands can be expanded or shrunk according to the general state of the economy and the sector.

The Parties shall also apply to external resources as well as determining the bargaining issues. As it is known, one of the criteria of collective bargaining is comparative wages.



These resources can be public and private research institutions such as Turkish Institute of Statistics or Ministry of Labour. In addition to these sources of information, parties may ask for data from each other. For example, trade unions benefit from financial statements and so on about employer's financial status and related information. Although learning about the real situation is a hard issue, it is possible to reach at least the described official information. Employers in the United States according to the "to negotiate in good faith" principle, are obligated to provide any information to union workers while preparing wage demands.

## **4.2. Planning the Negotiation in Collective Bargaining**

To successfully carry out negotiations, it is important to make a good planning. For an effective planning following ways are usually used:

### **4.2.1. Advance Forecasting**

Trade unions and employers should consider critical issues as a true mission for both parts by doing research and applying to the views of their members. The existing general attitudes of the parties affect the first stages of the negotiations in large extent. The main issues of importance to each party are how they should anticipate the possibility of strikes or similar actions and what should be done in preparation for and against the counter measures.

### **4.2.2. Realistic Goals**

Preparation of the parties for all the matters that concern them is useful to prevent prolongation of the negotiation. Interviewers also should keep the purposes and subject to prioritise and should determine a range (upper and lower limits) for each agreement. It will be useful to prepare logical analysis about the possibility of substitution between the items.

#### **4.2.3. A General Strategy**

Each party should assess its own and the other party's needs, review past experiences on collective bargaining negotiations and should prepare an overall strategy for bargaining. Here, important issues that will be kept in mind include such factors as, negotiators personalities, the parties' financial status and political attitudes, general economic conditions, factors such as sales and public support given to trade unions. The strategy determination during the course of negotiations and collective agreements of the parties is to help create realistic expectations about the ultimate goal.

#### **4.2.4. Agenda**

Both sides can establish an agenda by placing all issues in a logical order and this shows the "basic rules". For example, taking into account complaints and disputes arising from the implementation of the expired contract, interviewers can primarily locate suggestions and non-economic or administrative issues, if necessary by exchanging ideas with each other, so that the discussions will focus on their solution.

#### **4.2.5. Priorities**

The expectations should be considered in determining priorities. For a party it is a matter of highest priority to reject the call that the other party may not be able to conclude as a successful collective bargaining. To identify realistic goals, the trends in collective agreements that are made by business lines and other employers in the region should be taken into account. For example, if there is a 4% increase in cost of living index in an economy, an increase of 12% in the wages is an unrealistic demand; and can conclude the collective agreements.

### **4.3. Negotiation Sessions**

The first meeting between the parties generally determines the rules of collective negotiations. If past collective bargaining experiences exist between the parties, the

procedures will relatively be easy to identify. If such a course does not exist or a bad relationship has been experienced, it may be hard to negotiate on the main issues. Each party has to decide on what extent to share data and information with the other party, as the determination of the negotiations' date, time and location, determination of the chief negotiators of the parties and subject-based detection of other speakers can be among the basic rules. Recording proposals, suggestions and solutions in a report and then getting it signed by the parties are common procedures. However, to reach a solution on each subject depends on the agreement on the final collective agreement. The Parties can not dictate each other the formation of negotiator groups, but the number of members of each group in negotiations, spokesmen and secretary may impose rules. Usually groups that meet to ensure the efficiency of the debates are to be as small as possible. Workers' side (the union) generally will want to present the deal to the approval of their own members. In some systems, a vote of the members is a legal requirement and if the temporary agreement is rejected by the member vote then they may go on a strike.

#### **4.4. Determination of Negotiation Subjects**

Parties sometimes make changes on the starting proposals such as changing the order of discussions of bargaining issues, and in the case that an agreement cannot be achieved, a bargaining agenda is formed by taking into account how long they will continue to debate the issue. A blockage in the early stages of the bargaining process will adversely affect the entire process and can render the agreement impossible. The number and the length of meetings to negotiate may show how unwilling to negotiate a party is.

Proposals of economic and non-economic nature should usually be separated from each other. Parties usually negotiate on the non-economic nature of substances. Availability of statistical data and information relatively ease bargaining as for the demands of

economic content. Economic issues in order to reach a balanced agreement are discussed generally in packages. Bargaining on wage increase in Turkey is usually left at the end of the negotiations but settlement about economic content of the tradition with similar nature of items is addressed separately in packages.

#### **4.5. Procedural Negotiations**

A decision about the negotiation usually must be given according to the records kept. An accurate and carefully kept record enables the parties to act honestly during negotiations and contributes to the formation of the final contract.

Usually controversial matters, the offers on these proposals, the points agreed upon, conflict issues, and etc., shall be initialled by the other party. The negotiation venue must be a special and isolated place, if necessary parties can do separate meetings. At the beginning of negotiations, the issues on whether each party is going to make a separate meeting or postpone the rights must be clarified. Sometimes a strategic withdrawal from the talks can play a positive role of a catalyst.

#### **4.6. Structuring of Attitudes and Behaviours (Posturing)**

A meeting of the general atmosphere of the collective bargaining widely corresponds parties' feelings and their attitudes; attitudes that have emerged in the previous relations of the parties and affected by factors such as the employer's economic situation, employer attitudes against unionisation and the union leadership. The union affiliated to the confederation is one of the factors that determine this atmosphere. But there are common features, whatever the general atmosphere of the negotiations is. In the first meetings, parties usually submit the offers and counter-offers of proposals to each other and in the meantime pass over the general speeches and their monologues. These detailed speeches have a function of "recovering the charisma" for the relatively weak party in the bargaining table. The impression desired to be created on the general

public and members is that everything is going well. The parties keep a list of suggestions deliberated long since a part of these suggestions and requests will reluctantly be given up during negotiations. There are some common features that should be anticipated while configuring the stage of attitudes and behaviours of the parties:

#### **4.6.1. Interdependence**

As it is known, disputes arising from negotiations adversely affect the feelings; but the interdependence of the objectives of the parties should be remembered. That means, it is not possible to succeed without the other party.

#### **4.6.2 Concealing Tactics**

In order to increase the opportunity for themselves to reach the best solutions parties often hide the real goals from each other. This is inherent in the process of interview and is considered to be normal. Each side must decide how open and honest it is going to be while notifying the needs and preferences to the other party. Unfortunately, a negotiator who acts completely open and honest is less profitable than a negotiator who is struggling for a better deal and is concealing the real objectives. However, the debate is not likely to be concluded to an agreement in the case that the objectives are hidden the other party is misled. The dilemma about the trust is a significant problem faced by the negotiators. In the beginning of the negotiations the real objectives and needs are usually hidden by the parties but in order to achieve the targets during negotiations, necessary explanations should be done. The process becomes easier and faster as both parties trust each other.

#### **4.6.3. Creating Packages**

Another technique for collective bargaining is bringing together specific topics to create packages. If each topic is addressed separately, it will be difficult to reach an agreement

and will take more time. A typical Turkish collective bargaining consists of approximately 50 non-economic nature (administrative) substances and up to 100 economic contexts of social assistance clauses. It is difficult to reach an agreement if all of these revive during the negotiation. Instead, if a few similar items that are close to each other are discussed together as a package, the agreement can be provided on topics that are removed from the table. As a result of the packaging technique, conflicting issues are left alone which have primary importance for the parties. These kind of substances found in groups are turned into a packet in Turkish application.

#### **4.6.4. Multi-Demand Tactics**

In the "multi-demand" method of collective bargaining, interested party is appeared to have given up reluctantly trivial demands instead of gaining concessions for the demands that are important. If the other party is believed to win concessions on an important issue, it has applied successful bluff. Actually, substances can have a real value even they have given up during negotiation however; other substances are higher priority than these. On the other hand if the substances are abandoned by a party, they may have a higher priority for the other party.

#### **4.6.5. Making Separate Caucusing**

To do separate meetings with the parties (caucusing) is a method frequently referenced in collective bargaining. In fact, a large part of the interview time passes through these meetings. The party usually has an offer or counteroffer, asks permission to conduct a separate meeting. So the party finds the opportunity to openly discuss the acceptability of a proposal in itself or they can prepare a counter offer. Strategy requires immediately not to disclose the thoughts about the proposal to other party in the bargaining table. A separate meeting may be requested to discuss even openly accepted and even desirable for proposal. Immediate acceptance of an offer makes the bid-side more stringent about negotiating the other items. Caucusing technique helps to eliminate disagreements

among members of the groups or to collect additional information for unexpected or expensive proposals.

#### **4.6.6. Flexibility**

Bargaining requires ability to make changes between offers and counter offers. Each proposal has to be examined in detail and it must either be accepted or a counter offer must be proposed. Immediate rejection of a proposal leads to rigidity; in this case the other side gives the answer "we also insist our own offer ". This kind of behaviour is to prevent the environment of "bargain in good faith".

#### **4.6.7. Making Request for Conciliation and Compromise**

During the negotiations the key to success is to request to compromise and work on both sides. Compromise means to give the concession that requires finding interim and medium solutions. Each party should know that most of its objectives contradict the purposes of the other party. If one side loses on many issues, it would not sign the agreement or if it is forced to sign the agreement, it means that it will look for ways of return in the next rounds of the negotiation.

#### **4.6.8. Tactics to "Recover the Charisma"**

The parties can sometimes show the results of collective bargaining as a success to members and interested parties. For this purpose, statements and expressions can be exaggerated. In most cases, if an agreement is only temporarily reached, the employer side will be silent while labour union spokesman will claim that the result is a triumph; since its members have to approve the treaty process. If the employer comes out of the bargaining as the only winner, the reputation of the trade union spokesman will be shaken, thus members will reject to sign temporary deal, and members will send their spokesmen to bargaining table again to get more concessions for the employer. The

most important thing is to get the final and definitive agreement then all conflicts and rescue attempts will remain in the past.

#### **4.6.9. Making Changes between the Offer and Counter Offers**

After the configuration phase of the behaviour and attitudes, working meetings actually begins. Agreements on less important issues which are usually non-economic are often easily achieved. When bargaining on economic issues begins, sides prefer to look at the total package rather than bargaining on the basis of individual substances. During discussions, in the case of replacement of the proposals, proposals should be analysed in terms of costs. Parties cannot be sure about their own situation on economic issues until the final agreement. In Turkey, non-economic content such as administrative issues and the content regarding monetary benefits are usually solved in packs of three or four and the wage increase is addressed as a matter to be resolved at the end. If progress in economic matters is provided especially for employers' side, total cost of the possible agreement is going to be calculated.

According to Dunlop (1944: 234) it is not helpful to talk in terms of "relative bargaining strength," there is only a general idea of its components-the size of both the enterprise and labour unit relative to the relevant market; the state of competition in the market; the general economic conditions; the specific economic conditions in the industry; the technology of the industry; the degree of public interest in, or regulation of, the enterprise or industry; the financial resources of the two parties. The political and social temper of the community may, at certain times, be decisive or non economic factors such as the morale conditions of the labour group, the relationship between the union leadership may affect the bargaining outcome (ibid.).

In general, if there exists less systematic approaches or for the first time there is a collective agreement between the parties, substances are being addressed one by one



by following the order at the draft of collective bargaining, when they across conflicting issues by passing them and negotiation postpones to future meetings. If there is an earlier experience in collective bargaining, previous contract constitutes a point of comparison and reference required to be done for a new one. Negotiators to reach an agreement actually watch the different approaches.

## **5. Conclusion**

Given the basic idea of scarcity of resources underlying economic problems, repeated bargaining processes and social dialogue attempts mean an extensive use of time and labour which should be aimed to minimise. This minimisation of resource use can be achieved if the negotiations and the outcomes can be formed in a healthy communication environment through appropriate communication channels and with the help of effective communication skills. Only under these circumstances it would be possible that cooperative bargaining outcomes would maximise the utility of both sides. The sum of the firm's market value, which represents the discounted stream of expected earnings to shareholders, and the present value of expected rents accruing to the union would thus be maximised.

In today's globalised industrial relations, collectively negotiating with each other is most commonly an orderly process in which worker, employer, and union problems are discussed relatively rationally and settled more or less on the basis of facts. Certainly, one objective of collective bargaining sessions should be the promotion of rational and harmonious relations between employers and unions. To achieve this, those to whom negotiations are entrusted should have the traits of patience, friendliness, integrity, and fairness, more comprehensively, effective communication skills which lie at the heart of negotiations. Miscommunication or ambiguity can pour pails of cold water on the hours of negotiation efforts and ruin the chances of consensus in today's competitive business environment.

Salamon (2000: 512) points out that preparation is invariably the key to successful negotiating. Negotiators -as communicators- can develop a clear understanding of their task and increase confidence in their ability to carry it out. As Torrington (1998: 35) states, consideration must be given to what is likely to be the opposition's position and justifying arguments. Part of the preparation may involve agreeing on an agenda between the two parties. The meeting to agree on an agenda may be the only formal link between the parties during the phase of the encounter. Also, each party may well have different perceptions of the strategic or relative importance of the various issues and therefore, determining the sequence in which issues are to be considered is the first area of negotiation between the parties. Torrington (1998: 35) argues, "Both sides may welcome a sequence of topics which starts with something easy on which they can quickly agree." However, others argue that it is better to start with those items over which there is likely to be the most difficulty and on which a satisfactory conclusion to the whole negotiation is dependent.

In collective bargaining and social dialogue, communication skills that the negotiator(s) possess have a critical role. The employer may select the negotiator both as someone familiar with labour law as well as the company/industry/labour relations issues and someone who has the respect of both the union and management teams. As the person in charge of the transmission of the wills and demands of the employer, this person may establish specific goals and directions including "drop-dead" points", gather input in terms of what is or is not working in current collective bargaining agreement.

Strategy formulation helps both sides develop realistic expectations of how negotiations will proceed and what the final agreement will be (Carrell and Heavrin, 2004: 248). Each party must evaluate the opponent's current needs as well as its own, review the bargaining history between the two parties, and prepare overall strategy for

negotiations. Important aspects to consider include personalities of negotiators, current financial and political position of each party, and outside influences, such as the economy, product sales, and public support of the unions.

A suggestion for a smooth negotiation between the workers and the employer may be to categorise the content of the negotiations so as to distinguish between economic and non economic issues. If done so, parties may agree to discuss non-economic context before. For instance, improvement of the procedure for complaints and disputes, working conditions, job evaluation system and organising the related issues are the substances of "Integrative Bargaining" which result with agreement more easily for the parties compared with the economic issues. However, one disadvantage can be that by doing so a party may be lucrative and the other party may lose and this may generate additional problems. An alternative can be the total package method, albeit more difficult, this may give the possibility to review the entire package as a whole before signing the collective agreement, and thus save both time and human resource.

Common to all bargaining problems is the use of threats and argument by the two parties involved to try to achieve their goals. For the labour union side, strikes, or the threat of a strike, constitute a prominent feature of the collective bargaining process and thus may provide leverage in many countries. The attitudes of each party to the wage bargain will be determined by what each perceives to be the costs perceived to be attached to the parties disagreeing to the claim or offer.

The employer may communicate with its employees, but must not seek to interfere with union activities. When negotiating the renewal of a collective agreement, the employer must negotiate with the association representing the workers and not the workers themselves. An employer that wishes to communicate directly with its employees during negotiations must not try to influence them, using his authority, directly of their

conditions of employment. The employer must not use direct or indirect threats. The employer must not, either directly or indirectly, make any promises that would lead workers to adopt the employer's point of view. The employer's remarks must be defensible as being based on reality, and must not be misleading. The people with whom the employer communicates must have the freedom to listen or not, and to receive or not receive the employer's message.

Both parties need to trust each other sufficiently to be prepared to move away from the target points and towards the likely area of settlement. The negotiators may, where there is more than one item to be dealt with and there is a impasse on one of them, agree to put it aside for further consideration at a later stage in the dialogue and concentrate their attention on an alternative item.

In sum, during collective bargaining and social dialogue, each side must take into consideration certain factors in its communication with the other side. These factors include the interaction between freedom of association and freedom of expression, and the terms and conditions to respect during such communications. The lack of communication may result in too much of the mutual interest being given away or ignored. The context of communication, the content of the communication, and the consequences of the communication play a critical role in the direction the negotiations lead and the related outcomes.

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