

Financial Information and Collective Bargaining: Conflicting or Complementing

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Abstract : The research conducted in early seventies apparently assumed the existence of a universal decision model for union negotiators and furthermore tended to regard financial information as a 'neutral' input into a rational decision-making process. However, research in the eighties began to question the neutrality of financial information as an input in collective bargaining rather viewing it as a potentially effective means for controlling the labour force. Furthermore, this later research also started challenging the simplistic assumptions relating particularly to union objectives which have underpinned the earlier search for universal union decision models. Despite the above developments there seems to be a dearth of studies in developing countries concerning the use of financial information in collective bargaining. This paper seeks to begin to remedy this deficiency. Utilising a case study approach based on two enterprises, one in the public sector and the other a multinational, the universal decision model is rejected and it is argued that the decision whether or not to use financial information is a contingent one and such a contingency is largely defined by the context and environment in which both union and management negotiators work. An attempt is also made to identify the factors constraining as well as promoting the use of financial information in collective bargaining, these being regarded as unique to the organizations within which the case studies are conducted.

Keywords : collective bargaining, developing countries, disclosures, financial information

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