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## IMPACT OF REGISTERED TRADE UNIONS IN COLLECTIVE BARGAINING

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### ABSTRACT

This paper takes a close look at how trade unions and collective bargaining have shaped the world of work in India. It begins by tracing the roots of the trade union movement from the early labour protests of the nineteenth century to the passage of the Trade Unions Act of 1926 and discusses how these organizations evolved into vital instruments for protecting workers' rights. It then explores the modern legal framework governing union activity, including the Industrial Disputes Act and the more recent Industrial Relations Code, which brings India's labour laws into closer alignment with global standards.

A major focus is placed on the process and structure of collective bargaining, showing how negotiations at national, industrial, and enterprise levels work in practice. The analysis also considers the international context, particularly the influence of the International Labour Organization and its conventions on the right to organize and bargain collectively.

To bring theory to life, two detailed case studies are examined. The first presents the Self-Employed Women's Association's long struggle on behalf of bidi workers in Gujarat, an inspiring story of informal women labourers using collective action to secure recognition, fair pay, and social benefits. The second looks at Unite's historic agreement at Bentley Motors in the UK, which introduced the country's first 35-hour week in the automotive sector while guaranteeing wage increases and job security.

Together, these studies underline that collective bargaining is more than a negotiation tool; it is a transformative process that can achieve balance between labour and capital, promote fairness in workplaces, and ensure stability in times of economic change. The paper ultimately argues that strengthening democratic union structures and supporting informed negotiation are essential steps toward a more equitable and resilient industrial environment.

**Keywords:** Trade Union, Collective Bargaining, Labour law, Worker's Right, Employer-Employee Relations.

## **INTRODUCTION**

The development of trade unions has been one of the most significant milestones in the evolution of industrial relations. In every modern economy, the relationship between employers and employees is shaped not only by production demands and market forces but also by the collective strength of workers to negotiate for fair treatment. Trade unions, as organized bodies of labour, emerged out of this need for balance and justice within the workplace. They have evolved from informal associations formed during the colonial period to legally recognized entities under the Trade Unions Act, 1926. Over the decades, their role has expanded beyond wage negotiations to include wider issues such as job security, workplace safety, social welfare, and workers' dignity. In India, where labour relations are deeply influenced by socio-economic diversity and historical inequalities, registered trade unions continue to play a vital role in giving a voice to the working class.

Collective bargaining is the most visible expression of that voice. It is through collective negotiation that workers can move from individual vulnerability to collective strength. By sitting across the table with employers, they seek not confrontation but cooperation, a process that promotes fairness, industrial peace, and long-term productivity. The institution of collective bargaining thus acts as a cornerstone of industrial democracy. Yet, the success of this process largely depends on the recognition and registration of trade unions. Only registered unions enjoy legal status, bargaining rights, and institutional legitimacy under Indian labour law. The registration process, therefore, is not merely administrative; it determines whether the voice of workers is formally acknowledged within the legal and industrial system.

### **Guiding this research are three fundamental questions:**

- How does the existing legal framework under the Trade Unions Act, 1926 and the Industrial Relations Code, 2020 regulate the registration, rights, and functioning of trade unions in India?
- In what ways do registered trade unions contribute to promoting effective collective bargaining and maintaining industrial peace within the Indian labour relations system?
- What are the major challenges that hinder the effectiveness of trade unions and collective bargaining in India?

## **TRADE UNION**

A trade union is a formal organisation of employees of an industry that was established to safeguard and advance their group interests, especially with regard to pay, benefits, and job stability. In order to maintain a balance of power in labour relations, it acts as a representative organisation that bargains with employers on behalf of workers. A trade union's primary goal is to represent all employees collectively so that they can negotiate better working conditions and protect their rights from abuse or capricious treatment.

Trade unions have a broader social and political role, helping to bring about industrial democracy and social justice. They help settle industrial disputes and encourage cooperation between workers and management. Trade unions are a way for workers to come together and make their voices heard when it comes to the conditions of their jobs and the rules that protect their rights at work.

The Trade Unions Act, 1926, provides the legal definition of a trade union. Under Section 2(h) of the Act:

“Trade union” means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers, or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions.<sup>1</sup>

## **HISTORICAL CONTEXT**

Before 1926, there were no laws in India that protected trade unions. There was no law that specifically recognised them or protected what they did. The common law, which was based on English ideas, was wary of groups of workers. The idea of "restraint of trade" and laws like the Indian Penal Code, 1860, which had rules about criminal conspiracy, were always a threat to collective action. A trade union could be charged with criminal conspiracy for working together to get better pay, since this was seen as a way to limit the employer's freedom to trade.

Indian trade unionism began in the late 19th century alongside the rise of modern industries such as textiles, jute, and railways. The first recorded labor protest occurred in 1875 in

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<sup>1</sup> Trade Unions Act, 1926, S.2(h)

Bombay, where railway workers demanded a Saturday half-holiday. In 1890, N.M. Lokhande founded the Bombay Mill-Hands' Association, India's first labor organization, though it functioned more as a welfare body than a modern trade union.

During World War I (1914–1918), rising inflation and poor working conditions fueled worker unrest, while global events like the Russian Revolution (1917) inspired greater class awareness. In 1918, B.P. Wadia established the Madras Labour Union, the first true trade union in India with a formal structure and collective bargaining goals, marking the birth of organized labor in the country.<sup>2</sup>

The post-war period saw a rise in industrial unrest. The founding of the International Labour Organization (ILO) in 1919 pressured India to improve its labor standards. The turning point was the historic Great Bombay Textile Strike of 1924-25, led by the communist leader S.A. Dange. This strike involved over 150,000 workers and lasted more than three months. The intensity of the strike forced the British government to respond. The Royal Commission on Labour was set up, and as a quick response, the Indian Trade Unions Bill was introduced. The main goal was to give legal status to trade unions and protect them and their members from civil and criminal liability for lawful trade union activities. The Act received approval on 25th March 1926 and took effect on 1st June 1927.

## **LEGAL FRAMEWORK**

### **TRADE UNION ACT, 1926**

The Trade Unions Act, 1926 is the principle law regarding the formation, registration, and operation of trade unions in India. It was created to legally recognize trade unions and grant them specific rights and protections. This supports the development of a legitimate and organized labor movement.

It explains the registration process and the rights and responsibilities of trade unions. Some of the main points are:

**Registration Requirements:** A minimum of seven members is needed to apply for registration

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<sup>2</sup> Madras labour union, available at <https://animoleguslegal.com/2025/09/28/trade-unions-collective-bargaining-and-industrial-relations-in-india-a-deep-dive-into-the-legal-framework/> (last visited on 16 october,2025)

with the Registrar of Trade Unions.<sup>3</sup>

**Legal Immunities:** Protecting trade unions from criminal and civil liabilities for actions taken during legitimate union activities.<sup>4</sup>

**Internal Regulation:** Requires unions to adopt written rules ensuring democratic functioning and transparency.<sup>5</sup>

**Legal Status:** Grants registered trade unions corporate status with perpetual succession and a common seal.<sup>6</sup>

**Federation of Unions:** Permits formation of federations of two or more trade unions.<sup>7</sup>

## **CONSTITUTION,1950**

Article 19 enumerates Fundamental Right to every Indian citizen to form associations which includes right to form trade union as well and Article 43A as the Directive Principles of State Policy, the state is permitted to make laws that encourage workers to take part in the management justifying the concept of collective bargaining.<sup>8</sup>

## **INDUSTRIAL DISPUTES ACT,1947**

This law facilitates the creation and registration of trade unions and lays out the legal foundation for resolving labour disputes. In order to help resolve conflicts between employees and employers, the act also calls for the formation of conciliation officials, boards, and courts.<sup>9</sup>

## **INDUSTRIAL RELATIONS CODE,2020**

By combining the Industrial Employment (Standing Orders) Act of 1946, the Industrial Disputes Act of 1947, and the Trade Unions Act of 1926 into a single framework, the Industrial Relations Code of 2020 modernises and unifies the laws governing trade unions in India. It

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<sup>3</sup> Trade Unions Act,1926, S.4

<sup>4</sup> Trade Unions Act,1926, SS 17,18

<sup>5</sup> Trade Unions Act,1926, S.6

<sup>6</sup> Trade Unions Act,1926, S.13

<sup>7</sup> Trade Unions Act,1926, S.24

<sup>8</sup> Geedharsini, "IMPACT OF COLLECTIVE BARGAINING IN INDIA: REAL OR ILLUSION", Volume IV Issue I, Indian Journal of Integrated Research in Law Volume IV Issue I, 929-947

<sup>9</sup> Shalu Arora, "Collective bargaining in India: A critical analysis of its structure and framework", 5(1), International Journal of Criminal, Common and Statutory Law 2025; 5(1): 171-174 (2025)

creates clear procedures for trade union registration, rights, and responsibilities, fortifies the legal foundation for trade union registration and recognition, and introduces the idea of a negotiating union, which calls for the union to be recognised with majority support for collective bargaining<sup>10</sup>. The Code clarifies the status of agreements among union members to restrain trade and guarantees registered unions immunity from certain civil suits during lawful activities.<sup>11</sup>

## **FUNCTIONS OF TRADE UNION**

1. **Safeguard from exploitation**-Trade unions perform a variety of protective functions that safeguard workers from exploitation and unfair treatment by employers. They strive to ensure fair wages, reasonable working hours, and safe working conditions. the workplace.
2. **Collective Bargaining**-The bargaining function of trade unions is their most significant role, as it involves negotiating with employers on matters such as wages, benefits, and working conditions through collective bargaining. By uniting workers under a common platform, trade unions enhance their bargaining power and ensure that employment terms are determined through mutual agreement rather than unilateral employer decisions.
3. **Promotes Welfare**- They often provide financial assistance during illness, accidents, or unemployment, and establish welfare schemes related to housing, education, and healthcare. By undertaking such initiatives, trade unions contribute to improving the overall quality of life of workers and their families, especially in sectors where state welfare measures are inadequate.
4. **Educate members**-Trade unions also undertake educational functions by organizing training programmes, workshops, and seminars to enhance workers' knowledge and skills. They educate members about their legal rights, workplace safety, and technological advancements, thereby empowering them to participate more effectively in industrial decision-making.

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<sup>10</sup> Industrial Relations Code,2020, S.14

<sup>11</sup> Industrial Relations Code,2020, SS.16,17,18

5. **Code of Conduct**-Through their regulatory functions, trade unions help maintain harmony in industrial relations by setting rules of conduct for both employers and employees. They promote compliance with labour laws, monitor working standards, and work towards the peaceful settlement of disputes through mediation, conciliation, or arbitration.
6. **Influence framing of law**- It involve efforts to influence government policies and legislation that affect workers' rights and welfare. Many unions maintain political affiliations or support labour-friendly candidates to ensure that the interests of the working class are represented in the policymaking process. Through lobbying and advocacy, trade unions contribute to the development of a more equitable and inclusive labour policy framework.

## **MAJOR TRADE UNIONS OF INDIA**

1. **All India Trade Union Congress (AITUC)**- AITUC, the first Central Trade Union of India, was founded by Lala Lajpat in 1920 in Bombay to facilitate the socio-economic welfare of the working class. The establishment of the International Labour Organisation (ILO) in 1919 served as a spur for creating the AITUC. It was formed to represent India at the International Labour Organisation of the League of Nations. It was the most recognised trade union organisation in India.<sup>12</sup>
2. **Indian National Trade Union Congress (INTUC)**- Founded in 1947, the INTUC is affiliated with the Indian National Congress (INC). It aims to promote the welfare of workers and foster harmonious relations between labour and management. As one of the largest trade union federations, INTUC advocates for industrial peace, social justice, and economic equality through constructive negotiation rather than confrontation.
3. **Bharatiya Mazdoor Sangh (BMS)**- Established in 1955 by Shri Dattopant Thengadiji under the guidance of Pujaniya Guruji Golwalkar of the Rashtriya Swayamsevak Sangh (RSS), emerged as India's largest central trade union within just three decades of its founding, despite being one of the last major unions established. In keeping with

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<sup>12</sup>AITUC, available at <https://vajiramandravi.com/upsc-exam/all-india-trade-union-congress-aituc/> (last visited on 22 October,2025)

nationalist principles, it promotes workers' interests through collaboration with management and places a strong emphasis on national integration and independence.

4. **Hind Mazdoor Sabha (HMS)**- HMS is a trade union that was founded in 1948 and is not directly associated with any political party, despite its longstanding socialist inclinations. It advances industrial democracy, democratic socialism, and worker participation in management.

## COLLECTIVE BARGAINING

The process of negotiating agreements that govern working conditions, pay, benefits, and other employment terms between an employer and a group of workers, usually represented by a trade union, is known as collective bargaining. As a basic labour right, it allows employees to collectively voice their concerns and engage in negotiations with management to create a legally binding collective bargaining agreement (CBA). The terms of employment, such as pay, working hours, safety in the workplace, grievance procedures, and job security, are established in this agreement. By empowering workers by balancing the power dynamics between employers and employees and resolving conflicts through dialogue rather than unilateral decisions, the process fosters workplace harmony. Therefore, collective bargaining is essential for enhancing labour relations and defending workers' rights within a structured framework of mutual consent.

According to Ludwig and Teller, collective bargaining is “an agreement between a single employer or an association of employers on the one hand and labour union on the other hand which regulates terms and conditions of employment”<sup>13</sup>

In the case of **Karnal Leather Karamchari Sanghatan v. Liberty Footwear Co.**<sup>14</sup>, the Supreme Court held that collective bargaining is a technique by which dispute between labour and capital are resolved amicably by agreement rather than by question.

In the case of **Bharat Iron Works v. Bhagubhai Balubhai Patel**<sup>15</sup>, it was observed that collective bargaining is a part of the modern-day concept of the welfare State. It must be practised in a healthy manner in which there is mutual cooperation between the employers and

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<sup>13</sup> Teller Ludwig, *Labour Disputes and Collective Bargaining*, Vol. 1, Baker, Voorhis & Co, p. 476 (1940)

<sup>14</sup> (1989)4 SCC 448

<sup>15</sup>1976 AIR 98

the employees. Negotiation between the management and trade union helps in reaching a settlement regarding various issues.

According to **Hindustan Lever Ltd. v. Hindustan Lever Employees Union**<sup>16</sup>, employers found it easier to work with workers' representatives rather than individual workers, which benefited them in a number of ways, including changing contracts, taking disciplinary action taken against one or more employees, as well as in settling other labour disputes. A high-performing workplace can arise from this, increasing productivity and profit. Collective bargaining offers a transparent platform for methodically resolving grievances. Employees of an organisation can settle disagreements over particular aspects of their work amicably and cooperatively by using the collective bargaining process.

Article 2 of the Collective Bargaining Convention, 1981 of the International Labour Organisation states, “collective bargaining extends to all negotiations which take place between an employer, a group of employers or one or more employers’ organisations, on the one hand, and one or more workers’ organisations, on the other, for

- a) determining working conditions and terms of employment; and/or
- b) regulating relations between employers and workers; and/or
- c) regulating relations between employers or their organisations and workers or workers’ organisations.”<sup>17</sup>

Registered trade unions play a crucial role in strengthening collective bargaining by providing workers with a legally recognized and organized voice to negotiate with employers. Their registration grants them formal status, legal protection, and representational authority, enabling them to engage in structured negotiations on matters such as wages, working hours, safety, and job security. Through collective representation, registered unions balance the power dynamics between labour and management, ensuring that workers’ demands are heard and resolved through dialogue rather than conflict. This legal recognition not only legitimizes their bargaining power but also promotes industrial peace, fairness, and mutual trust in employer–employee relations.

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<sup>16</sup> AIR 1995 SUPREME COURT 470

<sup>17</sup> Collective Bargaining Convention, 1981, art.2

## **SIGNIFICANCE OF COLLECTIVE BARGAINING**

1. **Guarantees Fair and Equitable Wages-** By enabling collective bargaining, employees can bargain for more equitable pay structures. It keeps individual workers from being taken advantage of and guarantees that pay is commensurate with productivity, industry norms, and cost of living.
2. **Balances Power Between Employers and Employees-** In a one-on-one work arrangement, the employer usually has more authority. By allowing employees to bargain as a single unit and guaranteeing that their interests are adequately represented, collective bargaining balances this disparity.
3. **Enhances Working Conditions-** Unions can bargain for fair working hours, sufficient welfare facilities, and safer and healthier working conditions through collective agreements. This lowers occupational hazards and enhances the general quality of work life.
4. **Prevents Labour Exploitation and Arbitrary Actions-** Collective bargaining protects against discrimination, harsh disciplinary measures, and wrongful terminations. It creates due process and transparent processes for decisions pertaining to employment.
5. **Encourages Industrial Peace and Harmony-** Collective bargaining lowers the frequency of strikes, lockouts, and other forms of industrial unrest by offering an organised process for negotiation and dispute resolution. It encourages collaboration between labour and management rather than conflict.
6. **Offers Job Security-** In the event of downsizing or restructuring, employees are given financial security and job protection through collective agreements that frequently contain provisions pertaining to retrenchment, layoffs, and termination.

## **LEVELS OF COLLECTIVE BARGAINING IN INDIA**

### **NATIONAL LEVEL BARGAINING:**

This is the highest level of collective bargaining, conducted between national federations of

trade unions (such as INTUC, AITUC, HMS, or BMS) and national employer associations or government representatives. This type of bargaining's primary advantage is that, once the negotiating process begins, all industries identify the issues and take into consideration all industrial workers. This has unquestionably a number of benefits, such as consistent pay or rates; the lack of disputes or disparities; etc.

### **Industry or Sectoral Level Bargaining:**

At this level, negotiations take place between employer associations and federations of trade unions within a particular industry, such as coal, steel, banking, or transport. The agreements reached apply to all workers in that industry, ensuring uniformity in wages, working conditions, and benefits across the sector. This level of bargaining promotes industry-wide stability and reduces inter-enterprise disparities. A prominent example is the Banking Industry Bipartite Settlement between the Indian Banks' Association (IBA) and various bank unions. This agreement determines the revised salaries, benefits, and service conditions for employees in public sector banks.

### **Plant or Enterprise Level Bargaining:**

In India, the most prevalent type of collective bargaining takes place at the enterprise level, where a company's management engages in direct negotiations with its officially recognised trade union. Because this type of bargaining is flexible and decentralised, terms can be adjusted to take into account local issues, productivity, and the company's financial situation. Enterprise-level bargaining addresses issues like pay, bonuses, working conditions, handling grievances, and safety precautions.

### **Regional or State Level Bargaining:**

Collective bargaining between state-level unions and employers' associations takes place at the regional or state level in certain industries, especially those with a significant regional presence (such as transportation, textiles, or plantations). The impact of regional socioeconomic circumstances, governmental regulations, and labour laws is reflected at this level.

## **INTERNATIONAL PERSPECTIVE ON COLLECTIVE BARGAINING**

India's legal framework regarding trade unions aligns with several global labour standards,

particularly those set by the International Labour Organization (ILO).

### **The Role of the ILO and its Importance**

The International Labour Organization (ILO), a United Nations agency, was established in 1919 to advocate for social justice and globally recognised labour rights. Through its conventions, the ILO sets international standards, urging countries to incorporate these into domestic legal systems. One of the key areas the ILO promotes is collective bargaining, where employees and employers negotiate employment terms such as pay, working hours, and other conditions. By advocating for such negotiations, the ILO aims to foster fair labour practices and mitigate industrial disputes. The International Labour Organization (ILO) considers collective bargaining a fundamental right, which is established in its Constitution and reaffirmed in the 1998 ILO Declaration on Fundamental Principles and Rights at Work. While India has not ratified Convention No. 98, it recognizes collective bargaining as an important tool in industrial relations, and this is reflected in its labour laws, such as the Industrial Disputes Act, 1947, and the Trade Unions Act, 1926.<sup>18</sup>

### **The Right to Organise and Collective Bargaining Convention, 1949 (No. 98)**

One of the main International Labour Organisation (ILO) conventions, the Right to Organise and Collective Bargaining Convention, 1949 (Convention No. 98), aims to strengthen workers' rights to collective bargaining and to promote freedom of association. By guaranteeing that employees can exercise their rights without worrying about discrimination or interference, it enhances the 1948 Freedom of Association and Protection of the Right to Organise Convention (No. 87).

### **Key Elements of Convention No. 98:**

1. **Protection Against Anti-Union Discrimination** - Employees are protected by the Convention from discrimination on the basis of their union membership or involvement in union-related activities. Employers are not allowed to terminate employees for joining or participating in union activities or to condition employment on their non-

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<sup>18</sup>INTERNATIONAL PERSPECTIVE ON COLLECTIVE BARGAINING <https://legalvidhiya.com/powers-and-duties-of-the-registrar-and-collective-bargaining-an-intersection-of-labour-law-and-union-regulation/> (last visited on 22 October,2025)

membership in a trade union. This guarantees that workers can freely band together without worrying about reprisals.

2. **Promotion of Voluntary Collective Bargaining**-The Convention calls on member states to implement suitable policies to support and foster voluntary collective bargaining between workers' organisations and employers or employers' organisations. By mutual agreement rather than force, this aids in establishing fair terms and conditions of employment.
3. **Implementation through National Legislation**- States that ratify the Convention must enact laws and regulations safeguarding employees' rights to collective bargaining and organisation. Additionally, governments need to make sure that labour relations policies encourage dialogue and stop anti-union behaviour.

## **CHALLENGES IN COLLECTIVE BARGAINING**

1. **Power Imbalance**-The unequal power dynamics between employers and employees frequently impact collective bargaining. Management typically has the upper hand in negotiations because they control organisational structures and financial resources. Reaching fair agreements may be challenging for workers' unions, particularly if they are small or dispersed, as they may find it difficult to effectively express their demands.
2. **Absence of Effective Negotiators**-The fact that representatives on both sides might lack sufficient negotiation training or understanding of labour laws presents a significant obstacle. Agreements may be delayed or weakened as a result of miscommunications, ineffective talks, and unsatisfactory results.
3. **A conflict of interest**-The objectives of employers and employees are inherently at odds. Employees prioritise better pay, benefits, and working conditions while management aims to reduce expenses and increase productivity. These competing priorities frequently lead to conflict and make the negotiating process more difficult.
4. **Political Interference**-Political parties or outside agendas can occasionally have an impact on trade unions, which can impede their ability to make unbiased decisions. Political factors may take precedence over workable answers, leading to delays or conflicts that hinder the negotiating process.

5. **Time-consuming-** Reaching an agreement between employers and employees may take weeks or even months due to the lengthy nature of collective bargaining.
6. **Politicization of trade unions-** where union leadership is influenced by political affiliations rather than workers' interests. Such politicization often diverts attention from workplace grievances to ideological or party-driven agendas, weakening the credibility and effectiveness of the collective bargaining process.

## **CASE STUDIES**

### **1. SEWA's Interventions in the Bidi Industry, Gujarat**

One of the first organisations to organise women in India's unorganised sector was the Self-Employed Women's Association (SEWA), a central trade union for women employed in the country's informal economy. Its years long interventions in Gujarat's bidi (hand-rolled cigarette) industry serve as a historic illustration of how collective organisation can change labour relations. A bidi worker from Patan first came to SEWA in 1978, seeking assistance against exploitative conditions such as extremely low wages (₹4 per day), no identity cards, and denial of employee benefits. In response, SEWA organised women workers in Patan and Ahmedabad by 1981, first through meetings and awareness campaigns. Through sustained collective efforts, SEWA achieved tangible improvements such as shifting work transactions to daytime hours and the establishment of a dispensary for bidi workers.

This case exemplifies how collective bargaining in the unorganized sector, even without formal recognition, can bring about structural change when guided by a combination of grassroots mobilization, legal action, and research based advocacy. SEWA's role transcended traditional trade union functions by integrating welfare, empowerment, and social justice, transforming marginalized women workers into an organized and recognized labour force. The SEWA's bidi industry case thus stands as a model of how registered associations and collective organization can effectively bridge the gap between informal workers and formal legal protections, reinforcing the transformative potential of collective bargaining in India's unorganized sector.

### **2. Unite and the 35-Hour Week at Bentley**

One of the largest trade unions in the UK, Unite the Union, representing nearly two million workers across various industries, negotiated a significant agreement with Bentley Motors at

its Crewe plant in Cheshire. Around 2,000 employees at the plant were represented by Unite during a period of major industrial uncertainty. Bentley's parent company, Volkswagen Group, was restructuring following the diesel emissions scandal and shifting towards electric vehicle production, while Brexit created additional concerns about job security. Unite used a participatory and data-driven approach, surveying nearly 1,600 workers to identify key priorities, including its long-standing demand for a 35-hour workweek without loss of pay.

Negotiations began in November 2016 through the Company Council, which had equal representation from management and union officials. While Bentley initially proposed a four-year agreement focused on flexibility and efficiency, Unite sought a three-year deal emphasizing reduced working hours, improved pay, and better employment conditions. The first offer was rejected by 75% of workers due to dissatisfaction with proposed shift changes. However, continued dialogue led to a revised agreement that secured strong worker support in a second ballot.

The final Future Performance Commitment Agreement reduced working hours from 37 to 35 per week without cutting pay, with flexibility to work up to 40 hours on limited occasions at premium rates. It also included a 6.5% pay rise over three years, a £900 consolidated payment, improved sick pay, and increased holiday entitlement to 28 days. The deal provided operational stability for Bentley while enhancing job security, work-life balance, and morale for workers, and was widely regarded as a landmark agreement in the automobile sector.

## **CONCLUSION**

Registered trade unions play a pivotal role in enhancing the effectiveness of collective bargaining by providing legal recognition, structured representation, and organized negotiation platforms for workers in India. Their registered status grants them corporate identity and legal protections that enable them to engage confidently with employers, advocate for workers' rights, and ensure the enforcement of collective agreements. The impact of registered trade unions extends beyond wage negotiations to influencing working conditions, job security, and welfare benefits, thereby contributing to industrial peace and social justice. However, challenges such as the political factors, power imbalance, and limited reach in the informal sector remain. Strengthening registered trade unions through streamlined recognition processes, legislative support for union plurality, and extending legal protections to emerging

forms of worker collectives can further amplify their impact on collective bargaining, fostering more balanced and inclusive industrial relations in India.