

"Impact of Collective Bargaining on Employee Job Satisfaction: Evidence from Selected Industrial Organizations in Jharsuguda District, Odisha"

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Abstract

Collective bargaining plays a vital role in shaping industrial relations and influencing employee attitudes in the workplace. The present study examines the impact of collective bargaining on employee job satisfaction in selected industrial organizations of Jharsuguda District, Odisha. The study focuses on key dimensions of collective bargaining, including wage negotiations, working conditions, employee participation, job security, and grievance handling mechanisms.

A descriptive and analytical research design was adopted, and primary data were collected through a structured questionnaire administered to employees of selected industrial organizations. Using stratified random sampling, 228 valid responses were obtained for analysis. Descriptive statistics, Pearson's correlation, and simple linear regression were employed to analyze the data.

The findings indicate that employees generally perceive collective bargaining practices positively and report moderate to high levels of job satisfaction. The study further reveals a significant positive relationship between collective bargaining and employee job satisfaction. Regression results confirm that effective collective bargaining practices contribute substantially to employee satisfaction by promoting fair employment conditions, employee participation, and constructive labour-management relations.

The study concludes that strengthening collective bargaining mechanisms can enhance employee satisfaction and foster harmonious industrial relations in industrial organizations.

Keywords: Collective Bargaining, Job Satisfaction, Industrial Relations, Trade Unions, Employee Participation

1. INTRODUCTION

In today's competitive industrial environment, organizations increasingly recognize the importance of maintaining positive labour-management relations to achieve sustainable growth and organizational effectiveness. Among the various mechanisms available for fostering harmonious workplace relations, collective bargaining remains one of the most significant instruments for balancing the interests of employers and employees. Collective bargaining facilitates structured negotiations between management and employee representatives on issues such as wages, working conditions, job security, benefits, and grievance resolution. Effective collective bargaining not only contributes to industrial peace but also strengthens employee participation and organizational commitment (Budd, 2021; Hayter, 2015).

Employee job satisfaction has emerged as a critical determinant of organizational success. Satisfied employees are more likely to demonstrate higher levels of productivity, commitment, motivation, and retention, whereas dissatisfaction often results in absenteeism, turnover intentions, workplace conflicts, and reduced performance (Judge et al., 2017; Spector, 2022). Consequently, organizations are increasingly focusing on policies and practices that enhance employee satisfaction and create a supportive work environment.

Research in industrial relations suggests that collective bargaining can play a crucial role in shaping employee attitudes toward their organizations. Through collective agreements, employees gain a formal mechanism to express their concerns and influence decisions affecting their employment conditions. Fair wage settlements, improved working

conditions, transparent grievance procedures, and enhanced job security achieved through collective bargaining are often associated with higher levels of employee satisfaction and trust in management (Bamber et al., 2021; Armstrong, 2023). Furthermore, employee participation in negotiation processes contributes to perceptions of procedural fairness and workplace justice, which positively influence job satisfaction.

The significance of collective bargaining has become increasingly relevant in the Indian industrial sector due to economic reforms, technological advancements, changing workforce expectations, and evolving labour regulations. The enactment of the Industrial Relations Code, 2020, has further emphasized the importance of constructive labour-management dialogue in maintaining industrial harmony and reducing workplace disputes. In this context, organizations are expected to adopt collaborative approaches that promote employee welfare while ensuring operational efficiency.

Jharsuguda District has emerged as one of the leading industrial hubs of Odisha, characterized by the presence of large-scale aluminium, power generation, manufacturing, and ancillary industries. The district has witnessed significant industrial growth over the past two decades, creating substantial employment opportunities and fostering a diverse industrial workforce. This rapid industrial expansion has heightened the importance of maintaining effective labour-management relations and ensuring employee well-being. In such an industrial environment, collective bargaining serves as a crucial mechanism for addressing employee concerns, promoting workplace harmony, and enhancing job satisfaction. Despite the industrial prominence of Jharsuguda, limited empirical research has specifically examined the impact of collective bargaining on employee job satisfaction in the district's industrial organizations. Therefore, the present study seeks to fill this gap by investigating the relationship between collective bargaining practices and employee job satisfaction in selected industrial organizations of Jharsuguda District, Odisha.

Against this backdrop, the present study examines the impact of collective bargaining on employee job satisfaction in selected industrial organizations of Jharsuguda District, Odisha. The study focuses on key dimensions of collective bargaining, including wage negotiations, working conditions, employee participation, job security, and grievance handling mechanisms. By analyzing their influence on employee satisfaction, the study seeks to provide insights for management, trade unions, and policymakers to strengthen labour-management relations and enhance employee well-being.

2. LITERATURE REVIEW

Collective bargaining is widely recognized as an important mechanism for promoting industrial harmony, employee welfare, and organizational effectiveness. Hayter (2015), Budd (2021), and Bamber et al. (2021) observed that collective bargaining strengthens employee voice, improves workplace fairness, and fosters cooperative labour-management relations, which contribute positively to employee satisfaction.

Studies on job satisfaction have identified compensation, working conditions, organizational justice, employee participation, and managerial support as key determinants of employee attitudes and commitment. Judge et al. (2017) and Spector (2022) reported that favourable workplace conditions and employee involvement significantly enhance job satisfaction. Similarly, Armstrong (2023) emphasized that employee participation and engagement contribute to higher levels of organizational trust and satisfaction.

In the Indian context, Sharma (2021) and Mamoria et al. (2022) highlighted the role of collective bargaining in improving employee morale, reducing grievances, and strengthening industrial relations. Their findings suggest that organizations with effective bargaining mechanisms generally experience higher employee commitment and workplace harmony.

Despite the growing literature on industrial relations and employee satisfaction, limited empirical studies have examined the relationship between collective bargaining and employee job satisfaction in industrial organizations located in Jharsuguda District, Odisha. Therefore, the present study seeks to address this gap by investigating how collective bargaining practices influence employee job satisfaction in selected industrial organizations of the district.

3. RESEARCH METHODOLOGY

3.1 Research Gap

Previous studies have highlighted the significance of collective bargaining in promoting industrial harmony, employee welfare, and organizational effectiveness. Research has also demonstrated that factors such as fair compensation,

employee participation, job security, and favourable working conditions contribute significantly to employee job satisfaction. However, limited empirical evidence is available regarding the impact of collective bargaining on employee job satisfaction in industrial organizations located in Jharsuguda District, Odisha. Furthermore, studies focusing on employees working in the aluminium, power generation, steel, and manufacturing sectors of the district remain scarce. Therefore, the present study seeks to bridge this gap by examining the influence of collective bargaining practices on employee job satisfaction in selected industrial organizations of Jharsuguda District.

3.2 Objectives of the Study

1. To examine the collective bargaining practices followed in selected industrial organizations of Jharsuguda District, Odisha.
2. To assess the level of employee job satisfaction among employees working in selected industrial organizations.
3. To analyze the impact of collective bargaining on employee job satisfaction.
4. To suggest measures for strengthening collective bargaining practices and improving employee job satisfaction.

3.3 Hypothesis of the Study

H₀₁: Collective bargaining has no significant impact on employee job satisfaction in selected industrial organizations of Jharsuguda District, Odisha.

H₀₂: Collective bargaining has a significant positive impact on employee job satisfaction in selected industrial organizations of Jharsuguda District, Odisha.

3.4 Research Design

The study adopts a descriptive and analytical research design. A quantitative approach is used to examine collective bargaining practices and their impact on employee job satisfaction through statistical analysis of employee responses.

3.5 Study Area

The study is conducted in selected industrial organizations located in Jharsuguda District, Odisha, namely Vedanta Limited, TRL Krosaki Refractories Limited, Odisha Power Generation Corporation (OPGC), and Bhushan Power and Steel Limited. These organizations represent major industrial sectors such as aluminium, manufacturing, power generation, and steel production. Jharsuguda has emerged as one of Odisha's leading industrial districts due to the concentration of large-scale industries and organized workforce. The presence of active labour-management interactions and employee representative mechanisms makes these organizations suitable for examining the impact of collective bargaining on employee job satisfaction.

3.6 Sources of Data

The study utilizes both primary and secondary data. Primary data are collected through a structured questionnaire administered to employees, while secondary data are obtained from books, journals, government reports, labour laws, and relevant academic literature.

3.7 Population of the Study

The study population comprises employees working in Vedanta Limited, TRL Krosaki Refractories Limited, Odisha Power Generation Corporation (OPGC), and Bhushan Power and Steel Limited in Jharsuguda District, Odisha.

3.8 Sampling Design

A stratified random sampling technique is employed to ensure adequate representation of employees from different industrial sectors and organizational levels. The respondents are selected from Vedanta Limited, Odisha Power Generation Corporation (OPGC), and Bhushan Power and Steel Limited. A total of 250 questionnaires is distributed

among employees of the selected organizations. After screening for completeness and consistency, A total of 228 usable responses was obtained, resulting in a response rate of 91.2%.

3.9 Research Instrument

A structured questionnaire serves as the primary instrument for data collection. The questionnaire consists of two sections. The first section captures demographic information of the respondents, including age, gender, educational qualification, work experience, and employment category. The second section contains statements relating to collective bargaining practices and employee job satisfaction. Responses are recorded using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

3.10 Measurement of Variables

The study examines one independent variable and one dependent variable. The independent variable, Collective Bargaining, is measured through five dimensions: wage negotiations, working conditions, employee participation, job security, and grievance handling mechanisms. The dependent variable, Employee Job Satisfaction, is assessed through employee perceptions relating to compensation satisfaction, work environment, management support, career growth opportunities, and overall job satisfaction.

Table 3.1

Variable	Dimensions
Collective Bargaining (Independent Variable)	Wage Negotiations, Working Conditions, Employee Participation, Job Security, Grievance Handling
Employee Job Satisfaction (Dependent Variable)	Compensation Satisfaction, Work Environment, Management Support, Career Growth Opportunities, Overall Job Satisfaction

3.11 Reliability and Validity of the Instrument

Reliability is assessed using Cronbach's Alpha, with values above 0.70 considered acceptable (Hair et al., 2019). Content validity is ensured through literature review and expert consultation.

3.12 Statistical Tools Used

The collected data are analyzed using both descriptive and inferential statistical techniques. Descriptive statistics such as frequency, percentage, mean, and standard deviation are used to summarize respondent characteristics and study variables. Pearson's correlation analysis is employed to examine the relationship between collective bargaining and employee job satisfaction. Further, simple linear regression analysis is used to assess the extent to which collective bargaining influences employee job satisfaction.

4. DATA ANALYSIS AND INTERPRETATION

4.1 Demographic Profile of Respondents

A total of 228 usable responses were obtained from employees working in selected industrial organizations in Jharsuguda District, Odisha. The respondents represented different age groups, educational backgrounds, work experience levels, and employment categories, ensuring a diverse representation of employee perceptions.

Table 4.1

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	178	78.1
	Female	50	21.9
Age	Below 30 Years	52	22.8
	30–40 Years	84	36.8
	41–50 Years	61	26.8
	Above 50 Years	31	13.6
Education	Diploma	46	20.2
	Graduate	98	43
	Postgraduate	84	36.8

4.2 Reliability Analysis

The reliability of the measurement scale was assessed using Cronbach's Alpha.

Table 4.2

Variable	Number of Items	Cronbach's Alpha
Collective Bargaining	15	0.842
Job Satisfaction	10	0.817

The Cronbach's Alpha values exceeded the recommended threshold of 0.70, indicating satisfactory internal consistency of the measurement scales.

4.3 Descriptive Analysis of Collective Bargaining

Table 4.3

Dimension	Mean	Standard Deviation
Wage Negotiations	3.89	0.71
Working Conditions	3.76	0.68
Employee Participation	3.82	0.73
Job Security	3.69	0.75
Grievance Handling	3.74	0.7

The results indicate that employees generally perceive collective bargaining practices positively across the selected industrial organizations. Wage negotiation recorded the highest mean score (3.89), suggesting that employees believe collective bargaining plays an important role in securing fair wages and employment benefits. Employee participation also received a relatively high rating (3.82), indicating that workers are provided opportunities to express their views and concerns through collective forums.

Working conditions (3.76) and grievance handling mechanisms (3.74) were evaluated favourably, reflecting the effectiveness of labour-management interactions in addressing workplace issues. Job security recorded the lowest mean score (3.69), although it remained above the neutral level. This suggests that while employees generally feel secure in their employment, concerns regarding long-term stability and career continuity may still exist. Overall, the findings demonstrate that collective bargaining contributes positively to maintaining constructive industrial relations and employee confidence in organizational policies.

4.4 Descriptive Analysis of Employee Job Satisfaction

Table 4.4

Dimension	Mean	Standard Deviation
Compensation Satisfaction	3.72	0.74
Work Environment	3.85	0.69
Management Support	3.78	0.72
Career Growth Opportunities	3.64	0.77
Overall Job Satisfaction	3.8	0.71

The findings reveal that employees experience a moderate to high level of job satisfaction across the selected organizations. Work environment emerged as the highest-rated dimension (3.85), indicating that employees are generally satisfied with workplace conditions, safety measures, and interpersonal relationships within the organization. Overall job satisfaction also recorded a favourable score (3.80), reflecting positive employee attitudes towards their jobs.

Management support (3.78) and compensation satisfaction (3.72) received moderately high ratings, suggesting that employees appreciate organizational support and perceive compensation practices as reasonably fair. However, career growth opportunities recorded the lowest mean score (3.64). This finding indicates that employees may have concerns regarding promotion prospects, skill development, and long-term career advancement. Therefore, while the overall level of job satisfaction is satisfactory, organizations should focus on strengthening career development initiatives to further enhance employee commitment and retention.

4.5 Correlation Analysis

Table 4.5

Variables	Correlation Coefficient (r)	p-value
Collective Bargaining and Job Satisfaction	0.683	0

The Pearson correlation coefficient ($r = 0.683$) indicates a strong positive relationship between collective bargaining and employee job satisfaction. The positive coefficient suggests that improvements in collective bargaining practices are associated with higher levels of employee satisfaction. The significance value ($p = 0.000$) is below the accepted threshold of 0.05, confirming that the relationship is statistically significant.

This finding implies that employees who perceive bargaining processes as fair, transparent, and responsive are more likely to report positive attitudes toward their jobs. The result highlights the importance of collective bargaining as a mechanism for enhancing employee welfare, strengthening trust in management, and promoting a positive work environment.

4.6 Regression Analysis

Table 4.6

Model	R ²	F-value	Significance
Collective Bargaining → Job Satisfaction	0.467	198.52	0

Table 4.7

Predictor	Beta Coefficient	t-value	p-value
Collective Bargaining	0.683	14.09	0

The regression analysis was conducted to determine the extent to which collective bargaining influences employee job satisfaction. The coefficient of determination ($R^2 = 0.467$) indicates that collective bargaining explains 46.7 percent of the variation in employee job satisfaction. This demonstrates that collective bargaining is a substantial predictor of employee attitudes and workplace satisfaction.

The standardized beta coefficient ($\beta = 0.683$) is positive and statistically significant ($p < 0.001$), indicating that improvements in collective bargaining practices lead to corresponding improvements in employee job satisfaction. The high F-value (198.52) further confirms the overall significance of the regression model.

These findings suggest that effective bargaining mechanisms relating to wages, working conditions, employee participation, and grievance handling play a critical role in shaping employee perceptions and workplace experiences. Therefore, organizations seeking to improve employee satisfaction should strengthen collective bargaining processes and encourage constructive labour-management dialogue.

4.7 Hypothesis Testing

Table 4.8

Hypothesis	Result
H ₀₁ : Collective bargaining has no significant impact on employee job satisfaction.	Rejected
H ₀₂ : Collective bargaining has a significant positive impact on employee job satisfaction.	Accepted

Since the significance value is less than 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted. Therefore, collective bargaining has a significant positive impact on employee job satisfaction in the selected industrial organizations.

5. Findings and Discussion

Collective Bargaining Practices

The descriptive analysis indicates that employees generally hold positive perceptions regarding collective bargaining practices in their organizations. Among the various dimensions, wage negotiation recorded the highest mean score (3.89), followed by employee participation (3.82), working conditions (3.76), grievance handling (3.74), and job security (3.69). This suggests that collective bargaining mechanisms are functioning effectively in addressing employee concerns.

Employee Job Satisfaction

The results reveal a moderate to high level of job satisfaction among employees. Work environment received the highest mean score (3.85), followed by overall job satisfaction (3.80), management support (3.78), compensation satisfaction (3.72), and career growth opportunities (3.64). The comparatively lower score for career growth indicates a need for greater attention to employee development initiatives.

Impact of Collective Bargaining on Employee Job Satisfaction

The correlation analysis revealed a significant positive relationship between collective bargaining and employee job satisfaction ($r = 0.683$, $p < 0.01$). Further, regression analysis indicated that collective bargaining significantly influences employee job satisfaction ($\beta = 0.683$, $p < 0.001$), explaining 46.7 percent of the variation in job satisfaction ($R^2 = 0.467$). Accordingly, the null hypothesis was rejected and the alternative hypothesis was accepted.

Discussion

The findings demonstrate that effective collective bargaining contributes positively to employee job satisfaction by improving wage negotiations, working conditions, employee participation, and grievance handling mechanisms. These results support the findings of Hayter (2015), Budd (2021), and Bamber et al. (2021), who reported that collective bargaining enhances employee welfare, workplace fairness, and labour-management cooperation. Therefore, strengthening collective bargaining practices can serve as an important strategy for improving employee satisfaction and fostering harmonious industrial relations.

6. Conclusion

The study contributes to the understanding of collective bargaining and employee job satisfaction in industrial organizations of Jharsuguda District, Odisha. However, the scope is limited to selected industries and organizations. Future studies may extend the analysis to other industrial regions and sectors to obtain broader insights into labour-management relations and employee satisfaction.

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