
Marketing and Collective Bargaining (A Case of Ekeonunwa Market Douglas, and the Government of Imo State)

Okwara C. C.¹ and Iwuoha Ben C.²

¹ & ²Department of Marketing Imo State Polytechnic Umuagwo, Owerri

*Email: ccokwara77@gmail.com

Abstract: *The purpose of this paper is to evaluate marketing and collective bargaining, this is to identify the impact of collective bargaining on marketing. A descriptive survey design was adopted. Out of the total population of the respondents, 120 respondents were chosen as the sample size. The study found out that collective bargaining impacts significantly on marketing, and ineffective collective bargaining can lead to shut down of firms. The research thus concludes that firms should imbibe in collective bargaining to ensure the actualization of organizational goals and objectives. The study, however, recommends that preparation for collective bargaining is a required prerequisite and must be completed prior to taking effective collective bargaining skills and strategies.*

Key words: *Marketing, Collective Bargaining*

INTRODUCTION

Marketing is defined by the American Marketing Association as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."¹ The term developed from the original meaning which referred literally to going to a market to buy or sell goods or services. Sales process engineering views marketing as "a set of processes that are interconnected and interdependent with other functions, whose methods can be improved using a variety of relatively new approaches."

The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably." A similar concept is the value-based marketing which states the role of marketing to contribute to increasing shareholder value. In this context, marketing can be defined as "the management process that seeks to maximise returns to shareholders by developing relationships with valued customers and creating a competitive advantage."

Collective bargaining on the other hand is the process by which a labor union and employer negotiate over the terms of the employment relationship. The primary goal of collective bargaining is the achievement of a collective bargaining agreement between the union and employer. A typical bargaining agreement will contain the general terms governing the employment relationship, including, but not limited to, wages, benefits, hours, promotion, and grievance procedures.

While the union and employer can enter into a voluntary agreement on many matters, there are limitations according to federal and state law. First, a collective bargaining agreement can't establish any right, duty, or circumstance that is otherwise illegal. For example, a union and

employer cannot bargain away employees' rights under the Civil Rights Act. Second, the agreement can't waive rights or obligations that the law opposes on either party. For example, a union cannot waive an employer's obligations under federal and state occupational safety laws. Third, if an agreement can't be reached, the law permits both parties to engage in legal tactics to pressure the other side to reach an agreement. Examples of tactics that may be used are lockouts and strikes.

A bargaining unit is a group of employees that is represented by the union in negotiations with the employer. A majority of employees in the bargaining unit must agree on the representative as their sole and exclusive representative in negotiations with the employer. Non-union employees will be bound by the collective bargaining agreement.

The National Labor Relations Act is the federal law that gives unions the right to collectively bargain. The Act also created the National Labor Relations Board, which is authorized to enforce the right to collectively bargain.

STATEMENT OF THE PROBLEM

In marketing, the main objectives of firms is to achieve their organizational set goals and targets by satisfying consumers needs and wants. This aim cannot be achieved without an effective collective bargain between employees and the employer. Many firms has fail to recognize this as they believe all the rights belongs to them in the sense that they own the organization and can hire and fire at will. This has hinder the actualization of certain organizational goals and led to several strikes and agitations by labour unions. Against this backdrop, however, the study tends to investigate on interrelationship between marketing and collective bargaining.

OBJECTIVES OF THE STUDY

The study aim to examine marketing and collective bargaining, other sub objectives includes;

- i) to find impact of collective bargain on marketing
- ii) to examine the theories of collective bargaining
- iii) to evaluate the basic rules of collective bargaining

JUSTIFICATION OF THE STUDY

The study will be of great benefit to entrepreneurs, organizations both large and small on the relevance of collective bargaining on marketing, and the adverse effect of neglecting it in achieving organizational goals.

LITERATURE REVIEW

The term 'marketing concept' pertains to the fundamental premise of modern marketing. This concept proposes that in order to satisfy the organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors (Hunt et al, 1976).

On the other hand, an orientation, in the marketing context, relates to a perception or attitude a firm holds towards its product or service, essentially concerning consumers and end-users. There exist several common orientations:

Product orientation

A firm employing a product orientation is mainly concerned with the quality of its own product. A firm would also assume that as long as its product was of a high standard, people would buy and consume the product.

This works most effectively when the firm has good insights about customers and their needs and desires, as for example in the case of Sony Walkman or Apple iPod, whether these derive from intuitions or research.

Sales orientation

A firm using a sales orientation focuses primarily on the selling/promotion of a particular product, and not determining new consumer desires as such. Consequently, this entails simply selling an already existing product, and using promotion techniques to attain the highest sales possible.

Such an orientation may suit scenarios in which a firm holds dead stock, or otherwise sells a product that is in high demand, with little likelihood of changes in consumer tastes diminishing demand.

Production orientation

A firm focusing on a production orientation specializes in producing as much as possible of a given product or service. Thus, this signifies a firm exploiting economies of scale, until the minimum efficient scale is reached.

A production orientation may be deployed when a high demand for a product or service exists, coupled with a good certainty that consumer tastes do not rapidly alter (similar to the sales orientation).

Marketing orientation

The marketing orientation is perhaps the most common orientation used in contemporary marketing. It involves a firm essentially basing its marketing plans around the marketing concept, and thus supplying products to suit new consumer tastes.

As an example, a firm would employ market research to gauge consumer desires, use R&D to develop a product attuned to the revealed information, and then utilize promotion techniques to ensure persons know the product exists. The marketing orientation often has three prime facets, which are:

Customer Orientation

A firm in the market economy can survive by producing goods that persons are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern.

Organizational Orientation

In this sense, a firm's marketing department is often seen as of prime importance within the functional level of an organization.

Information from an organization's marketing department would be used to guide the actions of other department's within the firm. As an example, a marketing department could ascertain (via marketing research) that consumers desired a new type of product, or a new usage for an existing product. With this in mind, the marketing department would inform the R&D department to create a prototype of a product/service based on consumers' new desires.

The production department would then start to manufacture the product, while the marketing department would focus on the promotion, distribution, pricing, etc. of the product. Additionally, a firm's finance department would be consulted, with respect to securing appropriate funding for the development, production and promotion of the product.

Inter-departmental conflicts may occur, should a firm adhere to the marketing orientation. Production may oppose the installation, support and servicing of new capital stock, which may be needed to manufacture a new product. Finance may oppose the required capital expenditure, since it could undermine a healthy cash flow for the organization. Where there is an effective collective bargain, in a transaction in the market economy, a firm gains revenue, which thus leads to more profits/market share/sales. A consumer on the other hand gains the satisfaction of a need/want, utility, reliability and value for money from the purchase of a product or service. As no one has to buy goods from any one supplier in the market economy, firms must entice consumers to buy goods with contemporary marketing ideals, this is achievable with employee-employer good relationship.

Collective bargaining is the process of joint decision making and basically represents a democratic way of life in industry. It is the process of negotiation between firm's and workers' representatives for the purpose of establishing mutually agreeable conditions of employment (Bagozzi et al, 1975). Collective bargaining is a technique adopted by two parties to reach an understanding acceptable to both through the process of discussion and negotiation.

Collective bargaining involves discussions and negotiations between two groups as to the terms and conditions of employment. It is called 'collective' because both the employer and the employee act as a group rather than as individuals. It is known as 'bargaining' because the method of reaching an agreement involves proposals and counter proposals, offers and counter offers and other negotiations

The Marketing Environment

The term "marketing environment" relates to all of the factors (whether internal, external, direct or indirect) that affect a firm's marketing decision-making/planning. A firm's marketing environment consists of three main areas, which are:

- The macro-environment, over which a firm holds little control
- The micro-environment, over which a firm holds a greater amount (though not necessarily total) control

The macro-environment

A firm's marketing macro-environment consists of a variety of external factors that manifest on a large (or macro) scale. These are typically economic, social, political or technological phenomena. A common method of assessing a firm's macro-environment is via a PESTLE (Political, Economic, Social, Technological, Legal, Ecological) analysis. Within a PESTLE analysis, a firm would analyze national political issues, culture and climate, key macroeconomic conditions, health and indicators (such as economic growth, inflation, unemployment, etc.), social trends/attitudes, and the nature of technology's impact on its society and the business processes within the society.

The micro-environment

A firm's micro-environment comprises factors pertinent to the firm itself, or stakeholders closely connected with the firm or company.

A firm's micro-environment typically spans:

- Customers/consumers
- Employees
- Suppliers
- The Media

By contrast to the macro-environment, an organization holds a greater degree of control over these factors.

Theories of Collective Bargaining/Impact on Marketing

There are three important theories of collective bargaining which have been discussed as follows according to (Paliwolada et al, 2008):

1. The Marketing Concept and the Agreement as a Contract

The marketing concept views collective bargaining as a contract for the sale of labor. It is a market or exchange relationship and is justified on the ground that it gives assurance of voice on the part of the organized workers in the matter of sale. The same objective rules which apply to the construction of all commercial contracts, are invoked since the union-management relationship is concerned as a commercial one.

According to this theory, employees sell their individual labor only on terms collectively determined on the basis of contract which has been made through the process of collective bargaining. Thus, collective bargaining remains a means for employees to sell their manpower through a common agent.

The uncertainty of trade cycles, the spirit of mass production and competition for jobs make bargain a necessity. The trade union's collective action provided strength to the individual laborer. It enabled him to resist the pressure of circumstances in which he was placed and to face an unbalanced and disadvantageous situation created by the employer. The object of trade union policy through all the maze of conflicting and obscure regulations has been to give to each

individual worker something of the indispensability of labor as a whole. This is also called the union approach to collective bargaining.

It cannot be said whether the workers attained a bargaining equality with employers. But, collective bargaining had given a new relationship under which it is difficult for the employer to dispense without facing the relatively bigger collective strength.

2. The Governmental Concept and the Agreement as Law

The Governmental Concept views collective bargaining as a constitutional system in industry. It is a political relationship. The union shares sovereignty with management over the workers and, as their representative, uses that power in their interests. The application of the agreement is governed by a weighing of the relation of the provisions of the agreement to the needs and ethics of the particular case.

Thus, the Governmental concept/theory establishes a political relationship admitting the contractual nature of the bargaining relationship. The contract is viewed as a constitution, written by the joint conference of union and management representatives in the form of a compromise or trade agreement. The agreement lays down the machinery for making, executing and interpreting the laws for the industry. The right of initiative is circumscribed within a framework of legislation. Whenever, management fails to conform with the agreement of constitutional requirements, a judicial machinery is provided by the grievance procedure and arbitration. This creates a joint Industrial Government where the unions share sovereignty with management over the workers and defend their group affairs and joint autonomy from external interference.

3. The Industrial Relations (managerial) Concept at Jointly Decided Directives

The industrial relations concept views collective bargaining a system of industrial governance. It is a functional relationship. Group Government substitutes the State Government. The union representatives get a hand in the managerial role. Discussions take place in good faith and agreements are arrived at. Joins with company officials in reaching decisions on matters in which both have vital interests. Thus, union representatives and the management meet each other to arrive at a mutual agreement which they cannot do alone. When the terms of agreement fail to provide the expected guidance to the parties, it is the joint objective and, not the terms, which must control. Hence, this theory recognizes the principle of mutuality, joint concern and the extension to workers of the corporate responsibilities.

Basic Rules of Collective Bargaining

According to Drucker et al (1954) generally, employers and unions are subject to the following rules when engaging in collective bargaining:

1. Employers are required to bargain with the exclusive representative of the employees over mandatory subjects of bargaining, but don't have to bargain over permissive subjects of bargaining. Actually, requiring negotiations over permissive subjects of bargaining may be deemed an unfair labor act. Mandatory subjects of bargaining include wages,

hours, and other terms and conditions of employment. Permissive subjects of bargaining can include retiree benefits, union dues amounts, and the employer's board of directors.

2. Neither the employer nor the union are required to reach an agreement, but they are required to negotiate in good faith over the mandatory subjects of bargaining until they are deadlocked.
3. So long as a valid collective bargaining agreement is in effect, an employer isn't allowed to unilaterally change a term of employment that's a mandatory subject of bargaining if negotiations haven't been deadlocked. However, if negotiations become deadlocked, the employer may unilaterally implement the changes so long as they first present it to the union for consideration.

Designed as a continuum of LR201, Preparation for Collective Bargaining, participants will formulate a negotiation strategy and learn "at-the-table" best practices. Participants develop negotiation skills by participating in a full-day bargaining simulation.

- Bargaining plans, strategies, and tactics
- Preparing for face-to-face negotiation sessions
- Handling negotiations at the bargaining table
- How to obtain an agreement

METHODOLOGY

The study was carried out in Ekeonunwa Market Douglas Imo state. The paper uses survey research method. A set of questionnaires was well structured and administered to respondents, which comprises of e the wholesaler, retailers, suppliers and buyers. One hundred and fifty questionnaires were administered. Out of which one hundred and twenty was returned, thirty were not returned leaving us with the sample of one hundred and twenty people. Likert Scale structured questionnaires was used with options of five variables, which ranges from Strongly Agree (SA) Agree (A) Undecided (U), Disagree (D) and Strongly Disagree (SD). The instrument used for data collection is questionnaire designed by the researcher and validated by experts. The questionnaires were administered directly to respondents at the point of purchase in their office and their stores in the market.

DATA PRESENTATION

Table 1:
What do you understand by collective bargaining?

| Options | No of Respondents | Percentage (%) |
|---|-------------------|----------------|
| <u>Collective bargaining</u> is a technique adopted by two parties to reach an understanding acceptable to both through the process of discussion and negotiation | 120 | 100 |

| | | |
|--|-----|-----|
| | 120 | 100 |
|--|-----|-----|

Source: Field Survey 2017

Table 2:
Which of the marketing orientation does your organization fall into?

| Options | Response | Percentage (%) |
|--------------------------|----------|----------------|
| Customer orientation | 10 | 12 |
| Organization orientation | 15 | 17 |
| Production orientation | 50 | 30 |
| Marketing orientation | 10 | 12 |
| Sales orientation | 30 | 22 |
| Product orientation | 5 | 7 |
| Total | 120 | 100 |

Source: Field Survey 2017

Table 3:
Collective bargaining positively affects marketing?

| Options | Responses | Percentage (%) |
|-------------------|-----------|----------------|
| Strongly Agree | 80 | 65 |
| Agree | 30 | 19 |
| Undecided | 5 | 8 |
| Disagree | 5 | 8 |
| Strongly Disagree | - | - |
| Total | 120 | 100 |

Source: Field Survey 2017

Table 4:
Does the Imo state government employ the opinion of the labour union on issues pertaining to the removal of the market?

| Options | Responses | Percentage (%) |
|---------|-----------|----------------|
|---------|-----------|----------------|

| | | |
|-------|-----|-----|
| Yes | 20 | 10 |
| No | 100 | 90 |
| Total | 120 | 100 |

Source: Field Survey 2017

DATA ANALYSIS

Table one above has shown that 120 respondents agreed to the fact that collective bargaining is the means or technique of mutual understanding between two parties through the process of discussion and negotiation.

From the above table, 10 respondents which represent (12%) said they are customer oriented, 15 or 17% of the respondents said they are organization oriented. While 50 or 30% of the respondents said are production oriented. Also, 10 respondents which represent (12%) said they marketing oriented 30 or 22% of the respondents said they are sales oriented, and lastly, 5 respondents or 7% of them said they are product oriented.

The table above shows that 80 or 65% of respondents strongly agree that collective bargaining positively affects marketing, 30 or 19% also agreed on the effectiveness of collective bargaining in the marketing of their products. While 5 or 8% respondents disagree and strongly to that.

The number of respondents who answered Yes are 20 which represents 10% of the total respondents meaning there was a dialogue but no consensus was reached while 100 representing 90% answered No meaning that there is no effective collective bargain between the Imo state government and the labour union in the Ekeonunwa market that led to its removal.

DISCUSSIONS OF FINDINGS

From the results of the field survey, it is found that collective bargaining impacts significantly on marketing, and ineffective collective bargaining can lead to shut down of firms. As it is the only technique adopted by two parties to reach an understanding acceptable to both through the process of discussion and negotiation.

CONCLUSION

Labor relations, human resource, operations, and finance professionals who represent or support management in collective bargaining are to benefit from the outcome of an effective collective bargain, hence, firms should imbibe in collective bargaining to ensure the actualization of organizational goals and objectives.

RECOMMENDATIONS

- i. Preparation for Collective Bargaining is a required prerequisite and must be completed prior to taking Effective Collective Bargaining Skills and Strategies.
- ii. Firms should ensure an effective collective bargain with employees, government or agents to achieve success and growth in business.

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