In order to establish bargaining relations, a union will normally apply to the appropriate labour relations board, federal or provincial, to be legally certified as the bargaining agent for a particular unit of employees. If the board is satisfied that the bargaining unit of employees for which certification is sought is an appropriate one for collective bargaining purposes and that the union has been authorized by a majority of employees in that unit to represent them on the basis of evidence that it will be required to produce, certification will normally be granted. Under certain circumstances specified in the legislation, boards will order that the finding as to whether or not the applicant union represents a majority of employees be determined by secret ballot. What constitutes a unit of employees appropriate for collective bargaining is largely left to the discretion of labour relations boards, but the legislation may specifically exclude certain categories of employee, particularly managerial staff and those performing functions of a confidential nature with respect to labour relations matters.

The certification of a union bestows on it the exclusive right to bargain collectively on behalf of that unit of employees, a right that it retains until such time as its certificate is revoked. Revocation of a certificate may come about by two means:

- (a) Another union applies for certification and is certified as representing the majority of employees in the bargaining unit, in which case it becomes the exclusive representative of the employees in the place of the former bargaining agent.
- (b) An application for revocation, based on the claim that a majority of employees in the bargaining unit no longer wish to be represented by the union, is made in accordance with the law and sustained by the labour relations board, in which case the employees revert to the status of not being represented by any union.

Labour relations law in Canada provides that, once a union has been certified as bargaining agent for a unit of employees, it may serve notice on the employer to bargain collectively. The employer on whom such notice is served is required to commence bargaining collectively with the union within a certain number of days following the notice, as specified in the legislation. If the parties reach agreement through the bargaining process, the terms and conditions of agreement are set forth in a collective agreement signed by both parties. It will become effective on the date specified. Normally, however, Canadian labour relations laws stipulate that an agreement must remain in force for a period of at least one year. A collective bargaining agreement is binding on the parties concerned and, generally speaking, strikes and lockouts during its period of effectiveness are unlawful. Thus it is a usual requirement of Canadian law that collective agreements contain a procedure for the settlement of grievances that arise during the life of the agreement, culminating in the use of binding arbitration if necessary.