

**LRM2601**

October/November 2017

**LABOUR RELATIONS MANAGEMENT: MACRO**

Duration 2 Hours

75 Marks

**EXAMINERS**

FIRST

MS M UYS

SECOND

DR AJ DE BRUYN

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**Closed book examination.****This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue.**

This examination paper consists of five (5) pages

**INSTRUCTIONS:**

- 1 Answer **any three (3)** of the five (5) questions. Some of the questions have sub-questions.
- 2 If you answer more than three questions, only the first three questions will be marked.
- 3 Write legibly.
- 4 Number the questions that you choose to answer clearly in the examination script (answer book).
- 5 Write the numbers of the questions that you have answered in the relevant column on the cover of your examination script.
- 6 There is no need to cite references when answering examination questions.
- 7 You are not expected to write an introduction or conclusion, simply answer the questions asked.

Please ensure that your answers apply to the specific scenario, where relevant. Merely providing theoretical answers to these questions will not be sufficient.

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**QUESTION 1**

Read the scenario below and then answer questions 1.1–1.3 below.

***Employment at La Vida's Restaurant***

*Cheryl works as a chef at La Vida's Restaurant. She works six days a week. Her ordinary hours of work are from 12:00 to 22:00. Although she has asked for a reduction in working hours, her employer has not granted her request. She is allowed to take a 40-minute meal break at 18.00. Nevertheless, she is still expected to be at the restaurant in case a customer wants to order a specific dish that only she is able to prepare. She gets 15 consecutive days' annual leave. At night, Cheryl has to walk 2 km back to her home, since there is no public transport. Cheryl is unhappy about her conditions of employment. When she told her employer that she was pregnant, he responded that she was entitled to only two months' unpaid maternity leave.*

*Source: Adapted from Van der Walt, AJ, Le Roux, P & Govindjee, A. 2012 Labour law in context. Cape Town. Pearson*

**1.1 Explain the purpose and application of the Basic Conditions of Employment Act 75 of 1997 (BCEA). (4)**

**1.2 Analyse Cheryl's working conditions in terms of ordinary working hours (4 marks), meal intervals/breaks (3 marks), annual leave (2 marks), night work (6 marks) and maternity leave (2 marks) to determine whether her employer is in breach of the BCEA.**

**In your answer, indicate clearly whether her working conditions in relation to the above aspects are in accordance with the BCEA by stipulating the relevant conditions set out in the Act. (17)**

**1.3 Advise Cheryl on the BCEA stipulations regarding overtime. (4)**

**[25]**

**QUESTION 2**

Read the scenario below and then answer question 2.1.

***Junk status: South Africa's credit rating***

*On 6 April 2017, Standard & Poor's (S&P) ratings agency placed South Africa's credit rating to speculative grade (commonly referred to as "junk status"). This comes after the South African President announced changes to the country's government, on Thursday 30 March 2017, changing leadership in 10 ministries, including in key portfolios such as finance and energy. Several ministers were dismissed, including Finance Minister Pravin Gordhan and his deputy, Mcebisi Jonas.*

*Hours after Gordhan's removal, South Africa's ability to borrow on the market took a hit. The ratings agency (S&P) said that the economic crises President Jacob Zuma plunged the*

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country into with his cabinet reshuffle prompted S&P to hold an emergency review at the weekend instead of 2 June 2017, as originally scheduled. This resulted in South Africa's sovereign credit rating being downgraded to "junk status", with S&P citing political instability as the reason for this decision.

Another rating agency, Fitch Ratings, stated that the political risks to the standards of governance and policy-making have increased and will remain high, at least until the next ANC leadership election. Continued political instability that adversely affects standards of governance, the economy or public finances resulted in a downgrade, by Fitch Ratings as well. The Finance Minister Pravin Gordhan has led efforts to prevent a downgrade, while arguing with President Jacob Zuma over the management of state-owned companies and the South African Revenue Service. The in-fighting within the ANC and the government is likely to continue over the next year. This will distract policymakers and lead to mixed messages that will continue to undermine the investment climate, thereby constraining GDP growth. In addition, the current "junk status" will lead to a rise in government debt-servicing costs, which in turn will mean less money for critical services such as housing, education and sanitation.

Source. Adapted from <https://mg.co.za/article/2017-04-03-sp-downgrades-south-africas-credit-rating-to-junk-status> (accessed 31 May 2017).

**2.1 Organisational success is influenced by many macro external factors and internal organisation-related factors. Discuss the following two macro external factors (10 marks each):**

- **Socioeconomic factors**
- **Sociopolitical dynamics** (20)

**2.2 Apart from employees, employers and the state, other role-players, stakeholders and institutions exist in South African labour relations. One example is the consensus-seeking body, NEDLAC, which has the vision to promote growth, equity and participation through social dialogue.**

2.2.1 What does the abbreviation NEDLAC stand for? (1)

2.2.2 Who are the four (4) major stakeholders represented in NEDLAC? (4)

[25]

### **QUESTION 3**

**3.1 Employment relationships are shown to be multidimensional. Identify and discuss the different employment dimensions (3 marks per dimension). (15)**

Read the scenario below and then answer questions 3.2 and 3.3.

#### ***Democratic Nursing Organisation of South Africa (DENOSA)***

*The Democratic Nursing Organisation of South Africa (DENOSA) is an example of a trade union for South African nurses and midwifery professionals. DENOSA, in its current form, was established on 5 December 1996. DENOSA is the biggest union in the country that is solely*

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*dedicated to the interests of nurses and it has over 84 000 members. The union has presence in all nine provinces. Its professional and union solidarity exert an influence beyond the borders of South Africa into the rest of the world.*

*DENOSA champions the rights of professionals and helps to ensure that members have an acceptable working life and a balance between their career demands and social requirements. To uplift the health of the South African population, DENOSA operates through a network of quality nurses and midwives and ensures an effective health service system. DENOSA also participates in policy-making bodies affecting health at district, provincial, national and international levels.*

*Source: Adapted from <http://www.denosa.org.za> (accessed 2 March 2017)*

**3.2 Provide a clear definition of a trade union. (4)**

**3.3 Briefly explain six (6) trends that affect the trade union movement in South Africa and internationally. (6)**

**[25]**

#### **QUESTION 4**

**4.1 Explain the concepts “closed shop agreement” and “agency shop agreement” (5 marks each). (10)**

**4.2 Distinguish between the two (2) types/categories of labour disputes that exist and provide an example of each type of dispute. (10)**

**4.3 The purpose of the Labour Relations Act 66 of 1995 (LRA) is to advance economic development, social justice, labour peace and the democratisation of the workplace and it is applicable to all employment relationships (with few exceptions). The LRA provides specific guidelines for temporary employment services.**

**Explain what temporary employment services are. (5)**

**[25]**

#### **QUESTION 5**

**5.1 The following statements reflect the different theoretical perspectives/frames of reference for understanding labour relations. Read each of the five statements and identify which approach is most likely followed in the relevant scenario.**

**5.1.1 “As the executive director of this organisation, I strongly believe that we’re all a team and that we should all work together to make this organisation a success. Order, peace and harmony are essential in making this organisation succeed, and attempts by outsiders to disrupt the peace should not be tolerated.” (1)**

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5.1.2 "As an employee, I understand that any organisation has a number of core groups and, within each group, natural leaders exist. I believe that management should not undermine these accepted leaders or groups, but should rather attempt to accommodate these organic group structures. Nevertheless, conflict can be expected between the different groups and suitable mechanisms should be put in place to deal with these issues." (1)

5.1.3 "All workers are oppressed for the sake of capitalist interests and there is an ongoing struggle between the 'haves' and the 'have-nots'. Conflict exists at the macro level and is socio-political and economic, since it reflects the inherent nature of the capitalist society." (1)

5.1.4 Mr Robbins is the owner of Waterside Cafe, an upmarket restaurant at the Victoria & Alfred Waterfront in Cape Town. He views the restaurant and all its employees as an integrated group of people with a unified authority structure, having common values, interests and purposes. He often tells journalists from food review magazines: "We are one big, happy family and conflict is unnecessary, as our employees are loyal to the restaurant." (1)

5.1.5 "I believe that interdependence between the state, employers and employees exists and that social dialogue and consensus-building should take place on a frequent basis to ensure that employment relations function optimally." (1)

**5.2 There are various approaches to collective bargaining. Discuss distributive bargaining and integrative bargaining.** (10)

**5.3 There are several theoretical perspectives on what collective bargaining really is and why it is necessary. One perspective is that collective bargaining is a communication process.**

5.3.1 Discuss collective bargaining as a communication process. (5)

5.3.2 Name five (5) theoretical perspectives, apart from collective bargaining as a communication process. (5)

[25]

**TOTAL: 75**

<b>CHECKLIST</b>	✓
Have you filled in all your personal particulars on the cover of the examination script (answer book)?	
Have you answered <b>THREE (3) of the FIVE (5)</b> questions in the paper?	
Have you written the numbers of the questions you answered on the cover of the examination script (answer book)?	