

Chapter 1**Introducing the fundamentals
of employment relations****SPECIFIED OUTCOMES**

At the end of this chapter you should be able to

- ◇ demonstrate an understanding of and insight into the concept and nature of the field of study of employment relations and the way it has evolved from traditional industrial relations
- ◇ illustrate the implications for research and the practice of the different ideological perspectives on the conflict/common-ground dynamics in employment relations
- ◇ describe the multidimensional nature and societal embeddedness of the contemporary employment relationship, and show how these have relevance and can be applied in everyday employment relations practice
- ◇ name five employment relations role players or stakeholders, and briefly describe the three primary role players
- ◇ demonstrate the implications of the nature and importance of justice perceptions for the theory and practice of employment relations
- ◇ briefly discuss and illustrate the relevance and nature of conflict dynamics in an employment relations context
- ◇ apply a continuum, ranging from "warfare" to "partnership", to demonstrate the nature and importance of different modes of interaction between labour/trade unions and employers/management
- ◇ illustrate how employment relations dynamics at organisational or workplace level may interact/interplay with other environmental variables or factors.

Introduction

It may safely be asserted that the challenges related to fairness and justice are central to mankind. Most of the world's religions reflect these as central notions or values. The field of study traditionally known as "industrial relations" has its roots in the perceived injustices or unfairness brought about by the Industrial Revolution. In tracking the evolution of the world of work and society one would find different phases, such as the very early world of nomadic hunting and gathering societies (300 000 years ago), the agricultural period, the classic civilisations period, periods of the feudal system and later the merchant capitalist system, followed by the industrial period. This period was born from the Industrial Revolution that began in England in the mid-18th century. This period gave birth to a very different society whereby own-

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ers (of the means of mass production – also known as the industrial capitalists) were clearly distinguished from the workers (those who sold their labour to these “owners of wealth”). In this society workers gradually perceived the relations between the parties as being inequitable or unfair.

Today’s more or less capitalist societies generally still have clear demarcations between “owners” and “workers”, and continue to be characterised by an unequal distribution of wealth. Those with capital strive for a better return on their investment, which generally means that they must ensure that labour is as productive as possible. Workers, in turn, seldom feel that they receive a “fair share” of their contribution to the value-adding process, often perceiving power imbalances in employment contexts and regarding the owners’ return on investment as being out of step compared to what they gain out of the employment relationship. As a result, workers often want more equitable remuneration, including pay, benefits and improved working conditions. A certain amount of conflict is thus built into the employer–employee relationship. Perceptions of fairness are thus integral to this relationship, as are the dynamics related to power and control. Workers often feel that too much control stems from the power of who control the scarce resources. At the same time, though, it is to be acknowledged that there would not have been any employment relationships had it not been for the interests shared by employers and employees. Owners need workers, and workers need the capital that creates work opportunities. There is, therefore, interdependency.

The field of employment relations, traditionally better known as industrial relations, centres to a large degree around balancing the simultaneous convergent and divergent interests of the parties in a just and equitable way. This field is about relationships, and as such is complex and dynamic, which has contributed for many decades to the challenge of demarcating its domain and defining it clearly.

A number of disciplines contribute to the subject matter of this field, again contributing to its complexity. Different principles and methods of the various sciences or disciplines have been applied in order to provide explanations for, and solutions to, the problems and challenges arising from relationships between those who own the means of “production” and those who are employed by them. The disciplines that have an interest in aspects of the relations between these parties include law, psychology, sociology and economics. These diverse perspectives contribute to the challenge of defining this field and demarcating its scope. The brief summary that follows illustrates this point.

1.1 In search of a definition: from industrial relations to employment relations

An early attempt to define the field of industrial relations was made by Dunlop (1958). He did so from a systems perspective, based on the work of various sociologists. Dunlop (1958: 5) regarded the “full range of rulemaking governing the workplace” as central to an industrial relations system. He defined an industrial relations system as follows:

[It is] comprised of certain *actors* [managers, workers and specialised governmental agencies], certain *contexts* [technological characteristics, the market and the distribution of power in the society], an *ideology* which binds the industrial relations system together, and a *body of rules* created to govern the actors at the workplace and work community (Dunlop 1958: 7).

According to Dunlop, the actors establish the rules for the workplace and work community. These rules are essentially aimed at governing the relations and interaction between the actors, and therefore include the establishment of justice in the work environment. Dunlop emphasised that the environment surrounding the workplace influences the actors, and as such the industrial relations system of any country exists alongside other systems such as the political and economic systems, and the technological system. According to Dunlop, any industrial relations system is held together by the shared ideas between the actors, as well as the commonalities in their ideologies regarding their respective roles.

Flanders (1965: 4) defined industrial relations as a study of the institutions of job regulation. Hyman (1975: 12) preferred to focus on the *processes* of industrial relations, describing the field as the study of processes of control over work relations, which includes job regulation. Bain and Clegg (1974) criticised the emphasis placed on the "shared ideology" by Dunlop, claiming that it was too conservative and put too much focus on the maintenance of stability in industrial relations systems. They felt that, from a sociological perspective, the sources of conflict and cooperation and the notions of instability and order had to be emphasised equally. They also suggested a broadening of the systems perspective to include behavioural and informal dynamics and variables. Bain and Clegg (1974: 95) said that "the subject of industrial relations may be defined as all aspects of job regulation – the making and administering of rules which regulate employment relationships – regardless of whether these are seen as being formal or informal, structured or unstructured".

From these early primarily sociological perspectives, it is thus clear that traditionally the focus has very much been on the conflict regulatory dimensions and the institutions involved in the rule-making and work-control processes in an employment context. Gradually, however, different perspectives developed, and since the 1980s the definition and scope of this field have attracted renewed interest and debate. In the early 1990s the debate was taken a step further when it was rechristened *employment relations*.

The essence of these developments is a broadening of the scope of the field. Walker (1979) made it quite clear that although trade unions as institutions, and collective bargaining and industrial action as processes were important focus areas in industrial relations, the focus should be much broader. Walker (1979: 11) added that industrial relations "are essentially concerned with the accommodation between the various interests that are involved in the process of getting work done". In similar vein, Kochan (1980: 1) said that "industrial relations is an interdisciplinary field that encompasses the study of all aspects of people at work". Poole (1986: 4–6) likewise advanced this broadened perspective, stating that "industrial relations is a discipline concerned with the systematic study of all aspects of the *employment relationship*". Poole (1986) also referred specifically to the field's focus on how the parties go about reconciling their partly common and partly divergent interests in both the productive processes (doing the work) and the distributive processes (the economic rewards that accrue from the labour process).

In various publications since 1990, Swanepoel (1990; 1994; 1996) has convincingly argued for the need to reconsider what the focal point of this field of study, practice and theory is, and states that it has been persuasively demonstrated through empirical research and the pragmatics of this field that time has been overdue for more than a decade for adopting this broader approach. In doing so, the cornerstone of this field has been shown to be the employment relationship. This same approach was later emphasised by Deery, Plowman and Walsh (1997: 1–2) who added that most "com-

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mentators agree that the field of industrial relations should expand to take account of the wider aspects of the employment relationship". Others, like Lewis, Thornhill and Saunders (2003) and also Blyton and Turnbull (2004), later followed suit and placed the employment relationship at the very core of this field. Similarly, Bray et al. (2005: 8) say that the definition they adopt in their book on a contemporary approach to industrial relations is that it "concerns the study of the employment relationship". Most recently, Balnave et al. (2007) adopted this very same approach.

The acknowledgement of the centrality of the employment relationship – in its totality – to industrial relations thus greatly facilitated this broadening in scope, both of theory and practice. According to this, the broadening of scope must also mean some merging of two discipline areas that have for long developed "their separate ways" to quite an extent, namely "human resource management" (or personnel management in earlier times) and "industrial relations". More than a decade ago, Swanepoel (1994; 1996; 1997) made the case for this integration abundantly clear through empirically informed argument. This same argument is now used, for instance, by Balnave et al. (2007: 28–30), when they explain that "employment relations can provide the framework" to facilitate this integration and that, although the boundaries of this is still debatable, "it is generally regarded as a legitimate bridging term that reflects the overlapping concerns of human resource management and industrial relations". This integration notion was the catalyst for the transition from *Managing industrial relations in South Africa* (Slabbert, Prinsloo & Backer 1990) to *Managing employment relations in South Africa* (Slabbert, Prinsloo, Swanepoel & Backer 1998). In the latter work this same approach was used to establish a more integrative framework for collating and trying to make sense of this broad field of theory and practice (from a managerial perspective).

Traditionally, personnel or human resource management scholars tended to focus more on the common ground and cooperative elements, with industrial relations academics and practitioners focusing more on the divergent interests, and the conflict and legal elements. However, a careful analysis of both these fields of knowledge and practice reveals that both personnel/human resource management as well as industrial or labour relations have as their cornerstone the *employment relationship*.

From this perspective this field is thus broad ranging, spanning the boundaries of various disciplines that are often taught separately at universities and other educational institutions. A diverse range of disciplines such as sociology, law, economics, psychology and management have an interest in researching and teaching (aspects of) employment relations. It can hence be expected that different perspectives abound. Over the years there has, for instance, been serious debate in respect of the perspective to be taken regarding conflicting and shared interests in the employment and broader societal context. Different "ideologies" have thus developed in this regard. Especially, three prominent perspectives or ideologies have been documented, together with some variations that later emerged. We will now take a closer look at some of these.

1.2 Theoretical perspectives and ideologies of the conflict/common-ground dynamic in employment relations

We agree with Teicher, Holland and Gough (2006: 30) that any "analysis of the employment relationship also needs to be understood in the context of broader theories about society". Our ever-changing and highly complex society requires us to study phenomena, such as employment relations, with an "open mind". We should

thus take note of the role and nature of these different ideologies or "worldviews" and how these may impact on the way we perceive, analyse, think about and even practise employment relations. However, we should not be constrained hereby as it is likely that as things evolve, new or alternative perspectives or ideologies may develop.

1.2.1 The pluralist perspective

The pluralist perspective views the employing organisation as a coalition of individuals and groups with diverse objectives, values and interests.

The underlying assumption of this perspective is that individuals in an organisation combine into a variety of distinct sectional groups, each with its own interests, objectives and leadership (either formal or informal). The different groups in the organisation are competitive in terms of leadership, authority and loyalty. This conflict puts the organisation in a permanent state of dynamic tension.

The different roles of managerial employees and worker groups are the primary source of some form of competitive behaviour or even conflict between management and labour. Management is responsible for the efficiency, productivity and profitability of the organisation. The concerns of the individual worker are, however, wider than this and include personal aspects such as higher pay, better working conditions, job security and more meaningful work. The competitive conflict between management and labour is seen as rational and inevitable. It results from industrial and organisational factors rather than from individual personal factors (e.g. a personality clash between a supervisor and his or her subordinates).

The pluralist perspective also, however, recognises the mutual dependence of these groups. It is assumed that the conflict between management and labour is not so fundamental and unbridgeable that the parties will fail to cooperate. To the pluralists, the key lies in the regulation of the employment relationship and hence how to institutionalise conflict in order to contain and control its impact on the parties and their relationships. The role of rules to regulate and control is thus very prominent, and the state is viewed as the guardian of public interest and the provider of the machinery to regulate and institutionalise the conflict.

1.2.2 The unitarist perspective

The unitarist perspective views the organisation as an integrated group of people having a unified authority structure with common values, interests and purpose. Management is seen as having the legitimate authority and right to manage, and is hence expected to provide appropriate leadership. Conflict is generally regarded as rather unnecessary as employees are expected to be loyal to management and "their" organisations.

The underlying assumption is that the people working in an organisation are in basic harmony, and that conflict is undesirable and mainly a result of communication problems. This perspective basically denies the notion of inherent, built-in conflict due to the nature of the employment relationship.

As such, trade unions are therefore regarded as unnecessary and dysfunctional. Many managers who share this perspective see labour unions as a relic of the 19th century, when unions played an important role in addressing the malpractices of the time. In the enlightened management of the 21st century, management takes full account of the interest of employees in decision making. The view is thus taken that

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there is no need for an outside body (such as a trade union) to intrude on the employment relationship.

1.2.3 The radical perspective

The **radical perspective** draws on intellectual traditions related to Marxist thinking and it therefore essentially reflects a "class conflict" worldview. Exponents of this approach concentrate more on the nature of the society in which the organisation finds itself. It is assumed that workers are oppressed for the sake of capitalist interests and hence there is emphasis on the class struggle between the "haves" and the "have-nots" so typically claimed to be part of capitalist society. Deery, et al. (1997: 1.10–1.11) explained the difference between the radical and pluralist perspectives as follows:

To say, as the pluralists do, that industrial conflict is inherent in the structure of employment relations is to stop short of a full explanation. Radicals argue that this evades the question of the extent to which an antagonism of interests is generated at the societal level and is embedded in the mode of production within which the employment relationship occurs ... Radical writers have paid much greater attention to the notion of power than the pluralists have ... Radicals see the imbalance of power both within society and at the workplace as central ... those who own the means of production have power superiority over those who sell their labour ... This reflects itself in a substantial inequality in the distribution of rewards.

It follows from the above that, from a radical perspective, the conflict is always rooted at a macro level and is socio-political and economic, since it reflects the inherent nature of the capitalist society. Trade unions are hence viewed as an unavoidable response to capitalism. They enhance the industrial power of the working class and focus its political activities. They also form part of a political process aimed at changing the nature of the socio-economic and political systems of society.

1.2.4 Corporatism and concertation

Cawson's (1985; 1986) works broadly cover corporatism. Finnemore and Van Rensburg (2002), and Swanepoel et al. (1999) also highlight two potential variations on the three traditional perspectives discussed above, namely **societal corporatism** and **state corporatism**.

Societal corporatism may in a certain sense be said to be an extension of pluralism and is sometimes also referred to as tripartite coordination or cooperation. It hinges on the principle that the two primary parties or role players (business and labour) are no longer viewed as interacting on a purely competitive basis (as is the case with pluralism). Interdependence between all three parties (including the state) is acknowledged, each of whom values consensus-building interaction rather than adversarial relations. Conflict and common ground are thus blended, and a mutually gainful, long-term view is favoured above short-term, win-lose modes of interaction. Societal corporatism can be described as a social-democratic order where the state allows the other key interest groups to be full participants in the process of formulating certain state policies and in making certain key governance decisions. Hague and Harrop (1987: 115) state that public policy supportive of societal corporatist institutions and

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procedures results from negotiation between the government and a few powerful interest groups with which the government chooses to, or has to, deal. These groups normally include "peak" associations representing industry and trade unions.

There is another side to corporatism, however, which boils down to the state imposing its will on the labour movement, as in the cases of fascist Italy and certain parts of Asia (Baskin, 2000). In such cases of "state corporatism", the emphasis shifts from tripartite coordination and cooperation to a situation where the state moves into a paternalistic or authoritarian mode to demobilise and co-opt organised labour (trade unions) into government structures. In a sense this perspective is therefore closer to unitarism than to pluralism, because conflict between business and labour is viewed as undesirable, and in a certain sense the legitimacy of the role of trade unions is abandoned.

Baskin (2000) therefore explains that in South Africa the notion of corporatism is not in general viewed favourably in trade union circles. He proposes that the notion of "concertation" be used instead, as it "suggests the major social partners acting in concert, and finding each other ... concertation means *an institutional role for interest organizations (mainly economic) in the formulation and implementation/regulation of state policy*" (Baskin 2000: 48).

1.2.5 Room for alternative perspectives or ideologies?

From the foregoing it ought to be clear that employment relations as field must have close linkages to broader studies that focus on society at large, and hence also fields like sociology, politics and economics. Society, government, business, "labour", organisations, people, individual human beings and so forth are all somehow interwoven, hence making for a very complex web of phenomena. From such a complex perspective it may perhaps be asked whether there can be any single ideology that can claim to objectively capture "the truth".

Those who support **postmodernist perspectives** (Robbins & Barnwell 2006; Teicher et al. 2006) would, for instance, challenge the idea that there can be any objective "truth" and that it is not possible to "know" how and why the world (and hence organisations, employment relations and so forth) operates in certain ways. As such, any specific perspective or ideology might be rejected. In this regard a postmodernist view may help us to be open-minded enough not to accept any particular ideology or perspective as being "complete" or the "absolute truth" in all situations, and hence to shy away from stereotyping. On the other hand it may be worth noting though, interestingly, that postmodernism stems from the work of a number of philosophers who lived in an era characterised by power abuse and following devastating wars in Europe which had left unimaginable traces of human suffering. Quite a bit hereof can also be linked back to the tensions between capitalist and communist socio-economic-political manifestos, and, as we know, the radical perspective can be linked directly to the capitalist-communist ideological "debate". As explained by Robbins and Barnwell (2006) and Teicher et al. (2006), from a postmodernist perspective it could be argued that a situation has been created whereby the societal elites (like owners of capital, and managers as their "agents") exert dominance over marginalised groups like workers, and knowledge purported as being objective (like scientifically researched "HRM") can be viewed as a "dominant discourse with which to control the workforce" (Teicher et al. 2006: 38). In a similar sense it can almost be argued that other traditionally marginalised groups related to ethnicity or gender have come to be almost ignored in this situation.

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Linked hereto, Teicher et al. (2006) refer to **feminism** as yet another potential contemporary view of the world that might guide our thinking about employment relations. It is argued that in the pre-industrial era, men, women and children worked in tandem as households whereas in post-industrial society, work and the economic value and status of work and even trade unionism took on a male-dominated characteristics. According to this perspective, society at large, and so too organisations and the capital accruing from wealth-making processes, came to be male-dominated – with females having been subjected to the power and control of males. This perspective contains merits, at least insofar as we know that issues related to gender equity are rife in the world of work internationally, and in societies in general. Whether “feminism” can, however, be regarded as a fully-fledged ideology to guide investigating, understanding and/or explaining the dynamics related to employment relations, is another matter altogether.

1.3 A contemporary South African perspective of employment relations as a field of study

Against the background of the above it is important that we, as the authors of this book, be clear and open about our approach to and understanding of this area of practice and academic field of study.

We subscribe to an open-systems approach to employment relations, and we view the scope of this field as being broad rather than narrow. We generally also accept that pluralist and societal corporatist or concertation perspectives offer more appropriate frameworks for analysing and explaining the complex and ever-changing nature and dynamics of conflict and cooperation in employment relations. However, we also acknowledge that it is more important to be inclusive and to work towards a comprehensive understanding of the field than to be bogged down to any single ideology, framework or perspective.

In this book we rather comprehensively wish to describe “employment relations” as referring to

A complex and dynamic open system of formal, informal, individual and collective relationships and interactions between a range of stakeholders, including the primary role players of employers, employees and the state, and their representatives and related institutions, concerning aspects that may relate to the employment relationship in its organisational and broader societal context, where needs satisfaction of all members of society is a key concern. The “employment relationship” is acknowledged to have built-in common ground as well as conflict, and a central feature of this field of theory and practice is the notion of fairness and justice in balancing, integrating and reconciling the partly common and partly divergent interests of the parties.

This definition, as well as the authors’ understanding of employment relations, is explained in more detail in the sections that follow.

1.3.1 Societal embeddedness of the multidimensional employment relationship

It is useful to understand that the roots of employment relations are embedded in the relationship between the employer and the employee, and that these two parties are in turn an integral part of our modern-day society.

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The definition makes mention of the importance attached to the satisfaction of the needs of all members of society. People have a vast range of needs, and organisations of different types and forms exist to deliver the goods that are necessary to satisfy them. These organisations are made up of people and other resources such as capital (financial resources), natural resources (such as land), technological resources (such as machinery) and other tangible and intangible resources (such as raw materials and energy). Of all these resources, it is the human one that gives life and meaning to the others. People have to use and combine their mental and physical labour with the other resources and inputs from outside and inside the organisation in order to deliver the need-satisfying goods. This is why people work and spend their energy productively. Some people take the initiative and risk personal resources such as time, energy and money to set up these organisations. These people are called the entrepreneurs of society. Others choose not to take these risks and rather work for and in these organisations.

Some organisations – such as the so-called public service ones – are set up by the state. Others are owned by private people, the business organisations who usually seek profits from their ventures as a return on their investment and also for their risk taking. There are also organisations that are non-profit seeking such as churches and NGOs. In addition to these are the parastatal organisations and a host of other types – all of which ultimately exist for the delivery of need-satisfying products and/or services to society, and all of which in turn need some human element to do the work that is required to deliver these goods (products and services). This is where the *individual* dimension of the employment relationship between an employer and employee comes into play.

The employer requires people to do certain work in order to be able to deliver need-satisfying products and/or services to the community. People are thus employed by organisations of different types. Employment relationships therefore make up an integral part of our modern-day society where organisations exist to deliver need-satisfying products and services to the members of that society, who are also the very same people who set up and work in those organisations. These employment relationships take on a variety of different forms and types today.

Some employment relationships are permanent, while others are short term, temporary and for a fixed period only. Some are full time while others are part time. Some relationships entail doing all the work at the premises of the employer, while others include working from home or elsewhere. Some have fixed hours of work, while others are flexible in this regard. Some are clear-cut and pure employer/employee relationships, while others are less traditional with elements of subcontracting and semi-independent arrangements. And so one might go on to list a multitude of different permutations of how today's employment relationships may be structured. Irrespective of these variations, however, the theory and practice of employment relations is concerned with the whole range of ways in which the parties arrange their relationships, organise and execute the work, and distribute the fruits that accrue from these productive processes. It is concerned with the fairness and justice in these arrangements, with the ways in which the parties integrate, regulate, balance and institutionalise their partly divergent and partly convergent interests and objectives, and with the formal as well as the informal dynamics that go along with this. The assumption is made that in any and all forms of employment relationship, these ingredients are present and have to be blended into a recipe that will result in an equitable share of the cake for all. The key ingredients are the simultaneous conflict and common ground that are built into any employment relationship.

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The heart of the conflict is built around the *economic* dimension of any employment relationship, that is the exchange of labour for pay. The field of economics in general is concerned with how the vast and ever-growing (almost unlimited) needs of society can best be satisfied given the problem of limited resources. This fundamental principle transfers right into the field of knowledge, theory and practice of employment relations. The employer party seeks the most effective and efficient operation of its organisation, in order to be competitive in delivering high standards of quality and quantity products and services (in relation to those delivered by others), and at prices that compare favourably with those of other similar service or product suppliers. If this is not achieved, the employing organisation's future survival is jeopardised, which will be to the detriment of both parties. Part of the efficiency goal is to get employees to be as productive as possible, and to keep labour costs as part of the total production costs as low as possible. The employee, in turn, wants to get as much as possible out of his or her employment relationship. An understanding of the conflict surrounding issues such as pay, conditions of service and employment security thus helps to explain the importance of power in the relationship between employers and employees. The party with the most power is in the best position to get the other party to agree on its definition of a fair exchange of wages and conditions of service for the work done in the context of the employment relationship. In general, however, the employer party has the most power because it controls most of the resources. It typically owns the other resources, or at least has control over them.

The reality of a traditional power imbalance in the employer/employee relationship has led to employees joining forces and forming representative bodies to negotiate with employers on their behalf. These bodies, commonly referred to as **labour** or **trade unions**, act on behalf of all the workers collectively when they bargain with employers. This is where the *collective* dimension of employment relations comes into play and impacts on the *individual* dimension of the employment relationship (between the employee and the employer, or between the employee and his superior as the one representing the interests of the employer in that particular relationship).

Apart from the *individual* dimension of any employment relationship, it should hence be clear that inter-group relationships develop, and interaction takes place between the representatives of labour as a group and management and other employer representatives. In employment relations this *collective* dimension has always been a key theme. The primary process of interaction between these groups or collectivities is **collective bargaining**. In collective bargaining the parties, through their respective representatives, negotiate about issues related to or impacting on the employment relationship in its organisational and broader societal context, and through the use of power and communication processes they conclude collective agreements to regulate their relationships and balance their partly individual and partly common interests and objectives. Other processes that are becoming increasingly prominent in employment relations relate to consensus-seeking interaction such as joint consultation, union-management cooperation, integrative negotiation and joint problem solving. Whereas traditional distributive collective bargaining revolves more around the conflict ingredient in employment relations, consensus-seeking processes such as integrative styles of negotiation centre more on the shared interests and common ground ingredients.

The centrifugal forces of the conflict between the employer and employee parties are thus balanced by the existence of shared interests. Both collectively and as individuals, the parties interact and make use of *informal* dynamics such as communica-

tion and power, as well as *formal* structures such as courts, legal processes such as judicial rule making through adjudication, and quasi-legal processes such as arbitration, in order to regulate and maintain their relationships. Both parties have a real interest in the long-term survival of the company or employing organisation: employers to make a profit (in the private business sector) through delivering the necessary goals, and employees to earn an income. This stresses the interdependent nature of their relationship. Employers are dependent on employees for their labour; employees need to work to earn money in order to make a living, and all parties need certain products and services that can only be delivered by organisations. Because of this coexistence of conflict and interdependence, employment relations dynamics are complex and formal, but informal aspects also come into play. Whereas the *formal* dimension of employment relations refers to the legal and formal rule-making and application aspects, the *informal* dimension relates to the behavioural dynamics involved in employment relations.

In short, employment relations as a field of study and accompanying theory as well as an area of practice is built around the employment relationship, and this relationship is in turn a key feature of our modern-day society where organisations that consist of people (and other resources) deliver the products and services that are required by the people of any particular society. Employment relations are thus multidimensional, entailing both *individual* and *collective* dimensions, as well as *formal* and *informal* dynamics and dimensions. A golden thread that runs through this field is the notion of fairness and justice, both at organisational and the broader societal level. The art of balancing the partly conflicting or diverging interests or objectives, and the partly converging or shared interests and objectives of the parties, makes this field a particularly dynamic one.

1.3.2 The role players and stakeholders in employment relations: a preview

Traditionally industrial relations systems have been regarded as generally involving three role players, namely the state, employers and employees. Although we acknowledge the tripartite nature of employment relations generally, we also believe that at least two other key stakeholders should be acknowledged as important role players, namely "customers" and "competitors". From an open systems perspective employment relations interplay with environmental forces and variables such as those related to the social, economic, political, technological and natural subsystems (as we elaborate on later), and also with dynamics related to customer satisfaction and international and local competition. Perhaps the time is ripe now for this traditional triangular relationship (traditionally known as the tripartite nature of industrial relations) to be challenged to make way for a pentagonal relationship rather, involving five parties, as depicted in Figure 2.1. While there is still a need for debate, this approach has been argued for in the previous edition of this book (Nel et al. 2005), and is also adopted by Balnave et al. (2007), among others. As explained by Balnave et al. (2007: 29), using the employment relations concept or framework "also broadens the boundaries ... to encompass a wider range of stakeholders and environmental factors". The work of Swanepoel (1989; 1991; 1992) did not argue for pentagonal employment relations, but it proved the importance of the environmental and contextual factors. In the next chapter you will be afforded the opportunity to think a little more on whether such a broadened approach is warranted, or rather whether or to what extent there can be a move towards a pentagonal view of employment rela-

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tions, rather than the traditional tripartite perspective with its emphasis on the three primary role players.

1.4 Key ingredients of employment relations dynamics

As already indicated, there has traditionally been an overemphasis on the legal or formal dimension of employment relations both by practitioners and in textbooks. While we acknowledge the importance of these aspects, we believe that the quality of employment relations is more often a function of informal processes and dynamics. The key lies in the notion of "relations". It is therefore essential, as part of this introductory chapter, to focus briefly on certain key behavioural dynamics that underpin employment relations. In this regard, we will first introduce you to the notion of fairness and justice perceptions, and then focus on some of the dynamics relating to conflict, power and cooperation in employment relations. It should be noted that there is an almost constant interplay between the formal and informal dimensions.

1.4.1 The centrality of justice perceptions in employment relations

We have emphasised the centrality of justice or fairness perceptions to the field of employment relations. The importance of justice has, in fact, been widely recognised and accepted by academics and practitioners in many disciplines around the world. Greenberg (1990: vii) states: "Few concepts are as fundamental to human social interaction as justice." This is partly because justice concerns itself with the distribution of resources (i.e. goods and conditions) to individuals and groups. As such it deals with notions of whether people feel that they have received their fair due in life. Employment-related justice perceptions are particularly important, as one's sense of justice at work is likely to extend to many other facets of one's life. This is partly due to the economic dimension of any employment relationship, but also because work is a social activity. Where we work and who we work with and what we do as employees have an impact on our lives beyond the workplace. This influences our status in society, and our emotions and feelings of self-worth. Feelings of being treated fairly or unfairly at work are, accordingly, likely to impact on our general feeling of wellbeing.

It is clear, therefore, that the term *organisational or workplace justice* is often used to refer to organisational activities relating to the distribution of the organisation's resources and rewards, which can include goods such as wages and salaries, jobs and promotions, and incentives and bonuses, while conditions could include favourable/unfavourable treatment, training opportunities and status. Justice perceptions, therefore, play an important role in shaping the interaction between the parties in employment relations.

We will understand these justice concerns better if we look at some of the ways in which people make evaluations about fairness. These perceptions are referred to as justice judgements, and considerable research has been directed at trying to establish the criteria that people use to come to conclusions about just treatment. In this research, justice has been explored in relation to three dimensions or aspects, namely *distributive, procedural* and *interpersonal justice*. We will examine each one individually in order to explore how it relates to the employment relationship as a whole.

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■ DISTRIBUTIVE JUSTICE

Distributive justice refers to "the distribution of the conditions and goods which affect individual (psychological, social and economic) well-being" (Deutsch 1975:

137). From this description we can see that distributive justice concerns itself with the perceived fairness of outcomes or distributions. In the context of the employment relationship with its economic exchange foundation, the effort/pay (input/outcome) is thus central.

Because work is usually conducted in a social context where different employees work alongside each other, social comparison lies at the heart of equity theory and distributive justice. Distributive justice, in the organisational and employment relational context, therefore refers to the individual employee's preference for a situation of perceived fairness insofar as it relates to the employee's input/outcome ratio compared to the input/outcome ratio or equation of other employees. Distributive justice is seen to be upheld when an employee perceives his or her contribution/reward ratio to be equal to that of others in a similar position. Should an employee (or group of employees) perceive unequal ratios to exist, feelings of inequity and unfairness (inequity tension) will follow, which may in turn lead to (or motivate) behaviour aimed at equalising the equation. Katz and Miller (1999: 71) point out that research evidence clearly shows that negative distributive justice perceptions can result in poor work performance and deviant workplace behaviour, such as absenteeism, and therefore high staff turnover. Perceptions of distributive injustice can even generate collective action as an effort to remedy such situations (Baron & Pfeffer 1994). Empirical research conducted by Katz and Miller (1999: 78) involving black South African teachers, for instance, clearly indicates that "the lower the perceptions of organisational justice the higher the likelihood of participation in industrial action". Reward distribution is therefore a key theme, not only in organisational justice research but also in distributive justice work. It includes the nature and level of reward as distributed across organisational hierarchies. The extremely skew wealth distribution in South Africa (Swanepoel et al. 2003) makes this topic of the "haves and have-nots" and the "winners and losers" in organisations extremely relevant. As Torres (1995: 58–59) explains:

The workplace has been the microcosm of the broader South African society marked by racism and apartheid ... there is a primary labour market for white predominantly white-collar, professional or artisan workers which offers high wages, good working conditions, stable employment, job security, possibilities for mobility and promotion within the company ... The secondary and third labour markets for "Coloured" [sic] and Asian workers, by contrast, are marked by lower wages and unstable employment. The fourth labour market for African workers has been marked by the lowest wages and high unpredictability ... Workers' occupational categories differ not only in wages, but also to the extent that they are covered by social benefits at work ... [But] there is no longer one black working class with similar interests. Affirmative action has opened up new dimensions in the labour market and deepened the divisions between African workers who have gone into artisan, supervisory or white-collar jobs and those less skilled workers with low wages and no security ... Loyalty to the company is hampered not only by low wages, but also by unfair wages. Equal pay for equal work is essential for greater worker satisfaction and thereby loyalty to the company and increased production.

As Labour Research Service also points out,

[C]ompanies need to guard against extending the wide salary gap that already exists between ordinary employees and top managers ... The remuneration gap

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between CEOs and workers has doubled in the past year from 1:46 to 1:92 ... [while] the average remuneration package for executive directors had increased from R940 000 in 2000 to R1,8 million. This was despite the average increase of just 16% in the operating profits of most local companies (Msomi, Myers & Lehihi 2001: 1).

All of this relates to distributive justice perceptions.

Although distributive justice is often taken to refer to the economic (i.e. pay) dimension of the employment relationship, Baron and Pfeffer (1994: 193) point out that such social comparison processes "are much more general and apply to virtually all aspects of work life". This broader view of distributive justice is consistent with that of Deutsch (1975: 137), as quoted previously.

The importance of distributive justice thus becomes more apparent if we appreciate that employees generally want fairness in all aspects of their employment relationships. This applies to factors such as how organisations are designed, how work is organised (the job characteristics) and distributed, career prospects and development (including promotion and growth opportunities), and also the reward structures that apply.

The role of trade unions therefore clearly includes ensuring that distributive justice prevails in organisations as employing entities. The workers as union members can expect their unions to ensure that fair personnel decisions are made, for example that no unfair discrimination takes place and that there is "equal pay for equal work".

Distribution decisions can be based on the following three criteria:

- **Equality**, where everyone gets exactly the same distribution (e.g. in a family that has four children, the parents are likely to share sweets, presents, chores, etc. equally among the children)
- **Need**, where allocations are based on who needs the goods most (e.g. in a hospital, a person having a heart attack will receive medical attention more urgently than someone who comes in with a broken toe)
- **Equity**, where outcomes or rewards are based on how much the person contributes or invests (e.g. a bank gives more money in interest to people who have invested larger amounts with them)

It has been argued that in organisations where economic productivity and profit making are primary goals, equity will be the basis for the distribution of resources. If we look at the formal dimension of employment relations, in particular the labour legislation that impacts on the employment relationship, we can identify elements of the equity principle. The Basic Conditions of Employment Act, for example, states that people can take leave based on how much time they have accumulated working in the organisation, or can have a lunch break after working a certain number of hours. In other words, based on one's investments or inputs into the organisation, one can claim certain rewards. The Employment Equity Act No. 55 of 1998, on the other hand, stipulates that one cannot refuse to reward somebody based on inputs that the employer may consider undesirable. For example, an employer may see someone's sexual orientation as an undesirable input into the employment relationship and on those grounds refuse to promote the person or to give him or her an annual increase. The Employment Equity Act attempts to regulate such unjust behaviour. In addition to the role that legislation plays in upholding principles of equity,

there is the practice in many organisations of promoting and rewarding people who bring valued inputs into the workplace. Such inputs include skills, expertise, training and technological know-how, as well as good managerial and interpersonal skills. As such, the more such valued inputs one can offer, the higher one's allocations and rewards are likely to be.

This principle of distribution on the basis of equity may raise concern with regard to the justice perceptions of the parties to the employment relationship in the following two respects:

- The first concern relates to whether all parties agree that equity is the fairest basis upon which to make reward allocations. Trade unions in South Africa, for example, have often argued that equality should be the grounds for making resource distributions in an organisation. As such, when bargaining collectively for salary increases, unions insist that all members should receive the same percentage. Very often, mechanisms that differentiate one employee from the next in terms of inputs such as performance (e.g. performance appraisals) are rejected by unions as going against their principle of "all for one, one for all".
- The second concern that may emerge relates to what each of the parties considers to be valued inputs and outputs. Under the apartheid system, for example, many organisations placed a value on an employee's being white and male. In attempting to redress this past imbalance, the Employment Equity Act calls for affirmative action measures to be adopted, whereby being black, coloured, Indian or female becomes a more valued input to the job selection process. In addition to this, it may be argued that employers and employees place a different emphasis on the value of certain outcomes. While employers might feel that verbal recognition or an "employee-of-the-month"-type award is a valued outcome for a job well done, employees might perceive such rewards as being worthless, and might value an incentive or bonus cheque more highly.

Given such concerns and differences in perception regarding the distribution of resources and rewards in organisations, it becomes clear why different stakeholders in the employment relationship may have different views with regard to what is fair in any given context of the employment relationship. Naturally, these different views and perceptions have a major impact on the conflict potential in employment relations. In fact, the concern about fairness in the distribution process in the employment context leads, in turn, to a concern about the procedures involved in reaching distribution decisions. This brings us to the second dimension of justice, namely procedural justice.

■ PROCEDURAL JUSTICE

Whereas distributive justice relates to the perceived fairness of the substance of decisions and/or outcomes, **procedural justice** refers to the perceived fairness of the processes and procedures followed in reaching certain decisions or outcomes.

Welbourne (1998: 328) explains that although the original research on the topic of procedural justice was done from a legal sciences perspective, this was later extended to many different areas, the results of which "supported the original finding that procedural justice was an important factor for understanding individual attitudes, and it is independent of outcome (or distributive) fairness".

Most of the theoretical work and research undertaken in this field focuses on the characteristics of the procedures, or different types of procedure, that impact on jus-

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tice judgements. There is also a focus on the influence that procedures have on our justice judgements about distribution. Leventhal (1980) put forward the following six criteria as being central to a fair procedure:

- **Consistency.** The equal application of rules and procedures to all concerned over time.
- **Bias suppression.** The prevention of self-interest in the decision-making process.
- **Accuracy.** The making of decisions on the basis of accurate information.
- **Correctability.** The modification or correction of the decision, if appropriate.
- **Representativeness.** The representation of all stakeholders or parties concerned in the process.
- **Ethicality.** The reflection of current ethical and moral principles in the process.

Criteria like these have been proposed by a number of authors from several disciplines as being important for procedural fairness. An example of this is the work of Thibaut and Walker (1975), who developed a psychological model of procedural fairness based on their work as lawyers and their experience with court cases. They proposed that there are two types of control that occur during any procedure, namely process control and decision control. Process control refers to the individual's control over the presentation of facts, information and evidence, while decision control refers to the participant's control over the actual decision made. It is clear that these criteria relate to the notions of distributive and procedural justice discussed above. A critical element of Thibaut and Walker's theory is that the perceived fairness of the procedure can result in satisfaction with the outcome, regardless of whether the outcome itself is favourable or not. Theorists have noted the relationship between procedural and distributive justice (Randall & Mueller 1995), and there is broad agreement that there is a mutual influence or co-determination between these two aspects of fairness that affect our overall justice perceptions (Folger 1977).

Concerns about procedural justice as part of the informal dimension of employment relations overlap with the formal dimension as reflected in labour legislation. The Labour Relations Act stipulates that to dismiss a worker fairly there must be due cause (i.e. a fair reason for the dismissal) and also due process (a fair procedure to judge the merits of the case). These two elements relate to the concepts of distributive as well as procedural justice, and there is recognition that in order to ensure that fair decisions are made, fair procedures must be used. The Employment Equity Act also reflects these concerns in its approach to recruitment and selection in organisations. In order to ensure that fair decisions are made with regard to the hiring of personnel, much emphasis is placed on the process that is adopted in making such selections.

An important role of trade unions and their representatives is, accordingly, to continuously endeavour to promote processes and procedures in employment-related decisions that are fair and therefore lead to fair decisions being taken. The underlying rationale is that while fairness in human resource-related decisions is necessary, it is not sufficient for organisational justice to prevail. For it is, in addition, important that employees *perceive* these decisions to be fair – and the implementation, application and utilisation of fair procedures and processes in making such decisions can play a significant role in this regard.

Furthermore, it has been argued that the manner in which a decision outcome is communicated to an employee will influence the perceived fairness of the outcome itself (Nunns 1995). The interpersonal treatment of employees thus becomes a con-

cern, and here the third dimension of justice becomes important, namely *interpersonal justice*.

■ INTERPERSONAL JUSTICE

As mentioned above, **interpersonal justice** refers, *inter alia*, to the manner in which outcomes are communicated to employees at an interpersonal level. As such, it relates to the perceived fairness of treatment by decision makers (Greenberg 1987). It also concerns itself with the symbolic and intangible outcomes of procedures such as status, trust and respect (Folger & Konovsky 1989). This aspect of justice underpins perceptions of both procedural and distributive justice.

Greenberg (1990) describes the following two aspects of interpersonal justice:

- **Interpersonal treatment.** The treatment received from decision makers, e.g. respect, courtesy and friendliness.
- **Adequate causal accounts.** The use of adequate explanations for the outcome or decision reached.

If employees are treated with respect and courtesy, and there are mechanisms in place to allow for the explanation or justification of decisions taken by the decision makers, then the employees concerned will be more likely to accept the decisions as being just. This is because they will perceive themselves as having been fairly treated by the decision makers.

Tyler (1989) proposes the following three elements as being central to interpersonal justice perceptions:

- **Neutrality.** This is a function of the decision maker. It refers to the elimination of bias through the use of facts and accurate information (thus linking with procedural justice concerns). Neutrality also implies openness and honesty.
- **Trust.** This pertains to the degree to which people believe the decision maker will be fair, and thus refers to the perceived intentions of this person. Trust in the decision maker involves the belief that he or she wishes to treat people in a fair and compassionate manner.
- **Standing.** This refers to individuals' concern with their status in the group. If they are treated rudely or with disrespect they will be aware that the authority they are dealing with views them as having low standing in the group. However, if they are treated with respect and courtesy by the decision maker, they will know that their rights are respected by those in authority.

Interpersonal interaction and relations therefore play an all-important role in employment relations. This is where knowledge of behavioural sciences becomes so important. One such behavioural aspect that is central to employment relations is conflict.

1.4.2 Conflict dynamics

Conflict has become a well-known and much-used term in modern society. It is usually associated with behaviour and phenomena that have a highly sensational content, and it receives close attention from the mass media. The general interpretation of the term, however, is based on behaviour and has therefore led to the perception of conflict as being negative, destructive and undesirable.

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Yet conflict may be potentially healthy and even beneficial. It is often a prerequisite for change, growth and development, and without it employment relations systems or society as a whole may tend to stagnate. Conflict can therefore be seen as the force underlying change and transformation. The challenge is to how conflict is approached, managed and handled.

■ THE MEANING, NATURE AND CAUSES OF CONFLICT

Essentially, conflict involves some form of competition, differences or tension. Although in the employment relations context conflict may occur within an individual, i.e. intra-personal conflict (such as when an individual does not know which trade union to belong to, or whether to be loyal to the company or to go on strike), conflict in the context of employment relations will always be of a "relational" nature. It is thus also a form of social conflict. Anstey (1999: 6) says that social conflict

...exists in a relationship when parties believe that their aspirations cannot be achieved simultaneously, or perceive a divergence in their values, needs or interests (latent conflict) and purposefully employ their power in an effort to eliminate, defeat, neutralise, or change each other to protect or further their interests in the interaction (manifest conflict).

Robbins (1998: 434) defines conflict as "a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about".

From the foregoing the following should be clear:

- Conflict in employment relations may be regarded as an inherent part of the interaction between the parties.
- Conflict is a process.
- Conflict processes are dynamic and have to do with change.
- Conflict typically has some kind of competitive nature.
- Conflict interaction often includes negative emotional qualities, and may sometimes even be associated with behavioural dimensions such as antagonism, aggression, threats, hostility and lack of cooperation.
- Conflict always has a cause.

A number of issues have been identified which may be regarded as causes of conflict, including the following:

- Different values or attitudes or perceptions
- Different objectives or methods of achieving them
- Differences in information or communication blockages
- Lack of resources (scarcity)
- Skew distribution of resources (structural imbalances)
- Personality differences

The challenge is to identify these causes and to deal with them constructively.

Different types of conflict may also be identified, such as *perceived* and *real* conflict (manifest conflict), as well as *constructive* (functional) and *destructive* (dysfunctional) conflict. A distinction should be made between *frictional* and *strategic* or *orchestrated* conflict. The former is the spontaneous result of interaction within the formal structure of an enterprise. It is inherent in and results from interaction between different

people with different personalities who occupy different positions within an organisation. *Strategic conflict* is that which is consciously generated by persons in order to manipulate the allocation of resources, status, authority and power. A strike is a typical example of the latter.

Because conflict lies at the very root of employment relations, it is important to have knowledge about it and how to manage it constructively through processes such as collective bargaining, negotiation and third-party intervention.

1.4.3 Power dynamics

Power is a further central component of the dynamics underlying the interaction between the role players in employment relations. Trade unions, the government and the employer parties draw on differential power bases in their interactions with one another. Power, in this case, can be seen as a medium through which divergent aims and interests are mediated and resolved. Power is thus closely linked to the processes of addressing and resolving conflict.

Power may be defined at both an interpersonal level and a social unit level. **Interpersonal power** may be understood as "[o]ne person's ability to influence another person's behaviour or thinking, so that they do something they otherwise would not have done" (Robbins 1998: 407). This definition focuses on the relationships between individual people. Like conflict, power is relational in the employment context in that it is employed in a situation involving two or more parties.

Social unit power is defined as "the realistic capacity of a system-unit to actualise its interests within the context of system-interaction and in this sense exert influence on processes in the system" (Parsons 1960: 23). Such a definition focuses on the relationship between groups rather than individuals, and the ability of groups to influence the processes of the larger system of which they form part.

It is clear that while power refers to the relationships between individuals in the context of employment relations, the focus is more often on the power of social units such as organisations and different groups within or outside of them. As mentioned above, employment relations may be seen as comprising three primary role players, namely employers, employees and the state. Thus in exploring power in this context, much of our attention will focus on the interactions between the various units that represent these stakeholders or role players.

How does each of these parties gain power? Drawing on early research, French and Raven (1959) identified the following bases of power:

- **Legitimate power.** This is power that emerges from the right to issue directives. Such power is accepted as part of the social (organisational) structure and is obeyed because of organisational rank. Management tends to have more legitimate power because it assumes higher positions in the organisational hierarchy. Labour may have legitimate power through legislation (e.g. in the form of the right to strike).
- **Reward power.** This refers to power that emanates from the capacity of the group or individual to confer or withhold rewards. Management holds such power through its capacity to reward employees by means of pay increases, incentives, bonuses, promotions or any other commodity that employees value. The reward power of unions resides in their capacity to induce workers to increase productivity, improve the quality of their work or work longer hours, or anything else that employers might value.

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- **Coercive power.** This refers to the capacity of an individual or group to use force or coercion through the use of sanctions or by withholding desired commodities. Managers can refuse, for example, to pay performance bonuses or threaten retrenchment if productivity does not increase. Unions can threaten to withhold labour through strike action or engage in some other form of industrial action.
- **Knowledge power.** This power is based on the possession of specialised knowledge or skills. Management might, for example, have more knowledge than workers about finance, marketing, technology and the general running of the company. This often provides it with a greater opportunity to influence unions on such matters. Workers, on the other hand, could have detailed knowledge about the operation of machinery, while shop stewards might have expert knowledge of the law that their superiors may lack. In modern-day society, often referred to as "post-industrial", it is increasingly recognised how important a role is played by "knowledge". It is frequently said and heard that we are living in the "knowledge age or era". This therefore holds some serious implications for the power dynamics in modern-day employment relations.
- **Referent power.** This power arises out of the force of an individual's personality. Charismatic people can influence other people to want to be more like them or to identify with them. A particularly charismatic shop steward could wield power in a negotiation setting or when trying to recruit members. A charismatic manager could encourage support for organisational goals or initiatives.

From the description of these five bases of power we can see how labour and employers, as different interest groups, acquire and use power dynamics in order to influence the processes in the employment relations system. However, the environmental forces and variables that interact with this system add an additional dimension to the conflict and power dynamics of employment relations. Before we focus on these environmental variables and forces, we will briefly examine the common-ground and shared-interest dynamics involved in employment relations.

1.4.4 Cooperation and common-ground dynamics

As previously mentioned, employment relations is not solely concerned with the divergent interests and conflict in employment relationships. Coexistence, shared interests and common ground are equally important ingredients and dimensions.

The basic common ground, and therefore the key underpinning of cooperation between the role players, lies in the fact that human needs have to be satisfied. Need-satisfaction goods (products and services) are required and have to be delivered. This is a basic shared interest and explains why the parties come together. People need to work to earn money to live, and organisations need people to do the work. This is why it is in the interests of all parties to try to ensure the long-term survival and continued existence of organisations.

Employees therefore willingly enter into the employment relationship, thereby participating in the productive processes of the organisation, and contributing by means of expending energy in the form of mental or physical labour. There is thus a general tendency in the individual employment relationship to participate and cooperate.

Likewise, trade unions exist because there are employees. If there were no employment organisations, there would be no employees and hence no trade union members.

Trade unions therefore also have an interest in the continued existence of the employing organisation, and because the employees in organisations often belong to trade unions and trust their union leadership, it is in the interests of employers not to ignore or "wish away" trade unions – and so there is some common ground that lays the foundation for union-management cooperation.

There are, however, different modes and degrees of union-management cooperation. According to Schappe (1997: 39), "the significance of the emotional commitment and the level of trust necessary for success for different kinds of cooperating is not grasped if cooperation is treated as [an] undifferentiated concept".

In accordance with the ideological perspectives of unitarism and pluralism, however, a distinction should be made at the start between relatively more negative (destructive) modes of interaction and those that are more positive (constructive). The latter is built on a pluralist perspective, whereas the former is based on unitarist or radical perspectives.

The most negative and destructive mode of interaction may be described as *warfare*. There can be no cooperation whatsoever in an extremely hostile climate where the parties basically interact as "enemies". Here the object is to defeat one another. From a union perspective, strategies may be founded on a radically ideological stance, while from an employer point of view, a purely unitarist ideology may underpin strategies and tactics. In such a scenario there is no trust, and tactics such as union bashing, de-recognition, strikes, lawsuits, sabotage and even complete avoidance and absence of union/management interaction (temporary withdrawal) may be relevant. In the case of *adversarial* interaction, the parties relate to each other in clear "us-and-them" and "we-and-they" terms. The parties are competitive and interact as adversaries. The use of power and control mechanisms to "capture territory" and "beat" or "outmanoeuvre" each other is common. Win-lose bargaining is frequent, and deadlocks, disputes and tactics of open confrontation (e.g. strikes) are part and parcel of everyday employment relations dynamics. The parties reluctantly and with some resistance accept each other. Levels of trust are very low and therefore modes of constantly challenging, fighting, limiting and outmanoeuvring the other party are common.

If, however, a pluralist perspective is employed, the parties may start to experiment with more innovative and constructive interaction, as in the case of *integrative accommodation*. This is the basic mode of union-management cooperation. The parties accept one another and yet regularly engage in distributive bargaining encounters. Also, while disputes may arise, a purely "win-lose" mentality makes way for joint problem-solving processes which may be utilised in some areas and issues from time to time. In such an interactive mode, the parties begin to express the desire to build mutual trust, and they fully accept each other's legitimate role in the employment relations system. They are also prepared to start experimenting with structures and processes whereby the union will be able to influence certain personnel management issues that go beyond traditional "bread-and-butter" concerns and the "rights" of the workers. Integrative and interest-based interaction and negotiation thus become more common, alongside episodes of competitive (distributive) bargaining. The parties may even progress towards joint problem solving on "production"-related issues.

In the case of the *partnership* interactive mode, levels of trust are very high and both unions and management feel and think that "although we are different, we are together in this". This type of relationship is simultaneously one of independence and interdependence. Each party still has a distinct role to play, but in many areas

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these overlap. The legal and contractual side of the relationship is thus downplayed. Schappe (1997: 43–44) says that in such a mode of cooperation “both the union and management, as partners, run the business and both are to look out for the workers’ welfare ... there is top to bottom union involvement in decision making ... about work assignments on the shop floor to strategic organisational issues about product creation and marketing”. Swanepoel et al. (1999: 36) argue that in such a mode, trade unions are viewed as co-equals with management, and managerial prerogative is something of the past. Not only are those issues relating to the employment relationship dealt with on a joint decision basis, “but the organisation as a whole is jointly managed”.

The move towards greater cooperation between unions and management thus develops gradually over time and it clearly holds numerous challenges for all parties concerned. In South Africa the challenge is for the parties to question and change traditional perceptions, as well as those attitudes, values and ideologies that are rigidly clung to, and thereby to move towards greater cooperative modes of interaction.

An important aspect of this process, however, is that the role players are careful not to undermine their respective roles. Trade unions should always be viewed and engaged as independent organisations that function parallel to and independently of – but also interdependently and often jointly with – employing organisations. The challenge thus relates to juxtaposing conflict and cooperation dynamics in employment relations, and doing so within the context of other environmental subsystems with their numerous variables that interplay with the relations between the three main employment relations role players.

The parties should therefore accept and agree that unions exist to protect and further workers’ rights and interests, and also that cooperation does not mean the loss of identity of either party. There will continue to be conflict and issues over which there will be disagreement, distributive bargaining and even disputes. However, this will all happen within a broader context of accepting that customers must be satisfied and competitors in the marketplace must be outperformed. Without such acceptance, the future of all parties is endangered.

The challenge is therefore to change the mindsets of the parties so that they start making use of these structures and thus shift towards more cooperative modes of interaction. Part of this challenge lies in appropriately balancing and blending cooperation and conflict dynamics. As Klerck (2000: 4) says: “A neat dichotomy between ‘adversarial’ and ‘collaborative’ industrial relations ... is hopelessly inadequate ... Unlimited militancy is a recipe for defeat and exclusion, while unconditional collaboration invites rank-and-file alienation and rebellion”. Empirical research conducted by Brink (1999) leads to the conclusion that although workplace forums may be essential to improve relations, enhance cooperation and boost the competitiveness both of South African organisations and of the country as a whole, “employers, employees and trade unions need to acquire new knowledge, skills, attitudes and styles” if success is to be achieved in this regard (Kirsten & Nel 2000: 53).

1.5 The interplay between employment relations and its broader environment: implications for management and organisational success

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The approach in this book is to take an open systems perspective of employment relations. This implies that employment relations dynamics are heavily influenced by and in turn have an influence on other subsystems of society. The nature of employ-

ment relations is that it is contextually bound. Therefore, an analysis of any phenomenon related to employment relations has to take account of the fact that employment relations dynamics are in constant interaction with other factors or variables in the environment. Because a key thrust of this book is to analyse employment relations from the perspective of organisational level dynamics and the relevant implications for management practitioners and scholars, a brief discussion on how employment relations dynamics interplay with other factors or variables that surround the typical organisational or workplace environment follows.

1.5.1 Macro-external factors

South Africa's socio-economic and socio-political situation is undergoing drastic change. Many of these changes spill over into the workplace and may eventually influence the quality of employment relations to such an extent that the success of the total organisation may be at stake. One has to be mindful of how factors in the macro-external environment could have consequences for the quality of employment relations within an organisation and vice versa, so that decisions made can be aligned with the environmental forces impacting on the success of the organisation and, ultimately, the country. Examples of how all these factors interplay are vast, and only some are illustrated below.

1.5.1.1 Socio-economic factors

Factors such as the country's economic growth rate, inflation, taxation and interest rates may have an effect on employment relations. For instance, if the economy is sluggish, it may cause a drop in the demand for products and/or services. This may lead to increased unemployment because too few job opportunities are created in relation to the number of new job-seekers entering the market from school, college or university. People who are unemployed and have no money are often jealous of those who do have jobs, earn money and make a decent living. They are often also desperate to obtain resources to enable them to make a living. This may lead to envy, conflict and ultimately violence in the community. In this way workers' lives (or those of their families) may sometimes be threatened. Such a situation may cause employees to have feelings of uncertainty, anxiety and stress as well as to develop health problems. These problems may in turn lead to absenteeism and other negative behaviour that may impact negatively on the performance and outputs of the rest of the workforce, which may have a detrimental effect on productivity and the manner in which employees are managed at work. Workers may, for instance, be warned about poor work performance or frequent absenteeism, or ultimately be dismissed. These dynamics will have a negative impact on the performance and competitiveness of the organisation. It may be necessary to restructure business processes to cut costs (in order to be more competitive) and even to downsize and dismiss employees.

If such circumstances prevail among various organisations and sectors, economic growth may be adversely affected. Poor economic growth can lead managers to be reluctant to increase wages. Industrial action such as strikes may follow as a result, possibly having serious consequences for attracting potential foreign investors. This may hamper the creation of jobs. Industrial action, although perhaps aimed at reaching economic goals, is a social process. Intimidation and violence sometimes go hand in hand with social processes such as strikes, and this may have negative implications for the economy. Owing to intimidation and violence, workers are often forced

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to stay at home during organised mass "stay-away" or "protest" actions. This may cause conflict between management and workers as appropriate disciplinary measures are often considered when such protest actions are not protected by the Labour Relations Act (Act No. 66 of 1995). Employers can follow the "no work, no pay" practice, which may influence demand to stimulate growth (if such protest actions and strikes take on extreme measures). It should be clear that a vicious circle could develop with a downward spiral of socio-economic conditions eventually having a tremendous effect on the standard of living in the country.

1.5.1.2 Social and political dynamics

The socio-political environment is also extremely important, and there is usually much interplay between employment relations and socio-political variables or factors. The government promulgates and enforces all the relevant legislation that impacts directly on employment relations. Organised labour and organised business are also engaged directly to take part in the processes of drafting and/or amending labour-related legislation. The primary structure through which this is facilitated is Nedlac (National Economic Development and Labour Council).

Over the decades, as governments of the day changed in South Africa, so too did legislation that relates to aspects of employment relations. Since the transformation to a democracy in 1994, various new laws have been promulgated and put into effect to alter the nature of South African society, including its labour market and employment relations dynamics. These include the Labour Relations Act (Act No. 66 of 1995), the Basic Conditions of Employment Act (Act No. 75 of 1997), the Employment Equity Act (Act No. 55 of 1998), the Skills Development Act (Act No. 97 of 1998), the Skills Development Levies Act (Act No. 9 of 1999), the Unemployment Insurance Act (Act No. 63 of 2001) and the Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003). All the role players and stakeholders have thus been affected by such legislative changes and, in fact, the key role players are usually active in moulding the country's legislative framework and laws that impact most directly on the country's labour dynamics.

Organised labour, in particular Cosatu (Congress of South African Trade Unions) as a federation of trade unions, takes part actively in the general political processes of the country and even in international politics. An example of the latter is reflected in the following news article.

Newsflash

Cosatu to join ZCTU in next month's strike
8 March 2007

Harare – The Congress of South African Trade Unions (Cosatu) will next month join the Zimbabwe Congress of Trade Unions (ZCTU) in its two-day strike by demonstrating "in all the establishments of the Zimbabwe Government".

In a statement released in Harare, the ZCTU said Cosatu would target Zimbabwe government establishments such as its High Commission in South Africa in solidarity with the general strike called by the ZCTU on 3 and 4 April.

Cosatu, which has been one of the ZCTU's major blocks of support over the last seven years, said it would never turn a blind eye to the ruling Zanu PF government's abuse of workers and human rights.



The union's international secretary, Bongani Masuku said while Cosatu recognised "the heroic role" played by the Zimbabwean government and its people in the liberation of South Africa during apartheid, that did not mean it would "close its eyes when Mugabe's government trampled on workers' and human rights while blaming all his country's problems on imperialists".

Masuku said Cosatu appreciated, however, that "perhaps President Mugabe" and Hugo Chavez, the Venezuelan president, were among the "very few world leaders willing to confront head-on the naked hypocrisy and general aggression of the United States government".

"Whilst it is true that the global balance of forces limits space for more radical change, he (Mugabe) too must take personal responsibility for leading his country from being the breadbasket of our region and continent to being the basket case of our region and continent," said Masuku.

The militant workers' body, noted at its recent executive committee meeting that the human rights situation in Zimbabwe was getting worse "as reflected in the swelling tide of migrants fleeing into South Africa which has led to widespread exploitation of these workers by unscrupulous employers who are taking advantage of their situation whilst at the same time distorting the South African labour market".

According to the ZCTU statement, the committee resolved "to struggle to organise and protect these and other vulnerable immigrant workers and to demand harsh penalties for employers breaking the labour laws".

(Source: http://www.zimbabwejournalists.com/print.php?art_id=1880)

From this example it is clear that even cross-border issues and involvement in socio-political dynamics interplay with aspects of employment relations in South Africa. Political turmoil usually holds socio-economic implications not only for labour in the particular countries, but also for labour and business in South Africa as fleeing migrants seek opportunities for work in South Africa. It should hence be clear that such developments have labour-related implications in the relevant countries, not least of which relate to labour market implications.

It is therefore important to realise that organised labour is a key stakeholder and role player in South African politics through the alliance between organised labour – most notably Cosatu – and the ANC. The rights of trade unions that have been enshrined in the Constitution of South Africa also facilitate this broader role. They therefore are involved in various ways in all sorts of different policy-making processes in the country, including aspects such as import tariffs (e.g. see Kahn 2001: 4) and privatisation (e.g. see Ensor & Dlodlu 2001: 1; Mvoko 2001: 1).

Furthermore, the exact nature of the role of trade unions in the workplace and in the broader society will also depend largely on other developments in the broader socio-political dispensation of the country. The following trends may be relevant and illustrative in this regard:

- As political democracy has become more of a reality, workers tend to strive to be more involved in management decisions. This issue is also catered for in the labour legislation, namely to promote greater "industrial democracy", and workers hence want to be more informed about organisational issues and developments that may affect their lives.

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- Coupled with this is the growing level of "expectations" among workers and even the unemployed. During election processes expectations are normally created among the voters – including the workers. Recently pressure has been mounting that the time "for delivery" has come, and workers are not only looking to the government in this regard, but are also increasingly expecting their employers (as represented in the workplace by the managers) to "deliver" in terms of various transformation issues, including job creation and workforce diversification. However, the media has reported signs of serious cracks in the ANC/Cosatu/SACP alliance, in particular because of major differences related to economic policy issues of the government. Gear, the government's macroeconomic policy, has been criticised heavily by Cosatu and the SACP.
- Increasing pressure is being exerted on the private sector to make considerable contributions towards combating poverty and raising living standards by, for example, financing social services. This could encourage increased community involvement, especially by larger South African organisations, as well as more cooperation between the social partners and so-called "social contracts" between organised labour and employers at various levels and on various issues. For a long period of time many people in South Africa have been deprived of the basic necessity of owning a house to live in. Many workers still live in extremely poor circumstances. This often leads to tardiness, which in turn impacts negatively on the performance and productivity levels of such employees. A link can be established between the management of employees in respect of aspects such as performance management, the maintenance of discipline and the handling of employee complaints and grievances relating to housing and accommodation problems. Therefore employers may have to ensure that not only all employees, irrespective of race, gender, etc., share in the same housing assistance benefits, but that even those who have traditionally been deprived of such benefits should be treated more favourably. This workplace challenge has to be viewed in the context of the social welfare question of inadequate housing in South Africa and the social responsibility role of employers.
- Crime, frequently exacerbated by acts of violence as well as intimidation in the community, naturally spills over into the workplace. Banks in South Africa are frequently exposed to robbery, and the safety and security of their staff have become areas of prime concern. These require special measures to be instituted. Relevant agreements and codes of conduct therefore become essential for order, peace and stability.
- Another important aspect is education and training. Today's youth are tomorrow's workforce. South Africa has an oversupply of unskilled workers and a shortage of certain types of skilled (educated and trained) workers. It would therefore be to the advantage of any businessperson to be very active in the education and development (e.g. literacy training) of his workforce and the community in which it is located. Trade unions are becoming increasingly interested in the extent to which employers invest money in the development of their members. Management and labour will in future have to work together more closely in this regard. If employees are not developed, it may not only lead to inferior productivity levels and capacity/competency-related cases for the termination of their services, but may also threaten the continued existence of the organisation, affecting job creation which is so necessary for socio-economic growth and social stability in the country.

- The changing value systems of societies are another factor that interplays with employment relations. For example, it is becoming increasingly necessary to involve women in the business and professional world. Equal opportunities for women, thereby diversifying the workforces, are therefore prerequisites. However, women may sometimes have personal conflicting needs (e.g. pregnancy, giving birth and caring for the newborn child) when it comes to work and family. Although these aspects are covered by the formal dimension of employment relations – in other words by legislation – the quality of employment relations could be enhanced by proactive management decisions to assist more generously with needs such as maternity and paternity leave, as well as childcare (e.g. a subsidy or even facilities at the workplace). Alternative work organisation (e.g. flexitime and flexiplace) could further help to accommodate changing values and needs in this regard.

Another important matter is the increasing value attributed to aspects like transparency and democratic processes. All of these value shifts hold potential implications for the ways in which employment relations are managed within organisations.

A society's value system regarding the physical environment is also important. If organisations show the community that they care about the environment and the impact of their operations on it, they are perceived as being responsible and reasonable, having proved that they have society's interests at heart and not just the maximising of profits.

Thus far we have focused on the broader environment external to the organisation or workplace. But what about other organisational-level factors that specifically form a part of the organisation? Can managers afford to make other business decisions without considering possible consequences for employment relations? From an open systems perspective the answer is a definite "no".

1.5.2 Organisation-level factors

Where the previous section emphasised the fact that the nature and quality of employment relations at organisation and workplace level can be influenced by a host of factors outside of the organisation, this section focuses on how variables and factors within the organisation can interact with the dynamics of employment relations at the organisational level.

1.5.2.1 General management-related factors

Certain management decisions are traditionally regarded as being "purely" the management's prerogative. These include decisions on matters such as planning how to grow the organisation over the short, medium and long term. This may include entering new markets or expanding the organisation by locating new operations in different regions, either locally or in other countries. It may also, however, happen that due to new competitors entering the market, an organisation may have to plan how to regain market share. This may include taking a serious look at business processes and improving aspects such as productivity through better resource utilisation. One of the primary resources often central to such improvement processes is the human one. Thus it may be necessary for the organisation to reduce labour costs and cut back on its activities, eliminating some of the products or product lines. Such decisions clearly interplay with employment relations dynamics.

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If part of the business growth, recovery or turnaround plans is to amalgamate with another organisation, important labour-related factors come into play. Organisations cannot just blindly amalgamate, for instance, without considering the employment relations factor. After amalgamation two or more organisations will function "together" and therefore "their" climate becomes "ours". An important factor here is the quality and nature of management and leadership styles in these organisations. Also, the law lays down rules relating to the transfer of employees from one employer to another, for example in a take-over of one organisation by another as a "going concern" or otherwise.

On the other hand, if part of the strategic and business planning is a decision to scale down the organisation's activities, it could lead to the dismissal of workers. In such cases, fair staff retrenchment practices must be followed, such as consulting with the representative bodies of the workers beforehand and using fair criteria when choosing which workers to dismiss.

Decisions about new operational processes and technologies used in the process of production may also hold serious implications for work processes and hence the way in which work is organised and jobs are designed. Such "structural" decisions may influence employees and their relationships with their work and colleagues, and are therefore issues directly interacting with employment relations dynamics such as consultation or negotiation with the workers and/or their representatives.

1.5.2.2 Structural factors

As said before, the way in which work is designed or organised is an area of direct interface with employment relations. A further structural factor relates to how an organisation is structured, which also interplays with employment relations. For instance, the wider the span of control (i.e. number of subordinates per authorised supervisor), the more difficult the task of the supervisor becomes. Too much emphasis on formal structures for communication and control (i.e. too many forms, rules, regulations and so on) can also interfere with the quality of employment relations. When employees are not well informed or when decisions do not filter through to them quickly enough, uncertainties, rumours and dissatisfaction may arise. This can lead to unproductivity and frustration in both parties and ultimately to poorer employment relations. An organisation with a highly centralised structure will have different employment relations dynamics to one which operates along the lines of decentralisation. Collective bargaining can, for instance, also be centralised or decentralised, and these processes should obviously be aligned with the general management processes of centralisation/decentralisation. It will be very hard to successfully implement decentralised collective bargaining if the organisation follows a policy of strict centralised financial control and management.

1.5.2.3 The organisational context

Contextual factors such as ownership, size, geographic distribution and location of the organisation also have an impact on employment relations. The more workers an organisation has and the more widely diffused its operations and sites are, the more difficult it is, for example, to establish sound communication between management and workers. A South African organisation with operations in Namibia or Zimbabwe as well will have to manage its employees and interactions with other role players such as worker representatives and trade unions in those countries in accordance with the laws and value systems applicable there.

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From the foregoing paragraphs it should be clear that employment relations dynamics are very much intertwined with numerous other factors and variables, both within and outside organisations, stretching from local political and economic issues to developments and trends elsewhere in the world. This makes employment relations a complex and dynamic field of theory and practice, which forms the foundation of this book: to help students, practitioners, policy makers and any other person interested in the field understand some essentials and grasp, to some extent, the intricacies and complexities involved in making employment relations an area of positive contribution to South Africa's endeavour to become a successful nation where all its people can enjoy a good standard of living and quality of life.

Approach and structure of this book

As previously mentioned, an open systems approach is followed in this book. Chapter 2 focuses on the relationship between the major role players – namely employers' associations, labour and the state – but also refers to the additional influences of competitors and customers as part of the pentagonal employment relations system. Chapter 3 provides an overview of the historical developments that helped shape the employment relations system that we have today in South Africa. In Chapter 4, the focus falls on the formal dimension. Here, the relevant labour legislation that forms part of the political subsystem of South Africa is covered. Chapter 5 focuses on the supportive labour legislation in South Africa, such as the Basic Conditions of Employment Act, the Skills Development Act and so on.

Chapters 6 and 7 deal with the more traditional and conflict-driven processes that are involved in union-management interaction. While collective bargaining and negotiations are the focus of Chapter 6, strikes – which in fact form part of the collective bargaining process – are dealt with in Chapter 7. In both these chapters the reader will again encounter the interplay between the formal (legal) and informal (behavioural) dimensions of employment relations.

In Chapter 8 the focus shifts towards the more cooperative consensus-seeking modes of interaction in employment relations. There is consequently a focus on the actual organisational and workplace issues such as grievance and disciplinary procedures. In Chapter 9, industrial democracy and cooperation are dealt with. Various workplace-level structures, procedures and processes in employment relations are also discussed. In the final chapter we deal with the interaction between human resources and employment relations as inextricable components of the overall efficient management of the labour component in an organisation, as well as contemporary interface between these two disciplines.

QUESTIONS

1. Briefly explain what "employment relations" means as a concept, and specifically indicate how it relates to the concept "industrial relations".
2. Outline at least five theoretical perspectives on the conflict/common-ground dynamic in employment relations. Clearly indicate how these ideologies may interrelate.
3. "Employment relations is multidimensional." Discuss this statement.

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4. "The contemporary employment relationship is embedded in modern-day society." Do you agree? Give reasons for your answer.
5. Briefly discuss the following ingredients of employment relations dynamics:
 - Justice perceptions
 - Divergent interests and conflict
 - Power
 - Common ground and cooperation
6. Explain the interplay between employment relations and the environment in which it manifests.
7. Read the news article below and then analyse and critically discuss the following statement: "Politics and employment relations are independent matters, especially in South Africa".

Cosatu, SACP pushing for change

29/03/2007 17:34 - (SA)

Johannesburg – The Congress of SA Trade Unions and the SA Communist Party have vowed to campaign for a change in the way the tripartite alliance operates.

They said on Thursday the status quo in the alliance – comprising Cosatu, the SACP and the African National Congress – encouraged opportunism.

"The days of collective alliance campaigning for elections, but decisions being left exclusively at the hands of the ANC, are now over," said SACP secretary-general Blade Nzimande.

He was briefing reporters in Johannesburg after a bilateral meeting between Cosatu and the SACP.

"We need to radically change the manner of operation of the alliance, its protocols, method of deployment, the question of accountability of government to the alliance, the effective role of alliance partners in governance and the possibility of an electoral pact and quotas for alliance partners in the ANC lists."

Swapping alliances

He said the way the alliance functioned at the moment made it possible for members with ambitions for certain positions to jump ship from one alliance partner to the other.

Cosatu and the SACP would campaign for changes and engage with the ANC at the same time.

"We are not gonna whinge... But we are going to build working-class power on the ground. It does not mean we can't engage with the ANC," said Nzimande.

He said the SACP and Cosatu agreed that in order for the alliance to exist, an ongoing mobilisation programme should be implemented at the ground level.

"The summit noted that, apart from national alliance secretariat meetings, the alliance hardly exists on the ground.

"The building of a strong alliance requires principally strong working-class organisation and mobilisation."

Nzimande said the state of the alliance did not favour the ANC.

Crucial decisions

"We hope that the collective leadership will meet and engage on these matters."

Nzimande said engaging the ANC did not rule out other options such as discussions and further decisions within the SACP.

After the SACP conference, crucial decisions may be taken, including the SACP fielding its own candidates in the next election.

Both organisations said the ANC leadership did not reflect its core constituency.

Cosatu secretary-general Zwelinziama Vavi said their congress gave them a mandate and set up clear demands and time frames to change the status quo in the ruling party.

He said workers wanted the ANC leadership to reflect on themselves.

"If that is not happening we will meet in June to decide on the way forward... to determine our support for the ANC, if there is any," Vavi said.

"You cannot have a liberation movement without working-class representation...

We need to make sure our ANC is our ANC, not their ANC," Vavi said.

The organisation also agreed to actively prepare and take part in the forthcoming ANC conference.

Clear targets set

The meeting noted some positive developments in government policy.

These included the setting of clear targets to reduce unemployment, new programmes to fight HIV/Aids, the recognition of the important role of public servants.

"Indeed many of these shifts are as a direct result of intensified working-class struggles," said Nzimande.

Unemployment was still a crisis and the state of income inequalities had worsened.

(Source: http://www.news24.com/News24/South_Africa/Politics/0,9294,2-7-12_2091285,00.html)

CASE STUDY 1.1**Is coffee the problem?**

It is about 4.30 pm and Simon Ngwenya is overwhelmed by the case he is dealing with in the CCMA offices in Port Elizabeth. He is a practicing labour lawyer and has been asked by the officials of trade union BEBAC and the management of a prominent retailing company in the fast-food business sector, HUNGJAC, to act as a mediator regarding a dispute. The labour and employer parties have agreed that they need this kind of help, and they have opted for a private mediation process with Simon as the agreed-upon mediator. The CCMA has kindly agreed to provide office space at no cost. The case was scheduled for 9.00 am to 12.00 noon. The terms of reference were rather simple: determine whether Suzie Muller was unfairly dismissed and assist the parties to resolve the dispute amicably through an agreement about "the way forward".

Simon is traditionally much more used to win-lose-type of dispute resolution processes. After all, that's what lawyers tend to specialise in: fighting to win the case for your client. This was going to be a challenge, Simon has said to his wife the previous evening – but now he knows that he had no idea how great that challenge was ever going to be. "The case is so complex," he thinks, scratching his head while the parties

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are in separate caucus meetings. He wishes he was still smoking – and that it would have been okay to smoke around here. Simon is visibly stressed. A case officer has walked passed and mentioned that time is running out and that the facilities won't be available all night. It has been a busy day, and the generosity of the CCMA officers has been stretched – they have been in need of the three rooms occupied by this BEBAC/HUNGJAC case since midday. Simon knows they'll have to come up with something here. The parties agreed that a failure to settle and come to an agreement today could result in all sorts of problems.

Suzie was dismissed about three weeks ago when she was reported to have been rather abrupt with a key client who takes extensive deliveries of food weekly from HUNGJAC. In fact it has been argued that she has been downright rude. The client company is in the process of threatening to withdraw from HUNGJAC and to exercise its influence regarding an extensive network of other client companies that weekly make significant use of HUNGJAC's range of festive food and beverages.

Suzie argues that she has not been rude in the first instance, but that repeated misbehaviour of the driver of the client company had caused her a tremendous amount of anxiety which led to her losing patience at a particular point. She claims that at the time of the incident she had been employed by HUNGJAC for just over three months, she was uncertain about many things, got injured that day on the job, and was really "pushed to the limit" by "that pig of a delivery guy". She also states that she has repeatedly asked for her employment contract, but has never received it. She has furthermore been annoyed by the fact, as she said, that she was getting much less pay than agreed upon prior to commencing with her duties at HUNGJAC. This is denied strongly by HUNGJAC's management.

Suzie further argues that she has never been given any formal training of any kind since she started with HUNGJAC. Management, on the other hand, is arguing that Suzie had claimed during the employment interview that she had extensive training in a range of different matters pertaining to the role they were considering to employ her for. Suzie denies that she ever made such claims during the interview. There is no record of what transpired during the interview and the particular outlet manager no longer works for HUNGJAC. Suzie's résumé states: "I have worked in the fast-food business since I was 16 years old and at school. Through having worked at various road-houses, I have learned how to make food and serve customers. Evidence of my experience and training can be solicited if required." None of this was apparently followed up. Suzie was given the job, and the parties agreed that she did not have to engage in any actual food preparation work, but she did have to prepare coffee, hot chocolate, and other soft drinks like milkshakes.

On the day of the incident Suzie poured a cup of hot coffee over the hand of the "delivery man" of the client company. "Why did you do that?" Simon had asked. Suzie's response was, "I had told him how badly I burned my hand earlier that morning with boiling water while making coffee for another client. As I handed him the food and drinks he ordered, he asked me to show him where I had hurt my hand. As I did that, he took my hand in his, and pressed as hard as he could right on the spot where it was hurting and burning most. I screamed, yelled at him that he was a pig – and as he stood there laughing at me, I gently poured the contents of one cup of coffee over his hand. That was when he went to the outlet manager an hour later and reported me."

Simon was thinking and trying to understand why Suzie was so upset and sobbing when she was talking about the ordeal. Upon asking her why she had even given him her hand, she cried and said she trusted him, even though he had broken her heart a week or so earlier when he kicked her out of his flat.

HUNGJAC's management maintains that they have nothing to do with Suzie's private life. They argue that she has cost HUNGJAC a great deal of money and lost business, all because she was unfaithful to her former boyfriend who happened to be the driver for the client company. Management argues that this same trait has been demonstrated by her lying about her own experience and training.

The problem was that HUNGJAC was experiencing increasing competition, staff turnover has been high, and they were presently losing the business of a key client – all because of Suzie's non-work-related problems. So they argued.

Simon could see that the two parties were worlds apart.

He was concerned, however, that he was not going to be able to help them, thinking: "I am a lawyer, not a counsellor on love-related dramas".

Answer the following questions:

1. Is this case about industrial relations or human resource management? Why?
2. What are the aspects or dimensions of employment relations that may be at play here?
3. Who are the role players?
4. Who are stakeholders in this case?
5. Why is Simon finding this case tough to deal with?
6. Given this brief and incomplete scenario/case, what suggestions can you offer to try to reach a solution? Make relevant assumptions if necessary as you build your arguments.

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