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**WORKER PARTICIPATION: A MEANS OF WORKER CONTROL  
OR THE FURTHER CONTROL OF WORKERS-A CASE STUDY OF  
S A WIRE CO (PTY) LTD**

**BY**

**THABO ROBERT HLATHI**

**9036272**

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**SUPERVISOR: DR L-H STEARS**

**JOINT-SUPERVISOR: DR S SINGH**

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## **DECLARATION OF ORIGINALITY**

I wish to state and thereby declare that this thesis is my own original work, unless it is specified to the contrary in the text. I also wish to state that to the best of my knowledge this thesis has never been submitted for any degree, be it at the University of Durban-Westville or any other university.

**SIGNATURE:**

**THABO ROBERT HLATHI**

**REG NO. 9036272**

**DEPARTMENT OF SOCIOLOGY**

**UNIVERSITY OF DURBAN-WESTVILLE**

**JANUARY 2000**

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## **CHAPTER ONE: INTRODUCTION**

In this chapter a brief outline of the background to this research project is presented. This is followed by a statement of purpose, pointing also to the objectives of the study. An attempt is made to develop the meaning of worker participation in the context of what this study seeks to achieve. Beyond the clarification of the concept an international context followed by the South African historical context of the concept is presented.

### **1.1 BACKGROUND TO THE RESEARCH**

The post-1994 period in the South African society will go down in history as a period of major changes in the political, social, economic and cultural spheres. These changes preceding the April 1994 elections, which effectively established a democratically elected government, are likely to have a long-lasting impact on the oppressive and exploitative relations upon which South African society grounds itself. Central to these relations is the employment relationship, one of the central pillars upon which South African industry is firmly constructed. It is contended in this study that these changes currently sweeping throughout the country have a direct impact on the economy, thus affecting in a most significant way the relationship between employers and employees.

It is further contended that changes in the relations between these two major forces of the economy have the potential of affecting not only the employment relationship, but the entire fabric of society. It is precisely the potential effect these changes have on society as a whole, which makes the need of understanding the unfolding of this transformation process so fundamentally important. Given this situation, it is probably proper to point to the fact that this study seeks to uncover the secret surrounding the nature and content of

relations between labour and capital. This endeavour takes the form of exploring the concept of worker participation with the view to understanding the nature of interaction between employers and employees.

The reason why worker participation has been chosen as an area of focus in attempting to understand relations between employers and employees is the rising interest shown by both labour and capital in this concept, both in theory and practice. Particularly during this phase of transition. The convergence of interest shown to this concept, by both these forces requires further exploration and explanation given the contradictory interests these forces are known to represent. Historical analysis of interaction between labour and capital points to the fact that these two social forces represent divergent interests, which have proven very difficult if not impossible to reconcile. It is probably this irreconcilable and antagonistic nature of relations observed by Marx and Engels (1962: 158) in their assertion that:

“Thus all collisions in history have their origin, in our view, in the contradiction between productive forces and the forms of intercourse... This contradiction between the productive forces and the forms of intercourse, which as we saw has occurred several times in past history... necessarily on each occasion burst out in a revolution, taking on at the same time various subsidiary forms, such as all embracing collisions, collisions of various classes, contradictions of consciousness, battles of ideas etc...”

Given this inherent contradiction in the historical relations between these two forces, this convergence, in the embracing of the concept of worker participation, appears not to be voluntary, but representing a particular stage in history as the two forces intensify and vigorously seeking to strategically position themselves for the next round of assault. It is therefore against a background of these contradictory relations between labour and

capital that an examination of the concept of worker participation is pursued. It is also important to point out that the ongoing interaction between labour and capital is not taking place in a vacuum. However, It is inextricably bound up with the broader struggle for social and political emancipation. Interaction between labour and capital is complex and dynamic given the fact that it is influenced even by factors beyond the control of these two forces. This complexity and dynamism is depicted clearly in the assertion by Brittan cited in Kumar (1989: 33) that:

“The politicization of the economy and the society generally, generates excessive and unfulfillable expectations on the part of all social groups. There is government overload and an unholy scramble among organized groups for political influence as the state becomes an arena for the fulfilment of private and group wants.

In South Africa the situation was made even more complicated by the state’s adoption of an apartheid system. As Mothlabi (1984:11) correctly points out:

“Not less among his plans was the establishment of a republic and the promotion of White unity. This White unity was to be achieved at the expense of Blacks. As already pointed out, they were to be regarded not as a single group as in the case of Whites, but rather as separate nations. This has often been justified by the claim that Africans are as separate from each other as Europeans from Asians. Consequently, the argument that White South Africans do not belong to the same ethnic group nor do they share the same culture and language is seen as irrelevant.”

The above quotations raise without any ambiguity the significant and probably dominant role the state has in the regulation of the relationship between capital and labour. To show that the relationship created between capital and labour is not a bilateral relationship,

Bendix (1989: 66) argues:

“The labour relationship is a tripartite relationship between employers, employees and the state. While employers and employees are by necessity involved in the relationship and



should have an equal standing, the state need not be involved in the relationship to the same extent. It may take the position of an equal partner, but it may also adopt a policy of minimal interference, or, conversely, attempt to dominate the relationship. Whether the state interferes in the relationship or not, will, in the broadest terms, depend on its adherence to the principle of voluntarism on the one hand or mandatorism on the other.”

Further down it is argued that:

“In general, most Western societies operating to a greater or lesser degree, on the free market principle, support voluntarism as a basis of their industrial relations systems. Yet, in practice, absolute or pure voluntarism exists nowhere in the world. In all so-called voluntary systems there are mandatory elements, the degree varying from country to country and, even in one country, from government to government or from year to year.” (Bendix, 1989: 67)

Whilst the state may attempt to regulate all spheres of human life in modern societies, it is important though, to state that for the purposes of this dissertation, the regulatory role of the state will be considered in so far as it affects relations between labour and capital.

## **1.2 PURPOSE OF THE STUDY**

Worker participation as a concept is too broad and vague to be studied in its entirety.

Given this reality, the purpose of this study is to confine itself to the exploration of the concept of worker participation on two fronts:

- as a mechanism of pushing back the frontiers of control on the shop floor and increasing worker control of the production process; and
- as a means of manufacturing consent and inculcating a culture of submissive worker collaboration, thereby further increasing employer control of the production process.

It is the objective of the study to establish if any causal relationship between worker participation and worker control exists and if any causal relationship between worker participation and management control exists.

### 1.3 UNDERSTANDING WORKER PARTICIPATION

Given the ambiguity and the vagueness of the concept of worker participation, its susceptibility to manipulation by various forces seeking to serve interests as diverse and sometimes irreconcilable, as those of capital and labour, is great. It is precisely this fluidity of the term, which necessitates that a conceptual framework for purposes of this study be developed, to allow a better grasp of ideas, arguments and debates advanced in the study. Without a clear framework, problems of interpretation arise as best captured in the argument that, related to this are not only sharp differences as to the kinds of activities the various perspectives define as 'participation', but there are also differences as to the expected results of participation and the values promoted by it (Fenwick & Olsen: 1986; Greenberg: 1975).

For the purpose of this study, worker participation is regarded as an interactive process between capital and labour, which has as its primary and ultimate objective the need to afford to labour the opportunity and right to take a meaningful part in decision making on almost all issues affecting the enterprise, the industry and national economy. This opportunity and right should have as its primary purpose the need to ensure a meaningful contribution towards the development and further deepening of democracy for the benefit of those who historically have been subjected to deprivation.

This view of worker participation clearly is broad in scope and represents a radical departure from the notion of worker participation as a concept distinctly separable from the concept of collective bargaining. This expanded view of worker participation effectively adds a unique dimension to the assumption seeking to distinguish between co-

operative and adversarial participation as theoretically and practically incompatible. This view of worker participation is evident in the argument that:

“Participation programmes will only deliver on the promise of increased productivity and efficiency if the focus of the programme is the full participation of workers and there is a strong union to enforce an agreement to get managers to cede their power to the workers. Typically these are unions with reputations of adversarial bargaining approaches” (Banks, 1994: 102/3).

In a thought grounded on a similar premise Maller (1992: 1) point out that:

“This process of economic democratization needs to be based on strong and independent trade unionism. Unions provide workers with an organizational locus of power which would be lost if workers were constituted as individual employees with individual relationships to management. The project of participative management which seeks to undermine unions is therefore rejected: it does not empower workers, nor allow them to influence decision making. Instead it attempts to alter the balance of power to retain managerial prerogative, under the guise of participation.”

It is clear from the above argument that the success of a participatory endeavour is not only dependent on the day to day interaction between employers and employees at plant level, but also on a strong trade union which is capable of enforcing agreements agreed upon. To further support this argument Banks (1994: 102) pointed out that studies have also shown that unionized manufacturing plants which have employee involvement programmes are 50% more productive than non-union plants with employee involvement programmes.

There is also a limited view of participation, seeking to view co-operative and adversarial participation as conceptually distinct and mutually exclusive entities. This view is best represented by the assertion that:

“A system of worker participation in the decision making function presupposes that the right of employees to share in the decision making process is accepted. By contrast collective bargaining recognizes the right of employer to manage and take meaningful decisions; in collective bargaining, decisions are not shared from the outset, but are challenged once they have been taken or tempered by consideration of trade union power” (Bendix, 1989: 116).

In fact, the view propounded in this study argues that the conception of two different notions of worker participation, one based on co-operation and the other on conflict is superficial and over-simplistic. On the contrary, worker participation must be viewed as a two-dimensional process in which both the co-operative and conflictual aspects of the concept constantly articulate themselves ready for utilization by either labour or capital depending on the balance of forces and the level of consciousness of each class.

This view is supported by the statement that:

“Co-determination is not necessarily identical with labour/management co-operation either. Indeed, co-determination can be quite conflictual. Very often under co-determination labour and management argue for a very long time over a decision, for example the introduction of new technology. And they will have very different views on this at the beginning and they will need a long time to come to a consensual solution. This is not necessarily co-operative. Indeed it often requires that workers make their voices heard very strongly before management is willing to make a concession, and in this respect it is not so different from collective bargaining” (Streeck, 1994: 89).

Worker participation for the purposes of this exercise is the one that recognizes the existence of both dimensions inherent in the process. At the same time it is not dependent only on the regulatory power of the state through legislation but also on the exercise of power by the parties involved in the relationship.

Parallel to these two views on the nature of worker participation, are also differences on the objective of the concept. For instance Rahnema (1991: 119) observes that:

“Governments and institutions interested in greater productivity at low cost, are increasingly in need of ‘participation’ for their own purposes. Their interest is also, largely sustained by the fact that they have learned to control the risks inherent in possible unruly abuses of participation. Participatory slogans create feelings of complicity between the public manufacturers of illusions and their consumers; on the other hand peacefully negotiated forms of participation can take the heat out of many situations where development policies create tension and resistance on the part of their victims.”

Inherent in this view is the observation that there is a tendency in some quarters to use participation as a tool for creating and reinforcing a sense of compliance, complicity and submissive collaboration on the part of the people participation is meant to empower. This tendency effectively represents a reactionary and a conservative approach to participation. Translated into workplace participation, this approach assumes that worker participation must be encouraged, not necessarily as a tool for worker empowerment, but as a mechanism through which management may better be able to exercise its control much more effectively.

This approach to worker participation has been attempted at various levels in different forms. For instance, in South Africa White industrialists in their efforts to salvage the project of capitalism from its tarnished image, as viewed by Black people in general and Black workers in particular, arising from its association with apartheid, persistently advocated the adoption of workplace participatory measures. As part of a similar campaign, Zach de Beer, then a director of Anglo American, cited in Maller (1992: 8) posited the view that:

“During many long decades, while they have suffered adverse discrimination in a capitalistic society, many Black people have come to associate capitalism with apartheid... It behoves every committed supporter of free enterprise to start now, working to bring the benefits of the system more and more within the reach of our Black

citizens, so that they too become believers in it. Certainly this means active black advancement programmes... and it means the extension of share ownership to employees, to the maximum extent that this is feasible.”

There is on the other hand a viewpoint, which assumes that participation has the potential and capacity to transform the status quo. According to this viewpoint, worker participation into the affairs of an organization does not represent co-optation as some theoreticians claim. It is, however, a right, which workers have to struggle for and attain because it is one important vehicle through which they can begin to seriously challenge current social relations and begin to effect some changes for their own benefit. The observation by Von Holdt (1994: 313) probably points to this direction in his argument that:

“Workers see the workplace regime as still very much shaped by apartheid. Management is authoritarian, real decision making lies in the hands of white managers, and workers only have access to information management believe they should have. Even when consultation or ‘worker participation’ is introduced, it is usually done in a paternalistic and limited way. The result is that workers do not consent to the workplace regime. In dealing with this situation, workers have responded to their experiences of exclusion and oppression under apartheid with a vision of substantial participation and democracy as an alternative.”

The views outlined above clearly demonstrate that worker participation is conceived, not only differently by various interest groups, but also the object the concept is meant to serve is not the same. It is this reality, which must be borne in mind in any attempt at analyzing various forms of worker participation and the extent to which these are able to provide to the workers the empowerment necessary for them to make meaningful and decisive interventions contributing towards the management of companies and sectoral economies in which they are employed.

## 1.4 INTERNATIONAL CONTEXT OF WORKER PARTICIPATION

“Over the last few years there has been a talk and discussion about South Africa’s re-entry into international markets or into international economy. As a result of this re-entry it has been suggested that the South African economy has to be internationally competitive, and to do this it must produce more value added goods. To do the latter, the South African economy must raise its level of productivity. Proponents of this argument have then gone further and argued that the key to increased competitiveness is the restructuring of the economy and in particular the shop floor – i.e. the process of production itself, – based on a trained workforce and technological innovation. In turn for this restructuring to take place, and for the objective of competitiveness to be achieved, the relationship between management and labour on the shop floor, in the industry and in the economy as a whole must be a co-operative one instead of a conflictual one” (Lehulere, 1995: 8).

The above extract clearly demonstrates the need to consider the impact of the global economy in an attempt to develop a full grasp of worker participation in South Africa.

This is precisely because not only were the authors of the Labour Relations Act (1995), which gave worker participation its legislative muscle through the provision allowing for the establishment of workplace forums, greatly influenced by this thinking, but reality seems to suggest that indeed globalization plays a decisive role in most if not all national economies.

This is further articulated in the assertion that:

“Already in the last century, students of political economy, had noted the tendency of capital to operate internationally unconstrained by questions of boundaries of national states or the sovereignty of these states. Clearly in the modern period, there has been a rapid acceleration of this tendency, with capital treating the entire world as one market place” (ANC discussion document, 1996: 13).

A similar line of thought is also contained in the argument that:

“In accord with this tendency, capital drives beyond national barriers and prejudices as much as beyond nature worship, as well as all traditional, confined, complacent,

encrusted satisfactions of present needs, and reproductions of old ways of life. It is destructive towards all of this, and constantly revolutionizes it, tearing down all the barriers which hem in the development of the forces of production, the expansion of needs, the all sided development of production, and the exploitation and exchange of natural and mental forces” (Marx, 1973: 409/10).

On the basis of the above, it is clear that consideration of the impact of global influence on South Africa is not only necessary but also inevitable if a full grasp of some of the developments and processes currently taking place is to be developed.

Consideration of the global influence on the South African economy points to the fact that the post 1994 South Africa has seen an increase in the amount of capital coming into the country relative to the past decade or so. The signing of the General Agreement on Tariffs and Trade, for example, has meant that most South African companies are now exposed to intense competition from international companies more than they had ever been for the past two decades or so. This view is in line with the observation that:

“Beginning with the structural (mal) adjustment programmes of the World Bank and International Monetary Fund (IMF), and now culminating in the signing of the Uruguay Round of negotiations held under the auspices of the General Agreement on Tariffs and Trade – the GATT (now transformed into the World Trade Organization), the Multi National Corporations (MNCs) and their governments are forcing the governments of the less developed countries to open up their markets to the products and capital of Multi National Corporations (MNCs). In the Uruguay Round there has been an emphasis on forcing the less developed countries to allow the free movement of capital in and out of their countries...” (Lehulere, 1995: 12).

This and other developments taking place at the international level, place a considerable amount of stress on South African companies to rapidly respond to challenges posed by this increasingly changing international context. Problems and challenges facing most South African companies, as a result of these rapidly changing conditions, are among



other things, a need to streamline their production processes, re-engineer organizational structures, cut down on costs and to improve their levels of productivity and service provision in an attempt to ensure that they are able to successfully compete internationally. Clearly, the most propagated strategy, given the history of South Africa, is the move away from adversarial toward co-operative relations between employers and employees. It is therefore within this understanding that worker participatory schemes more often than not are conceptualized.

Assuming the impact of international influence on South African organizations, without a full grasp of the national dynamic, contains possibilities of decontextualizing the conception of worker participatory schemes taking place in South African companies. The truth of the matter is that despite the need for South African companies to rapidly move towards being competitive in comparison to their international counterparts, they themselves continue to fight for an increased share of the market. Marx (1995: 7) probably had this in mind when he argued that:

“Except in the periods of prosperity, a most furious combat rages between the capitalists for their individual share of the market. This share is directly proportional to the cheapness of the product. Apart from the rivalry this struggle gives rise to in the use of improved machinery for replacing labour-power, and the introduction of new methods of production, there comes a time in every industrial cycle when a forcible reduction of wages beneath the value of labour power is attempted so as to cheapen commodities.”

A similar view is shared in Lehlere's (1995: 13) observation that:

“Capitalism and other laws of property that correspond to it, create antagonisms and competition between and among the capitalists. From this it follows that the condition of competitiveness of our country, that is the unity of capitalists, goes against the laws of motion of capitalism and can only be achieved at the expense of other capitalists.”

On the basis of this understanding, an argument is posited here, that as a consequence of the competitive conditions which the intense competition among capitalists gives rise to, interaction between employers and employees is bound to continue both its contradictory and collaborative character. Contradictory in the sense that, as Marx in Pinaud & Kester (1994: 152) is able to show that as part of a strategic response to this competition, capitalists are more likely to move away from labour intensive operations with an accompanying strategy of reducing wages to the lowest possible limit in an attempt to cheapen commodities. The likely response on the part of the workers is to confront such attempts with vigorous resistance in defense of their hard earned victories. Collaborative in the sense that, the observation by Pinaud & Kester (1994: 143) that co-operation between unions and management is an issue of great importance in the system of industrial relations, not only in the context of democratic participation as an end in itself, but also because of the significance of such co-operation in achieving those other, equally important objectives – equity and humanity, has more relevance to the on-going relations between these two forces.

Whilst global competition continues to pose a threat to most South African companies, this does not in any way suggest that employers and employees will blindly collaborate irrespective of their class interests and objectives in an attempt to ward off international competition. What is more likely to happen, is that whatever form of worker participation gets adopted, is most probably going to be informed by interests of both forces. Workers are more interested in ensuring that the winds of change brought about by this changed international context do not result in them losing their jobs, either through the closure of companies in which they are employed as a result of their failure to successfully compete

with international companies. Or, alternatively, they loose their jobs through retrenchments as a consequence of unilateral restructuring processes by management in their endeavour to survive, at worst, or to remain competitive, at best. Employers on the other hand are more interested not only in the continued operation, but more importantly in ensuring the profitability of their enterprises.

This sentiment is expressed by Peter Malepe (1994: 111) the first vice president of Food and Allied Workers Union (FAWU) in his statement that:

“Companies are going through processes known variously as restructuring, rationalization, transformation, etc. All of these concepts end up retrenching workers. So we have had to abandon the attitude that management alone can decide these issues and we will protest afterwards – that we will take them on the streets with baseball bats, and the one who hits hardest wins. We must now force the company to agree that we must be part of decision-making.”

On the same breadth, National Union of Mineworkers’ (NUM) Gwede Mantashe (1994: 108) asserts that:

“We argued that the question of the long term viability of Eskom as a utility couldn’t be seen as a prerogative of management. We said that one can only talk of retrenchment after all other options, like transfer within the utility, retraining and redeployment, have been explored. That was accepted. For workers to be able to influence the decision-making process they must be part of the structures of decision making. You cannot influence decision making over the negotiation table, you need to be part of the structure. The company must have an obligation to share its strategic vision with trade unions.”

As it is clearly demonstrated by the discussion above, the rapidly changing international context has presented to both labour and capital problems and challenges requiring strategies qualitatively different from those employed in the past. What remains unchanged, is the fact that whatever strategies employed continue to be informed by the

strategic interests and objectives of both labour and capital, which more often than not are contradictory. It is clear therefore that worker participation, as one such strategy is being crafted and continues to unfold within this contradictory conceptual framework.

## **1.5 THE HISTORICAL CONTEXT OF WORKER PARTICIPATION**

Worker participation, like most other social concepts, has a historical dimension to it. In this section, an attempt is made to outline, though very briefly, the South African context of this historical dimension. In examining this context, particular emphasis is given to the contradictory nature, at one level of class relations between labour and capital, and at another level, of race relations between the major race groups. Parallel to this analysis is an attempt to examine the role of the state in its attempt to regulate both class and race relations. In the course of this analysis, an argument is advanced that in this context of social fluidity and dynamism, participation emerges, not necessarily as a pre-thought, well calculated effort, on either side of the conflict, but rather as a response to the ongoing contradictory interaction between on the one hand, various social classes and on the other, different race groups.

To be able to sketch out the socio-economic and political conditions under which the need to embrace the concept of workplace participation emerged in South Africa, it is probably necessary to provide a contrast between the Industrial Conciliation Act (1924) and Labour Relations Act (1995). In this contrast, the study pays particular attention to the socio-economic and political developments regarded as critical in the conception and subsequent enactment of these two pieces of legislation. This is achieved through a brief examination of the nature of these developments and how the state, in its response to

these developments, at two different times in history, sought to create an environment conducive to growth, stability and industrial peace. Before engaging in this analytical endeavour, it is however, necessary to stress the point already made above, that worker participation is understood here, to contain in it both the contradictory and co-operative aspects of labour relations, expressed in the form of collective bargaining and 'worker participation' respectively. These phenomena are conceived as just two dimensions of the same process rather than distinct and mutually exclusive processes.

### **1.5.1 THE INDUSTRIAL CONCILIATION ACT (1924) AND WORKER PARTICIPATION**

The Industrial Conciliation Act (1924) represents the first attempt on the part of the state not only to acknowledge the existence of workers' trade unions but also to recognize them through legislation. As Du Toit et al (1997: 3/4) state:

"This statute provided for the registration of employers' organizations and trade unions excluding pass bearing African workers, introduced a framework for collective bargaining and a system for the settlement of disputes, and regulated strikes and lock-outs. Voluntary centralized collective bargaining was promoted by providing for the establishment of industrial councils by agreement between an employers' organization and a registered trade union or unions."

This acknowledgement and recognition, however, falls short of giving space to all workers' interests and aspirations to be expressed. This is clearly depicted on the statement that:

"But another legacy was the dual, racially-determined system of industrial relations. This was created by the exclusion of pass bearing African workers from the statute's definition of 'employee', and therefore from membership of registered trade unions, from direct representation on industrial councils, and from using conciliation boards" (Du Toit et al, 1997: 5).

This exclusion of Black people from the mainstream of labour relations is also mentioned in the observation that:

“Black workers were not afforded the right and opportunity in law, like other race groups, to organize themselves into trade unions. This deliberate exclusion of Black workers from the formal institutions of labour relations meant that unlike White, Coloured, and Indian workers, they had no right to collectively bargain for higher wages and better working conditions and/or oppose unfair dismissals, but rather their grievances were to be directed through factory based works and liaison committees” (Baskin, 1994: 245).

This exclusion of Black workers from the institutional framework of labour relations appears to be in line with the state’s overall strategy of excluding Black people from the political institutions. It is precisely this exclusion, not only from the political institutions, but also from the mainstream of labour relations, which in the later years, informed not only the economic struggles of South African society, but the broader socio-political conflict. A critical analysis of the developments leading up to the enactment of this piece of legislation suggests that the Industrial Conciliation Act (1924) came into effect after the economic depression which lasted from 1920 to 1923. This economic depression followed immediately after the war of 1914 to 1918 as clearly encapsulated in the view that:

“It must be viewed against the background of the severe economic slump of 1920 which followed the post-war period of expansion and inflation. This depression which lasted from 1920 to 1923, followed the same pattern as other South African depressions, with falling prices, shrinking profits, bankruptcies, budget deficits, unemployment and wage cuts” (Muller, 1981: 408).

Resulting from this deteriorating economic situation, the Chamber of mines in October 1921 proposed a wage cut and further proposed that the agreement which regulated the

ratio of Whites to Blacks in the mines should be adjusted in favour of Blacks. These two proposals angered White workers particularly the changing of the White to Black workers ratio. Their view was that if these were accepted, many White miners might be dismissed in favour of Black workers. Both these proposals by the Chamber of Mines were rejected by White miners. They subsequently embarked on a Strike action which degenerated into a large scale revolt against the government.

The enactment of the Industrial Conciliation Act (1924) appears to have been meant to deal with two major pressing issues during this period. The first of these was the growing militancy of the White workers against their employers. Secondly, it was the growing hatred of Black workers by their White counterparts. These issues became much clearer during the 1921 miners' strike. During this strike action, White workers were engaged in a dual struggle, against mine bosses as the owners and controllers of the means of production, and Black workers as the 'inferior race', the bearers of inferior culture. In a similar sentiment Muller (1981: 409) pointed out that:

"Thus the White worker in South Africa was fighting on two fronts: on the one hand, like his European counterparts, against the capitalists and on the other hand, unlike his European counterparts, against the competing Blacks."

This observation concurs with the view held by Luckhardt and Wall in Baskin (1994: 243) in their analysis of Black workers' response to developments around this period, that although the communist party called for non-racial trade unions as the ideal, the reality was that Black workers first needed to solidify their collective strength against not only capital but also white workers firmly committed to the industrial colour bar.

From a long-term strategic perspective, The Industrial Conciliation Act (1924) did not

only serve a purpose in the labour front but a political purpose as well. From labour relations' perspective, it sought probably for the first time, to allow space to the workers albeit in a limited way, to participate in the discussions determining terms and conditions of their employment. The assertion that White, Coloured and Indian workers could belong to trade unions and had the right to bargain for higher wages or better working conditions, or to oppose unfair dismissals through the structures of industrial relations, which included industrial councils and conciliation boards is testimony to this fact.

(Baskin, 1994: 245)

Despite the exclusion of Black workers from this arrangement, the fact remains that some workers, at least, were afforded the opportunity to take part in determining their terms and conditions of employment and to fight injustices in the workplace. What is apparently clear with this arrangement, other than the exclusion of Black workers, is the non-extension of worker participation rights into core areas of business decision making.

It is also worth mentioning the point that this piece of legislation successfully managed to neutralize the militancy of White workers. This was achieved in part by acknowledging that the interests of capital and labour are incompatible. With this acknowledgement, came the recognition that such divergent interests ought to be given institutional space for their expression, though in a very restricted manner, within the framework, set and controlled by the state. The controlling mentality of the institutionalization of conflict through allowing trade unions some space to operate is contained in Wiehahn's (1979) recommendation for the inclusion of Black trade unions' into the mainstream of labour relations. He argues that:



“African unions are not subject to protective and stabilizing elements in [the present] system of discipline and control. In part, they enjoyed greater freedom than registered trade unions in that they could participate in party politics and use their funds for any purpose they saw fit... It is better to recognize them at an early stage in order to control the pace of union development” quoted in (Webster, 1994: 269).

Whilst this represents an argument presented for the inclusion of Black trade unions into the mainstream of labour relations, this study argues that given the fluidity of the situation and militancy of White labour at the time just before the enactment of this legislation, a similar reasoning prevailed, putting emphasis more on the controlling aspect of the institution of labour relations than on their empowerment aspect and acceptance of the trade union's independence.

It is not the intention of this study to posit the view that the militancy and the ability of the workers to struggle, is dependent on the state and capital's strategies and tactics. Such a view is an underestimation of labour's capacity to determine their own destiny and also represents an over-simplified version of the complex nature of the relations between the state, capital and labour. The reality remains that the subordination of either one of these to the other is informed, and more often than not dependent on the balance of class forces. In the case mentioned above, however, closer analysis seems to suggest that the militancy of White workers was indeed neutralized and as both class and race, were subsequently subordinated to the interests and aspirations of capital. This strategy on the part of the state dealt a serious blow to any attempt during this period, which sought to nurture and develop the idea of non-racial trade unionism. This piece of legislation marked an important milestone in the history of the South African labour front in that it not only institutionalized divisions in the workplace anchored on racial origin, but further

laid a strong basis for subsequent struggles, which characterized the South African labour relations up to the period just before the April 1994 democratic elections.

At a political level, the racist White regime sought to consolidate the interests of various social classes within the White community. This consolidation had to take place within an environment of industrial peace and stability. It is further argued in this study that the consolidation of such interests and the portrayal of a White nation as a nation united behind common goals, culture and interests had a decisive influence on the regime's subsequent frontal assault on Black people in general and Black workers in particular. The effectiveness of this strategy is reflected on the successful incorporation of the interests of the White working class, at least during the height of White supremacy, domination and repression, into those of capital. This view concurs with the observation that:

"The slow emergence of non-racial industrial unions during the 1970s challenged the comfortable 'social contract' between the apartheid state, employers and white labour based on protectionism and cheap labour" (Adler & Webster, 1984: 5).

From the brief analysis outlined above, it is clear that worker participation, prior to the enactment of the Industrial Conciliation Act (1924) was non-existent. With this Act coming into operation, the space allowing labour to articulate their interests as an independent group with a set of interests objectively distinguishable from those of capital was opened. The opening up of such space however, was restricted, in the sense that it catered only for White, Coloured and Indian workers and excluded black workers. At another level even race groups that had the right to worker participation, were not

allowed to engage in areas widely regarded as management prerogative. Stated differently, only one dimension, the conflictual facet of worker participation was given space in the statute.

### **1.5.2 THE LABOUR RELATIONS ACT (1995) AND WORKER PARTICIPATION**

At the time of the promulgation of the Labour Relations Act (1995) conditions, which prevailed at the time of the enactment of the Industrial Conciliation Act (1924) had changed radically. Whereas the 1924 legislation was an attempt for the first time to regulate the employment relationship, in which regulation, workers were afforded the right to collectively bargain, the Labour Relations Act (1995) represents an endeavour at improving on the Labour Relations Act (1956) as amended. This improvement took various forms, among which is the inclusion within the ambit of the law, employees who historically were not part of the Act e.g. domestic workers, and the incorporation of an extended right to participation through the provision of workplace forums.

A critical assessment of the context within which the Labour Relations Act (1995) is conceived suggests that its conception is influenced more significantly by changes currently taking shape in the country, particularly the need for South Africa to strategically position itself within the imposing global economy. Whilst the Act appears to promote dialogue, co-operation and the speedy resolution of conflict between employers and employees, it is clear that such promotion is in line with the world trend wherein radical solutions to problems are increasingly becoming discredited. This view concurs with the observation that:

“An additional factor accounting for the legitimacy of corporatist solution is the current international climate. The collapse of Stalinist societies in Eastern Europe and the Soviet Union has had two distinct but related consequences. First, it has transformed the international climate, delegitimizing radical solutions and promoting negotiated outcomes. Second, it has resulted in the retreat of intellectuals and activists by delegitimizing socialist and communist discourse. Both factors—a reformist international climate and the ideological crisis of socialism—have negated strategic perspectives that result in zero-sum outcomes” (Desai & Habib, 1995: 32).

Coupled with this international trend putting more emphasis on negotiated outcomes has been the changing character of class balance of forces within the country. In the late 1980s, early 1990s the apartheid regime accepted reality that its apartheid ideology could no longer be sustained any further and therefore decided to unban liberation movements, political and other opposition organizations, which were banned as a result of their struggle against apartheid. Leaders of the liberation struggle were released in an attempt to begin negotiations on how best the conflict could be resolved.

Parallel to these developments, business leaders were beginning to realize that the sustainability of their businesses is no longer guaranteed under an apartheid regime, and were also beginning to explore ways through which the historically deprived masses could be engaged in the process of stabilizing the situation. Trade unions on their part, were beginning to radically redefine their role under these changed conditions in an attempt to strategically position themselves in order to continue to influence changes, which rapidly were requiring new conceptual strategies and tactics.

One of the clear changes made by the trade union movement during this period has been a shift from the politics of protest and boycott towards participation and involvement. For instance Desai and Habib (1995: 30) point to this trend in their assertion that Von

Holdt correctly identifies two related, but distinct, roles for the National Economic Forum (NEF) in Naidoo's statement. They go on to argue that the first is a problem-solving one where the National Economic Forum (NEF) would be mandated to find solutions to current economic, and probably other related, problems. The second one is a proactive one, in which case the National Economic Forum (NEF) is to serve as a forum in which capital, labour and the state discuss, negotiate, and agree on macro economic policy and a new growth path for the South African economy.

Analysis of the above observations suggests that the Labour Relations Act (1995) is indeed the product of this kind of thinking in which major stakeholders are expected to build their working relationship around some form of partnership in order to ensure the involvement and participation in the decision making process by those who in the past had this right denied to them. This trend, away from radical solutions towards corporatist approach to problem solving is in no way a smooth sailing process, in which all involved stakeholders are agreeable.

In fact, it remains anchored on contradictory relations and the exercise of power depending on the class balance of forces. As Gondongwana, cited in Desai & Habib (1995: 31), clearly insists that the right to strike is fundamental to the existence of the labour movement and cannot be traded in any social accord. With this understanding in mind, it is logical to argue therefore that this shift towards a corporatist approach to problem solving appears to represent on the part of the state, business and labour a compromise solution given the fact that neither the revolutionary nor the reactionary forces appear to enjoy a more favourable position in the scale of balance of class forces

not to accept corporatism as the most viable alternative. To illustrate the transitional nature of this arrangement, Saul, cited in Desai & Habib (1995: 33), argues that:

“This transitional strategy involves a struggle for reforms which are not comfortably self-contained, but which instead self-consciously implicate other necessary reforms that flow from it as part of an emerging project of structural transformation.”

This employment of a corporatist strategy is not new in South Africa as Winckler, cited in McCrone, Elliot & Bechhofer (1977: 46) put it:

“In fact, in many Western societies, the conditions of war had led to a considerable degree of central control, and the creation of many state structures with corporatist tendencies. The need to co-ordinate production efforts and to resolve differences of interest between employers and employees in particular laid many foundations for corporatist structures.”

In viewing the extension by the Labour Relations Act (1995) of the right of workers to participate on issues historically regarded as falling outside their scope of influence, care should be taken to conceptualize the transitional character of this extension. Emphasis ought to be put on the fact that the extent to which such participation is meaningful and decisive, and does indeed lead to worker empowerment and control is greatly dependent on the balance of class forces and how the forces, party to this arrangement, i.e. the state, business and labour respond and hope to deal not only with challenges facing the country but also to the self-imposing global politics and economy.

Failure to grasp this dynamic might easily lead to a decontextualized conceptualization of the concept of worker participation which is unable to explain the nature and probably the reasons why forces with interests as diverse and irreconcilable as capital and labour actively promote the adoption of the concept.

## **CHAPTER TWO: RESEARCH METHODOLOGY AND PROCEDURE**

The company under investigation is S A Wire Company (PTY) Limited in Durban. The company was established in 1913 and is involved in the conversion of raw wire and steel into among other products, the diamond mesh and gates for fencing, industrial chairs, windi-driers, clothes lines, curtain rods, vegetable racks, dish-driers and refrigerator shelves and baskets. The researcher is an employee who joined the company twelve years ago and he has been with the company since then.

In this section, an attempt is made to outline, though very briefly the methods employed for data gathering purposes. Coupled with this brief outline is an endeavour to sketch the procedure followed in gathering such information. It is hoped that such an exercise will begin to show why it has been necessary to choose a case study analysis as an instrument for understanding the issue in question and also the rationale for the adopted procedure.

### **2.1 RESEARCH METHODOLOGY**

Given the fact that the purpose of the project is to examine worker participation on two fronts, i.e.:

- as a mechanism of pushing back the frontiers of control on the shop floor and increasing worker control of the production process; and
- as a means of manufacturing consent and inculcating a culture of submissive worker collaboration, thereby further increasing employer control of the production process.

It is imperative that the methodology chosen lends itself to an investigation of the concept of worker participation within its real life context, where lines of demarcation between

the concept and its context are clearly evident, and in which multiple sources of data can be used. To this end, a South African company, has, for investigative purposes, been chosen where the concept of worker participation is considered to be embraced by both management and workers respectively.

The researcher contends that analysis of employer-employee relations in a specific company offers a greater opportunity of gaining in-depth understanding of the experiences, behaviours and attitudes of the two parties in their day-to-day interaction.

On the adoption of a case study as a method of gathering data Eisenhardt (1989: 548/9) states that:

“Case studies are particularly well-suited to new research areas or research areas for which existing theory seems inadequate. This type of work is highly complementary to incremental theory building from normal science. The former is useful in early stages of research on a topic or when a fresh perspective is needed, while the latter is useful in later stages of knowledge.”

A similar sentiment is expressed in Ghauri, Gronhaug & Kristianslund (1995: 87/8), where it is argued that:

“An intensive study of selected examples is a very useful method of gaining insight and suggesting hypotheses for further research in relatively less-known areas where there is little experience and theory available to serve as a guide.”

In line with this conceptual understanding, this research project, in its endeavour to gain insight into the relations and ongoing interaction between the firm's management and employees, employs a case study analysis. The adoption of a case study analysis is informed by the fact that the interest of the study is not on testing existing hypotheses. Rather it seeks to gain in-depth information relating to the relations between management



and employees by examining relevant features and characteristics of the company under investigation.

On the basis of this understanding, it must be said that the nature of issues to be explored do not easily lend themselves to quantitative research and hence a qualitative form of data gathering is used. Strauss and Corbin cited in (Ghauri, Gronhaug & Kristianslund (1995: 85) in commenting on qualitative methods of research pointed out that:

“Qualitative research is thus common in social and behavioural sciences and among practitioners who want to understand human behaviour and functions. It is quite suitable in studying organizations, groups and individuals.”

It is clear, on the basis of the above assertion that the employment of quantitative methods of data gathering, considered by many as the only scientific methods with the capacity to provide objective and scientifically accurate data, is not always relevant to all situations. There are situations, like the one under consideration which are more suited to the employment of qualitative methods. It is on the basis of this understanding that a case study analysis for the purposes of this study has been adopted.

However, the down side of case study analysis as a method of gathering data is the fact that findings and conclusions made can not easily be generalized to other cases in the sense that, data gathered more often than not, is specific to a case under scrutiny.

In an attempt to effectively engage in and do justice to this analytical endeavour, it was necessary to utilize various sources of data. The study utilized both the primary sources of data, particularly the interviews and secondary sources of data, in particular the review of past literature on issues around worker participation. Secondary data were utilized

primarily because the researcher felt that more time and money would be saved since it was possible that some of the information required for the purposes of the study was already available in areas where such information is kept e.g. libraries. However, secondary data were used cautiously given the fact that since they may have been collected for the purposes different from the purpose of this study, conclusions drawn from them may not be relevant to this study. As Ghauri, Gronhaug, & Kristianslund (1995: 56) put it:

“There are some serious drawbacks in working with secondary data. We should be careful in using data only because they are easily available and save us time and money. One of the main problems is that these data are collected for another study with different objectives and may not completely fit our problem. It is therefore of the utmost importance to identify what we are studying, what we already know about the topic, and what we want to have as further information on the topic.”

It must also be mentioned that due to time constraint, it has not been possible to tap into all existing sources of data. Nevertheless, sources of data that were eventually chosen were able to provide as much and as relevant information to allow reasonable conclusions to be drawn. These are discussed on the sections below.

### **2.1.1 DOCUMENTARY STUDY**

The documentary study method has been selected because of its capacity to go back in history to establish as close as is possible the truth about the subject being studied. In this case this form of data collection has been chosen in an attempt to develop some insight into the nature of relations and interaction between management and workers, using both the documented guidelines serving as a framework within which their interaction has to take place, e.g. bargaining council collective agreement and the documented engagement

of the two parties, e.g. minutes of the meetings. The importance of employing this form of data collection lies in the fact that it contains in it the advantage of having little or no reactivity particularly because most of these documents were written, not for research, but for record and information dissemination purposes. Through documentary study, the researcher has access not only to the historical information about relations between management and workers but also their current relations and interaction given the fact that documents also contain information on current issues particularly those that are discussed between management and worker representatives in their closed meeting sessions.

Because central to this study is an attempt to uncover past experiences of employees and management in the company under investigation, of which very little is known to be able to understand their current relations, the employment of a qualitative method in the form of documentary study is more likely to yield positive results. This viewpoint is reiterated in the assertion that:

“Qualitative data are attractive for many reasons. They are rich, full, earthly, holistic, real; their face validity seems unimpeachable, they preserve chronological flow where that is important, and suffer minimally from retrospective distortion; and they in principle, offer a far more precise way to assess causality in organizational affairs than arcane efforts like cross-lagged correlations” (Miles, 1979:117).

As much as a documentary study provides relatively more reliable information about the past and the present because of the very fact that data are recorded, it however falls short of providing a broader view of the issues and their context in the sense that more often than not, what is recorded is a part reflection of what is discussed and represents the views of those involved in the deliberations and sometimes partly or wholly neglecting

the popular views of both workers and management on the shop floor. The other issue that the researcher has to deal with in choosing this form of data collection, is the fact that many if not all documents provide an incomplete account to the researcher who on certain issues has had no prior experience with or knowledge of the events or behavior discussed. As a result of this incompleteness, analysis and therefore conclusions drawn on such issues, are based on partial and inadequate information.

### **2.1.2 UNSTRUCTURED INTERVIEWS**

Apart from documents, data collection has taken the form of interviewing certain people who the researcher thought, would provide the kind of information required to be able to make adequate and empirically sound conclusions. In doing these interviews, purposive sampling was used, meaning that the researcher had to use his own judgement of who the 'right' people are, in both management and the workforce, strategically positioned to provide necessary information for this study.

In line with this thinking, shop stewards were interviewed, two from each trade union currently in operation in the company. Fourteen ordinary workers were also interviewed. Four of the fourteen have associations with the company dating back to 18 years and more. The other four joined the company after 1981 but before 1992. Also among the list were two female employees who were engaged in 1984. The last four workers joined the company after the 1992 strike. At the level of management, eight managers in all were interviewed, three of them are at a senior level and the other three are at a middle management level and the last two are at a junior level. The researcher also took care to ensure that the issue of service in the company was also given consideration in choosing

managers who were interviewed. Central to the study is the need to have a full account of the nature and the content of the relations between employers and employees within the context of their day to day interaction. To accomplish this goal, it has been necessary to choose between structured and unstructured method of interviewing. On the question of unstructured interviews, Ghauri, Gronhaug, & Kristianlund (1995:65) maintain that through in-depth, unstructured interviews, one can have a more accurate and clear picture of a respondent's position or behaviour. They go on to argue, that this is possible because of open-ended questions and because respondents are free to answer according to their own thinking, as they are not constrained by a few alternatives.

In line with this conceptual view, unstructured interviews, for the purposes of this research project, have been adopted to try and complement the shortcomings of documentary study. Since the assumption is that the respondents are able to speak their minds without any constraints, it is hoped that this process has been able to fill in the information vacuum created by the inability of documents to provide the researcher with a complete and accurate picture not only of what happened in the past but also the real issues currently shaping the relationship between management and workers. In his observation, Churchill cited in Ghauri, Gronhaug & Kristianslund (1995: 66) pointed out that:

“Among the shortcomings of this adopted form of interviewing is the fact that in-depth and unstructured interviews can take a long time longer than filling in structured questionnaires and may even require several interviews with the same respondent.”

This observation by Churchill (1995) represents probably one of the most fundamental limitations regarding the adoption of unstructured interviews as a form of data collection

method. This limitation however, has been taken care of in the sense that the researcher is currently employed by the company under investigation on a full time basis and therefore the question of time constraint did not pose a major difficulty. Coupled with the problem of time is the question of human memory particularly if respondents are interviewed on past issues. This shortcoming is probably best encapsulated in the assertion that:

“We have to trust human memory, which records selective parts of our reality. It is quite possible that two different people, while going through a certain situation or experience, will record or remember different things; sometimes they make mistakes or misunderstand. It is therefore important that, while using such a method, we should cross-check one written source with another, or a written source with an interview, or two interviews with each other” (Ghauri, Gronhaug & Kristianslund, 1995: 87).

Given this reality, extra care has been taken to ensure that cross checking using other available sources of data, was conducted to minimize the potential of distorted and sometimes fabricated information, since interviewees had at times given totally different and sometimes contradictory portrayal of what could have taken place in the past.

### **2.1.3 BOOKS, NEWSPAPERS AND JOURNALS**

Books, newspapers and journals are generally and widely categorized as components of a documentary study. This project does not want to dispute such categorization, however, for its purposes, a distinction has been made between books, newspapers and journals on the one hand and documents on the other. In this case, documents refer only to minutes of the meetings between management and worker representatives, internal memoranda, minutes of the meetings held by management and other documents containing data about either the company itself or the Iron, Steel, Engineering and Metallurgical Industry within which the company is operating. Such distinction has deliberately been done because the

kind of data found in books, newspapers and journals, for purposes of this exercise is somewhat more general and the data contained in the documents are related and more often than not, specific to the company under investigation.

Books, newspapers and journals have also been utilized as sources of data for purposes of this project. Their specific contribution has been on broadening the scope and exposing the researcher on the issues and the fundamental concepts around the question of worker participation, with particular emphasis on the understanding of how the concept of worker participation has historically been dealt with both as a concept and in its practical implementation. Close and serious engagement with this form of data collection helped the researcher to clarify issues on the subject and assisted in comparing the company under investigation with other cases.

One major difficulty with this form of data collection is that data obtained from this source, like data obtained in almost all other sources of data, have time and space dimensions to it. With this understanding in mind, the study takes full cognizance of the fact that the nature and form of worker participation, which could have taken place in the past, in another country or company may not necessarily be the same with the nature and the form of participation taking place in the company under scrutiny.

The issues in question, the nature and content of relations between management and workers, the state's regulatory interventions and policies, the level of consciousness of the two forces and the socio-economic and political conditions influencing the character and the balance of class forces may differ significantly thus making any comparisons extremely difficult.

## **2.2 RESEARCH PROCEDURE**

The initial step in this long data gathering process was to approach the company General Manager to seek permission to conduct a study on worker participation. Such permission was granted and thereafter the process began in earnest.

An extensive literature review was then conducted in an attempt to familiarize the researcher with the subject which was going to be examined. This literature review took the form of examining books, journals and newspapers, which dealt with the topic of worker participation. Such literature review contributed immensely in shaping the thoughts of the researcher and further clarifying some of the fundamental concepts and issues on the question of worker participation.

This review of literature was never an event or a static process in the sense that engaging with the material on worker participation never stopped until the construction of this report. During this process, a serious and thorough examination of the country's new labour laws, particularly the Labour Relations Act (1995) and the Employment Equity Act (1998) has been attempted. Parallel to these efforts, the need to gain more data took the researcher further to reviewing the documents of the company.

These documents were classified into, firstly, those dealing with interaction between the employer and employees, for example, the minutes of the meetings held between worker's representatives and management and internal memoranda issued by management to the shop floor. Secondly, there were internal memoranda from senior management to levels of management further down the organization. Thirdly, documents prepared for discussion and debate by senior management on policy review and strategic



issues were also used. Overall, these documents provided vital information in the process of understanding the concept of worker participation not only on the company under review but also on other general issues on the topic. However, it must also be pointed out that such information can never be said to contain all relevant facts on the question under examination, since these do not go back far enough to uncover issues which could have been of great interest in the study, which happened far back in the company's history.

In reviewing these documents, there has been a deliberate distinction made between documents prior to the establishment of a democratically elected government and those in the post apartheid era. The reason for such distinction being to try and establish if there was any change in either the content, form or tone of such documents, with the advent of the new societal institutions. Concurrent to this process of reviewing the company's internal documents has been a process of looking at the circulars and briefing notes from the Steel and Engineering Industry Federation of South Africa (SEIFSA) to its own members and the Iron, Steel, Engineering and Metallurgical industries bargaining council to all employers within the industry.

Further, the National Industrial Council (NIC) agreement governing terms and conditions of employment within the industry and the Steel and Engineering Industry Federation of South Africa (SEIFSA) handbook's abridged version of the National Industrial Council (NIC) agreement have been consulted, as part of data-gathering process.

To complement the task of documentary review, interviews were also conducted with both members of the workforce and management. Interviews with employees were done such that the two categories, 'old' and 'new' as they are normally referred to were given

space to express their views on various issues. The 'old' here refers to employees whose association with the company on a permanent basis predates the short time-strike of 1992. The 'new' refers to employees who were employed by the company on a permanent basis after the 1992 strike.

Care was also taken to ensure that amongst the 'old' employees, space was given to the views of the female workers who came back after the strike and those employees whose association with the company goes back as far as thirty years and more. Apart from interviewing workers as individuals, shop stewards were interviewed both on the side of the National Union of Metalworkers of South Africa (NUMSA) and the South African Workers Trade Union (SAWTU), in an attempt to gain some insight into the aspirations, views and fears of the workers as expressed through a collective voice and most importantly along the dividing line of trade union affiliation.

Interviews with members of management were also plotted in such a way that the views of both senior management and shop floor managers were given space to be articulated. The reason for this being that amongst the management component, more often than not, views held by senior management are not necessarily similar to those held by shop floor managers. The question of service was also taken into account given the fact that like in the workforce, there are managers whose history with the company dates back to more than 25 years and less than 10 years respectively, both at the level of shop floor and senior management.

It must also be said that with interviews as well, as it has already been indicated above, necessary care was taken to ensure that access to as much and as reliable information as

could be possible was attained. However, the fact that the information gathering process, in this instance had to rely on people's memories, information gathered can never be said to contain an accurate reflection of the state of affairs, particularly, information going as far back as the study would have required. Despite this shortcoming, information obtained through such interviews played an immensely significant role not only in the construction of the thesis, but more importantly on the understanding of the topic and issues under investigation. The fundamental aspect therefore to understanding efforts made to gain access to much information as was possible, lies not in viewing the different sources of data as isolated and mutually exclusive entities, but as various components of the same product, which must be viewed as integrated dimensions serving to complement one another.

The last issue on this section requiring brief attention is the question of the researcher involved in the data gathering process. As it has already been indicated above, the researcher is a full time employee of the company under investigation. This situation admittedly, has its own contradictions. The fact that the researcher is part of the problem being researched brings the issue of objectivity into sharp focus. It is highly possible that the researcher, as part of the day-to-day activities in the company under scrutiny, has had his analytical and critical sharpness to a greater or lesser extent blunted. Consequently his assessment and interpretation of issues and events and therefore conclusions drawn out of these, may not necessarily be a reflection of an impartial and objective account of the true state of affairs.

On a positive note however, the day to day participation of the researcher on these issues

provided him with a unique and very rare opportunity of experiencing most of these issues as they practically happen. This has also created for the researcher the necessary amount of credibility not only to the workers but also to management. This association of the researcher with the company has been instrumental not only in gaining access to the documents studied, but also in the enhancement of the manner in which interview questions and subsequent responses were handled. Coupled with this is the amount of time, which sometimes is required to conduct interviews. The time constraint, which has always been and continues to be a major limitation for many researchers, as pointed out by Churchill (1995) that among the shortcomings of this adopted form of interviewing is the fact that in-depth and unstructured interviews can take longer than filling in structured questionnaires and may even require several interviews with the same correspondent, never posed any major difficulty for the researcher in question.

It is also important to mention that there is a considerable amount of data gathered for purposes of this project predating the employment of the researcher by the company, a situation, which effectively minimizes the threat of the researcher's impartiality and objectivity. It is believed therefore that the opportunities presented by the researcher being part of the researched company far out-weighs the threats.

On the basis of this analysis, it is contended in this study that the question of impartiality and objectivity in any scientific investigation, is a serious and probably one of the most fundamental one. In line with this conviction, necessary caution has been taken to ensure the problems arising from the methods adopted and the researcher in question are not so intense as to render this data gathering process unscientific.

## **CHAPTER THREE: THEORETICAL PERSPECTIVE**

In this chapter, an outline of the major theoretical perspectives on worker participation is given. However for the purpose of this exercise, only three major perspectives will be examined. These are the unitarist, pluralist and marxist perspectives. This outline seeks to explore the manner in which these schools of thought have attempted to explain the concept of worker participation and to understand the objectives advocated by each.

### **3.1 THE UNITARIST PERSPECTIVE**

The origins of this theoretical perspective can be traced to the functionalist school of thought. Functionalism as a sociological perspective assumes that society is to a greater extent stable and orderly. This assumption goes further to posit the view that stability and order in society emanates from an integration of various interests making it necessary for various interest groups to strive for the attainment of common values and goals.

Inherent in this assumption is the view that the interests of the rulers and the ruled are not only compatible but are similar. In articulating this integration of interests, Parsons argues that rather than seeing power as something which some hold at the expense of others, it must be viewed as something possessed by society as a whole (Haralambos & Holborn, 1990:122). It is the capacity to mobilize the resources of society for the attainment of goals for which the general public commitment has been made.

From this theoretical premise, the kind of social relations characteristic of the labour relations scene is just a microcosm of relations in society at large. Applying this broad theoretical perspective in the labour relations arena, a view that the interests of employees

and management are similar can be advanced without difficulty. The similarity of interests makes co-operation between management and employees not only necessary but inevitable. However, such co-operation according to Parsons, requires organization and direction which necessitates positions of command (Haralambos & Holborn, 1990:123).

Taken to its logical conclusion, this view maintains that the reason management are holding managerial positions in various organizations, exercising enormous power linked to these positions is because employees have consented to this arrangement. Coupled with this consent is their understanding that the interests of both social classes can only be accomplished through co-operation. This conception of labour relations is further supported in Bendix (1989: 114), where it is clearly stated that employers and employees are thought to share the same set of values, i.e. general support for the free enterprise system, a respect for the authority of management and an emphasis on authority and diligence.

Inherent in this view is the assumption that the interests of labour can best be represented by capital. Based on this assumption, an argument can therefore be advanced that this view represents a labour scene which at worst is trade union free and at best the existence of trade unions is not only allowed, but encouraged in order to act not only as a buffer between management and the workers, but to further help neutralize the militancy of the workers. According to this theoretical perspective, the employment relation that exists between workers and management is conflict free. In promoting and justifying this kind of conflict free relation, Bendix (1989: 122) maintains that conflict is attributed either to interpersonal friction and a lack of understanding or to abberants who enjoy conflict for

conflict's sake. From within the unitarist perspective, worker participation has as its primary and ultimate purpose the need to improve economic stability and increase productivity by enhancing worker morale and efficacy and promoting greater commitment to company goals (Greenberg, 1975; Bernstein, 1976; Fenwick & Olsen, 1986). Greenberg (1975: 43) further maintains that reforms increase social stability and decrease support among workers for extremist political leaders. He goes further to argue that reforms at the workplace not only increase worker satisfaction with their work and loyalty to the company, but is also assumed to increase workers' support and understanding of the capitalist system and through this process decrease the support of organizations opposing this system like trade unions and/or political parties.

The notion of the compatibility of interests between workers and management postulated in the unitarist perspective advances a highly mechanistic and simplistic representation of relations between labour and capital. A closer analysis of this interaction consistently shows an element of contradiction between the interests of these social forces.

In line with this observation, Hyman (1971:73) maintains that:

"The bulk of population own no substantial property, and in order to earn a living must sell their own capacity to work. The wage or salary they receive is far less than the value of the wealth they collectively produce. The surplus is taken by the small minority who own the means of production. The control of this minority over the productive system necessarily carries with it the control over those who they employ. Hence the existence of two fundamental social classes".

This doubt of the validity and applicability in reality, of the view of compatibility of interests between these two forces is further reinforced in posing the question:

"Yet if the system of industrial relations is so well integrated, and if goals and values of

participants are so much in agreement, how is it that industrial conflict occurs at all?" (Hyman, 1971:78).

In its effort to totally discount conflict from the labour scene at worst or to attribute its origins to interpersonal conflict and lack of understanding or to abberants who enjoy conflict for conflict's sake at best, as Bendix (1989: 118) maintains, the unitarist school of thought fails to depict in a most accurate manner the complexity and dynamism of the interaction between labour and capital. Instead it provides an over-simplistic explanation of the relations between these two forces. By so doing, it effectively promotes a specific ideological current, in particular the embracing of a conflict-free capitalist system as the only workable alternative within which the interests of both labour and capital can be accomplished and sustained.

### **3.2 THE PLURALIST PERSPECTIVE**

In exploring the pluralist perspective, note ought to be taken that this perspective is considered to contain two strands in it. Both strands acknowledge that in any society there are various interest groups. On the one hand the equilibrium model has the tendency to emphasize the balance of power in society, pointing out that despite the existence of various interest groups, this does not serve as a basis for conflict. On the other hand a conflict perspective recognizes that power in society is unevenly distributed and as such is used to serve the interests of various interest groups differently.

The equilibrium model advances the argument that the tendency towards equilibrium arises from the fact that each group constrains and is constrained through the process of mutual group adjustment, and all the groups share a broad system of beliefs and values



which encourages conflict to proceed within established channels and allows initial disagreement to dissolve into compromise solutions (Chetty, 1993: 45). This view of society as a system that is inherently capable of balancing out power relations between divergent interest groups to the extent that conflict is not regarded as a major catalyst in its evolution is a major point of departure for this strand of pluralism.

In analyzing this strand of pluralism, basing the analysis on Clegg's conceptual framework of labour relations, Chetty (1993: 63) makes among other things the following observations:

- that pluralism emerged as a criticism of the general doctrine of sovereignty;
- that it was based on a process of concession and compromise;
- that it encompassed a body of rules, which ensure freedom of operation of interest groups and a restraint on the abuse of power; and
- that there was a moral imperative, i.e. duty, to compromise in a way which necessarily overrides a group's aims and interests.

Analysis of this observation suggests that Clegg's conception of industrial relations is characterized by concessions and compromises between labour and capital to ensure the stability and sustainability of the capitalist system. Inherent in this conception is the freedom on the part of both forces to express and pursue their interests and aspirations but in so far as these do not interfere with the system within which these interests ought to be pursued. According to the equilibrium model, both capital and labour are highly conscious of the need to work in collaboration, irrespective of their group interests, for the maintenance of the capitalist system.

A similar observation is made that:

“Both parties accept and respect the need for each other to survive. In short, they limit their claims within the bounds of what is possible under circumstances to enable each party to continue to collaborate; that compromises will have to be done by both sides; that they agree to negotiate and dispute procedures agreed upon, and commit themselves to resulting decisions. The assumption underlying such agreements is that despite conflict over the terms of employment, the values inherent in such a system of collective bargaining-the institutionalization of job regulation-are not so far apart among parties that no compromise is possible” (Chetty, 1993: 46).

Given the fact that conflict is regarded by the equilibrium model not as a major variable in relations between labour and capital, worker participation is considered to be a smooth process through which both parties engage in a give-and-take situation for the benefit of both management and workers. Salamon's view in Bendix (1989: 116) that workers' participation is a “...philosophy or style of organizational management which recognizes the need and the right of employees, individually or collectively, to be involved with management in areas of the organization's decision making beyond that normally covered by collective bargaining”, is grounded within this conceptual framework since it assumes that worker participation is accepted by both management and workers as a necessary instrument for the betterment of both parties' interests.

This conception of labour relations just like the unitarist perspective discussed above falls short of providing an accurate depiction of a framework within which the interests of both capital and labour are articulated. Instead this strand of pluralism chooses to place greater emphasis on the co-operative aspect of labour relations, in the process ignoring the adversarial dimension. It is probably on this basis that worker participation is viewed as a necessary and conflict-free process for the advancement of the interests of both workers and management.

The conception of worker participation as a necessary and conflict-free process is disputed in the following extract:

“Workers have responded to their experience of exclusion and oppression under apartheid with a vision of substantial participation and democracy as an alternative. They see workplace regime as still very much shaped by apartheid. Management is authoritarian, real decision making lies in the hands of White managers, and workers only have access to information, management believes they should have. Even when consultation or ‘worker participation’ is introduced, it is usually done in a paternalistic and limited way. The result is that workers do not consent to the workplace regime” (Von Holdt, 1994: 313).

This observation questions the validity of the notion that worker participation is a process through which management and workers are able to collaborate. However, it advances with no ambiguity the notion of worker participation as a process in which fundamental contradictory interests between labour and capital manifest themselves. The decision on whether or not to embark on the process is greatly dependent on the balance of power between the participants in the labour relations arena.

The same sentiment is expressed in the assertion that:

“It is probably true that capital and labour act toward each other on the basis of a careful assessment of their relative power being determined by the relative strength of each side, by the tactical calculations made by each side of the costs and benefits of taking action” (Grunberg, 1986: 87).

Arguing from a similar theoretical framework which begins to highlight the complexity and dynamism inherent in the relations between labour and capital, Hyman and Fryer (1975: 58) state that:

“The starting point for any realistic analysis must be the massive power imbalance between labour and capital. This derives from the very fact that productive system is, in

the main, the private property of a tiny minority of the population, and that it is, its basic dynamic. Confronting this economic power, the great majority who depend on their own labour for a living are at an inevitable disadvantage... The counter veiling power of union organization at its most successful, can only partially redress this imbalance."

These observations point not only to the inadequacy of putting greater emphasis on the parties' consensual and collaborative relationship with the ultimate view to maintaining a capitalist system, but further challenges the very existence of such a system in that it is based not on equal power relations, but is firmly anchored on a relational framework which not only reinforces super exploitation of one party by another, but further legitimates these relations. These observations effectively refute the notion of worker participation as a smooth and conflict free process in which the interests of both labour and capital are jointly accomplished. However, they point to a complex set of relations that exist between these two forces.

Turning attention to the other strand of pluralism, it is probably their proponents' ability to recognize the complex and dynamic nature of the interaction between management and workers which serves as a central point of departure from the equilibrium strand. Whilst the conflict strand recognizes the existence of various interest groups in society, it simultaneously acknowledges that power relations between these are not equal. The existence of unequal power relations in a whole society partly manifests itself in industry as one component of societal organization. These unequal power relations in industry take the form of capital commanding huge power relative to the other participant in the labour relations scene, i.e. labour.

Whilst the conflict strand of pluralism appears to dispute the existence of harmony in

society and the possibility of an equitable distribution of power, it offers no concrete mechanisms by which such power imbalance can be eradicated. Instead it seems content to recognize capital as a dominant force in this relationship. However, such dominant position, according to this school of thought should be exercised with greater caution taking into account the interests and aspirations of other interest groups. To this end, the minimal intervention of the state as the regulator of such relationship is advocated.

Dahrendorf cited in Padget and Parterson (1991: 83)) posits the view of an organization characterized by power relations with some cluster of roles having the power to extract conformity from others. He goes further to argue that although power denotes the coercion of some by others, such power relations tend to be legitimated and can therefore be viewed as authority relations in which some positions have the accepted or normative right to dominate others.

It is clear from Dahrendorf's viewpoint that indeed for organizations to operate with some direction and clarity of purpose some cluster of roles have to have power to coerce others. However, it is also apparent that for this power to coerce to be sustained over time it requires some form of legitimacy. It is therefore at this level that the intervention of the state is sought in an endeavour to ensure compliance by subordinate forces.

Concurrent to this notion of capital as a dominant partner in this capital-labour relations, Vawda in Hyman (1971: 83) observes that:

"Trade unions strive to effect marginal improvements in the lot of their members and to defend them against arbitrary management action. They do not – and here we come to the crucial point of what issues are not at stake in the management/worker relations – attack management on such basic principles of the social and industrial framework as private

property, the hierarchical nature of the organization, the extreme division of labour, and the massive inequalities of financial reward, status, control and autonomy in work. Neither do they try to secure a foothold in the majority of decisions made within the factory on such issues as management by objectives, markets, capital investments and rate of expansion. Very rarely do they seriously challenge such principles as the treatment of labour as a commodity to be hired and discarded at management's convenience."

Considering worker participation within this conceptual framework, one is tempted to conclude that it has a very limited, if any impact in terms of effecting changes in the manner in which businesses are conducted, let alone the basis upon which relations characterizing the employment relationship are founded.

Worker participation from within this perspective can be utilized by trade unions only to strive to effect marginal improvements in the lot of their members and to defend them against arbitrary management action. In terms of going beyond this, the pluralist perspective is very doubtful of the capacity of trade unions to operate at this level. In fact, it seems that proponents of this school of thought are not in favour of trade unions challenging the very essence of capitalism.

This strand of pluralism appears to depict a relationship between capital and labour in which capital is the sole arbiter in terms of determining the nature and content of the relationship. This position is indeed far from the truth. The fact of the matter is that the relationship between these two forces is shaped not only by their subjective, but also their objective conditions. Reaffirming a complex and more often than not, unpredictable articulation between these two forces, Lehoucq (1995: 32) argues that:

"The extent to which workers are able to push up their demands depends very much on their level of organization and on the preparedness of the working class to struggle. The level of organization of the working class at any particular point in time is influenced by

among other factors, the history of a particular movement, the politics of its leadership, the clarity of its activist cadre, the social weight of the working class in society as a whole, the way the ruling class exercises its class rule, the psychology of the working class and the way it relates to its exploitation and oppression, the role and the attitude of the state, and the impact the different social classes have on the state.”

In this argument Lehoucq (1995) is able to present a convincing analysis through his ability to point to the complex nature of relations between these two social forces. His clear understanding in terms of the unresolved contradictory character of relations between these forces, which continues to articulate itself in various forms and the fact that the ascendancy of one force over the other at any point in time is informed and shaped by a host of other factors outside the employment relationship, particularly the balance of class forces, provides some space for a more relevant and adequate analysis of worker participation.

Taking this argument to its logical conclusion it is clear that worker participation as a strategy has the capacity of advancing the interests of capital in terms of improving productivity and efficiency, whilst in the process further reinforcing management control and subjugating labour under its control and authority. On the other hand this strategy can be utilized by labour not only as a form of advancing their quest for total control of the production process but further as a vehicle towards total worker control. The role worker participation is able to play is dependent on some of the factors raised in Lehoucq's (1995) argument stated above.

The conflict strand of pluralism just like its equilibrium partner fails to depict an accurate reflection of the interactive relationship between management and employees. However, it seeks to provide an explanation which tends to ignore the historical development of the



relationship, thus rendering labour's role in this interaction passive, meaningless and insignificant. This articulation as it is shown in Lehoucq's (1995) assertion mentioned above is inadequate and falls short of providing a convincing historical account of the nature and content of the complex relations between these two forces.

### 3.3 THE MARXIST PERSPECTIVE

Unlike the two perspectives considered above, the marxist perspective grounds itself firmly on the premise that contradictory relations between the capitalist class and the working class is the fundamental dynamic in any societal evolution. According to this perspective, the fact that the capitalist class owns and controls the means of production and the working class are dependent on these for their survival and therefore have to sell their own labour power, constitutes a primary source of conflict. Given this antagonistic interaction which the marxist perspective assumes to be irreconcilable, its resolution in terms of this school of thought, lies in the abolishment of the capitalist system and its replacement by a system based on the will of the working class.

However, marxists appear to accept the fact that the task of abolishing the capitalist system is never an easy one. Whilst it is accepted that the system has never been stable and it is characteristic of disorderly and inefficient features, there is equally a recognition that the system is highly dynamic and capable of sustaining itself. In pointing to this dynamic nature of the capitalist system Kumar in Scase (1989:25) argued that:

"Its history is punctuated by alternating phases of progress and regression, growth and depression. What rather is at issue is its resilience, its capacity for survival as a system in the face of such vicissitudes. On present evidence there is little to indicate that it has reached the end of its viable existence."



Translating the marxist theoretical framework into the industrial relations arena, proponents of this school of thought are all in agreement that the parties in the employment relationship, i.e. capital and labour are mutually dependent on each other. However, this relationship based on mutual dependence is exploitative and oppressive in nature in the sense that the worker is forced by circumstances to work for the owner of the business and what is received by the worker as a compensation for the 'job done' is far less than the actual output produced. In line with this viewpoint, Braverman (1974: 53) notes that:

"The worker enters into the employment agreement because social conditions leave him or her with no other way to gain livelihood. The employer on the other hand is the possessor of the unit of capital which he is endeavouring to enlarge."

It is clear from the extract above that whilst the employment relationship is supposedly a union of two parties based on the will of both parties, reality seems to suggest that this is not the case. In fact it is the union of two parties based on objective conditions which the worker is obliged for the purpose of survival to accept. However, since this marriage is firmly rooted on exploitative grounds as the marxists argue, conflict becomes the necessary feature of this relationship.

Despite a similar diagnosis of the problem, marxists, like pluralists, differ in terms of how they view the unfolding of these relations and the role and impact of trade unionism in this relationship. For instance, Hyman (1971: 3/4) makes an important distinction between what he terms revolutionary theories and reactionary theories. Revolutionary theories according to Hyman (1971: 4) consider trade unions to possess the capacity to spearhead a struggle for the radical transformation of a capitalist society to socialist

order. Reactionary theories view the contribution of trade unions as reactionary in that their activity does not in itself facilitate but delays, at best or inhibits at worst, the revolutionary transformation.

With this distinction in mind, note ought to be taken that even the optimistic approach to trade unionism does not give unqualified support in this regard. In fact it explicitly acknowledges that trade unions are limited in their activity making it extremely difficult if not impossible, on their own to overthrow the capitalist regime.

Acknowledging this limitation, Engels cited in Hyman (1971: 216) maintains:

“What gives these unions and the strikes arising from them, their real importance is this, that they are the first attempt of the workers to abolish competition. They imply the fact that the supremacy of the bourgeoisie is based wholly and upon the competition of the workers among themselves; upon their want of cohesion. And precisely because the unions direct themselves against the vital nerve of the present social order, however one sidedly, in however narrow way, are they so dangerous to this social order. The working man cannot attack the bourgeoisie, and with it, the whole existing order of society, at any sorer point than this. If the competition of the workers among themselves is destroyed, if all determined not to be exploited by the bourgeoisie, the rule of property is at an end.”

In the above extract, Engels (1971) clearly indicates that the trade union has a role to play in advancing the struggle of the working class. This role may be limited in that the trade unions are not in a position to overthrow the capitalist system. However, the mere fact that trade unionism is able to bring workers together and in the sense avoid competition among themselves, that in itself, must be understood as contributing to the struggle for the abolishment of the system.

The cumulative significance of trade union activity in advancing the struggle for the ultimate destruction of capitalism is also articulated in the following extract from the

manifesto of the communist party where Marx (1848: 43) argued:

“The very real fruit of their battles lies not in the immediate result, but in the ever expanding union of workers. But every struggle is a political struggle... This organization of proletarians into a class and consequently into a political party is continually being upset again by the competition between workers themselves. But it rises up again, stronger, firmer and mightier.”

From within this perspective, an argument is posited that worker participation in particular through the trade union movement, as one of the strategies at the disposal of the workers, is seen to be playing a crucial role in terms of advancing workers' struggle not only in terms of the control of the production process on the shop floor but also in the furtherance of an objective for the creation of industrial democracy. This role is understood to be fought for and won during the course of the struggle than readily given and accepted by management.

The view expressed above is further substantiated in the following assertion by Marcel Golding, then general secretary of the National Union of Mineworkers (NUM) cited in Von Holdt (1994:305) that:

“An industry has to undergo transformation and change. There are two ways we can respond. We can either stand by while the process takes place or we can become centrally involved. Our union will fight to be a central player in the management of transition. For us, the struggle for greater control over the production process is starting with participation. We are now talking about one of the most critical areas itself, the workplace and decisions made in the workplace. We are firing first shots in beginning to challenge managerial prerogative in the production process. We have already challenged managerial prerogative on dismissals and other issues. But I think through this, we are beginning to challenge management prerogative in decision making over what they believed was their exclusive right – setting targets, setting the production plan.”

This view without any ambiguity, portrays worker participation as a process that must be

fought for by the workers. Central to this process, though, is the need to ensure that the objective of the process ought to be to serve the goals and aspirations of the workers. The centrality of worker participation as illustrated in the argument above lies in its ability to open up the space for the further encroachment of labour into territories, historically understood to be beyond their scope of influence. Parallel to this capacity to expand worker influence into territories of management control, worker participation is also understood to contribute to the solidification and empowerment of the working class in preparation for further struggles towards worker control.

On the same breadth participatory activities that are broad in scope and high in intensity are seen to be enhancing class consciousness among workers and hence promoting socialist style movements (Greenberg, 1975; Fenwick & Olsen, 1986). According to these theorists worker participation is inextricably bound up with the concept of worker control. Gorz (1973: 33) probably had this understanding in mind in his assertion that:

“We need to control so as to counteract the power of management to burden us with more exhausting work and with deteriorating working conditions in exchange for some meagre increases.”

He further asserts that worker control is a process in which people come to appreciate co-operation and collective effort where confidence in productive skills is cultivated, where the sense of power as a member of a class is fashioned and where human talents and abilities become sufficiently developed that the absurdity of capitalist relations become clear. It is true though that not all theorists and scholars working within the marxist perspective concur with the view that trade unions have a significant and accumulatively decisive role to play in advancing the struggle for worker control. In fact, others advocate

the viewpoint that at best, trade union activity delays revolution and at worst actually inhibits transformation for the total abolishment of the capitalist regime. The pessimistic tradition views the organization of the working class into trade unions as reactionary development than revolutionary, in the sense that according to this school of thought, normal activities of trade unions pose no threat to the stability of the capitalist order.

Anderson in (Chetty, 1993: 114) sums up the structural limitation inherent in trade union activity as follows:

- trade unions are an essential part of a capitalist society because they embody the difference between capital and labour which defines capitalist society;
- trade unions passively follow the contours of capitalist production in the workplace since they represent their members in the factory not the class
- the ultimate weapon of trade unions, the strike, is by its very nature limited. It can win wage increases and improvements in working conditions but it can never overthrow the capitalist regime
- trade unions can only produce a sectoral corporate consciousness
- trade unions have control over only one strategic weapon: the control of labour power whereas a political party has a multiplicity of strategies at its disposal.

It is clear from Anderson's (1993) analysis that trade unions are very limited in what they can achieve in terms of advancing workers' struggle for the eradication of capitalist relations of production and substituting these with socialist relations. Lenin, one of the most notable advocates of this tradition in Hyman (1971:13) argues that:

"The economic struggle is the collective struggle of the workers against their employers for better terms in the scale of their labour for better living and working conditions. This struggle is necessarily a trade union's struggle because working conditions differ greatly in different trades, and consequently, the struggle to improve them can only be conducted on the basis of the trade."

Lenin's argument seems to be advancing the view that trade unionism remains a product of capitalism and as a result is incapable of transforming it. Taking this line of argument further, it is worth noting Gramsci's (1954: 87) comments when he says:

"Every day the Italian working class movement is becoming more conscious of its class mission that it must establish communism through dictatorship of the proletariat with the systematic suppression of private property and the bourgeois class in all its forms of domination... To fight these bourgeois instruments of propaganda the communists must defend their theses..."

Whilst trade unions are nowhere mentioned in this extract, it is clear however, that when Gramsci (1954: 87) makes reference to 'instruments of bourgeois propaganda', in his conception, trade unions constitute an important element of these instruments. Such implicit reference to trade unions becomes explicit in his further articulation that:

"The traditional institutions of the movement have become incapable of containing the flowering of revolutionary activity. Their very structure is inadequate to the task of disciplining the forces which now dominate the conscious historical process. They are not dead. Born in response to free competition, they must continue to exist until the suppression of every residue of competition, classes, parties, and the fusion of national proletarian dictatorship is realized in the communist international. But next to these institutions must rise and develop institutions of a new kind – institutions, which substitute the private and public institutions of the democratic parliamentary state."

Gramsci's (1954) recognition of trade unions and their role, it may be inferred, is within the framework of capitalism's continued existence. The eradication of capitalism as far as he is concerned, must necessarily be accompanied by the disbandment of trade unions. Clearly in Gramsci's worldview, the positive role trade unions are able to play is in so far as it is within the capitalist framework of social organization. However, in terms of advancing working class struggle for the creation of a socialist state, their role is conceived to be very doubtful.



From within this perspective, it is clear that worker participation has very little, if any, role at all to play in terms of advancing the struggle for worker control. For instance, some of the sentiments expressed cautioning against trade union participating in decision making with management are as follows:

- When integrating labour representatives and capital representatives into a single structure, there is a possibility that the distinction between which constituency each represents will become less clear;
- the practice of labour being encouraged to have shares in their employers' company – workers becoming owners to a limited degree – can be used to 'water down' the militancy of labour; and
- labour is being asked to put 'national interests' before their 'narrow constituency interests'. When you water down the inherent contradiction between capital and labour through social pact, labour is going to come off as the weaker partner in that relationship.

These sentiments conceived within this school of thought appear to regard the process of worker participation as wholly controlled and directed by management. There is no possibility provided of viewing the concept of worker participation as one vehicle at the disposal of labour through which workers are able to advance their own interests without having to be dictated to by capital. As such the approach fails dismally to capture the fluidity and dynamism inherent in the concept, allowing the trade union movement, depending on the class balance of forces and other factors, to take charge and control of the process of worker participation, as expressed in the assertion that any participation by labour must have the objective of ultimately empowering us to move forward to attain a socialist era in South Africa.

## **CHAPTER FOUR: BACKGROUND INFORMATION ON THE COMPANY**

This section is constructed mainly from the information extracted from various sources, including, but not limited to unstructured interviews with management members, shop stewards representing the two trade unions operating within the company and employees employed by the company. Further to the outlined source, a review of management-union meetings, internal memoranda, the Steel and Engineering Industry Federation of South Africa (SEIFSA) documents and the Labour Relations Act (1995).

### **4.1 INTRODUCTORY COMMENTS**

The intention of this section is to sketch, though very briefly, the industry in which the researched company in terms of the industrial organization of the South African economy is located. Beyond this, the study moves on to explore the manner in which the industry has over the past two decades or so, managed to organize relations between capital and labour. It is the view of the researcher that such exploration would help unpack the nature of relations between employers and employees at the level of the industry. It is contended also that the nature of relations at the industry level would help put into perspective the nature of relations between management on the one hand and employees and trade unions representing them on the other.

It is also argued that the manner in which relations both at the levels of the industry and plant, are organized, have a significant impact on the extent to which workers are allowed to effectively participate on the decision making processes of employers. This discussion is examined within the context of the Labour Relations Act (1995) and the Iron, Steel,



Engineering and Metallurgical Industry's main agreement. The question of outlining the business interests the company seeks to pursue follows after this brief examination of relations between employers and employees. This outline would of necessity shed light, though very briefly, on the markets the company is operating within. After such an outline, a historical overview of the relations between management and workers is scrutinized. Particular emphasis is given to a contradictory nature of relations between these two forces as management on the one hand constantly tries to grapple with the increasing unionization and militancy of the labour force whilst on the other, workers actively engage in various protest activities in an attempt to increasingly redefine both the relations between capital and labour and also the business agenda to reflect their interests.

Following this historical overview will be an attempt to examine the extent to which the notion of worker participation both as a theoretical and practical concept has found space in the context of the contradictory relations between these forces.

## **4.2 THE INDUSTRIAL LOCATION OF THE RESEARCHED COMPANY**

For purposes of this exercise, the South African economy is viewed as constituted of the industrial, agricultural and commercial dimensions. Within the industrial dimension, there are sub-industries among which are mining, iron and steel, clothing and textile, automobile and chemical. S A Wire constitutes a very tiny element of the strong Iron, Steel, Engineering and Metallurgical industry employing 285 000 employees at 9000 companies. The Iron, Steel, Engineering and Metallurgical industry has its own national bargaining council established in terms of the Labour Relations Act (1995) whose main role is to maintain industrial peace through negotiation of agreements and the settlement

of disputes that arise in the industry. The bargaining council has regional offices in various regions in an attempt to decentralize decision making and to ensure the speedy resolution of disputes between parties.

During these national deliberations, employers have their representation through the Steel and Engineering Industries Federation of South Africa (SEIFSA) and employees are represented by various trade unions party to the national bargaining council. Among the not less than 38 employer associations affiliated to the Steel and Engineering Industries Federation of South Africa (SEIFSA) are:

Association of Electric Cable Manufacturers of South Africa;  
 Electrical Manufacturers Association of South Africa;  
 Cape Engineers' and Founders Association;  
 Light Engineering Industries Association of South Africa;  
 Natal Engineering Industries Association;  
 Plastic Manufacturers' Association of South Africa;  
 Non-ferrous Metal Industries Association of South Africa;  
 S A Industrial Refrigeration and Air Conditioning;  
 S A Wire and Wire Rope Manufacturers' Association; and  
 S A Reinforced Concrete Engineers Association.

Some employers operating within the same industry are not affiliated to any of these associations making them non-members. This effectively means that they do not have any influence in terms of negotiations outcome in the sense that they are not part of the mandating and reporting back forums. On the other hand, within the labour component,

there are workers who are organized into trade unions negotiating on behalf of their members and those who do not belong to any of these trade unions. Trade unions organizing within the industry that are worth mentioning here because of their national visibility are the following:

Chemical Workers' Industrial Union;  
 Metal and Electrical Workers Union of South Africa;  
 Mineworkers Union;  
 National Employees' Trade Union;  
 National Union of Metalworkers of South Africa;  
 Radio, Television, Electronics and Allied Workers Union;  
 S A Electrical Workers Association;  
 S A Workers Union; and  
 Steel, Engineering and Allied Workers' Union of South Africa.

Of all these worker formations represented at the Iron, Steel, Engineering and Metallurgical Industry, the National Union of Metalworkers of South Africa (NUMSA) is probably the most powerful and significant in terms of influencing and directing decisions taken at the industry level. This power and significance, it would be argued stems from the collective strength it possesses given the large number of employees organized under its banner.

### **4.3 ORGANIZATION OF EMPLOYER-EMPLOYEE RELATIONS WITHIN THE INDUSTRY**

Relations between employers and the majority of employees within the industry are

organized around negotiated terms and conditions of employment. The central bargaining council constituted by representatives from both labour and capital have statutory powers to negotiate these terms and conditions of employment. It is also the duty of the national bargaining forum to seek to resolve potential disputes between parties involved. For instance, according to the Steel and Engineering Industries Federation of South Africa (SEIFSA)'s abridged version of the main agreement (1997/98), the main role of the bargaining council is to maintain peace through the negotiation of agreements.

It is therefore within the context of these negotiated and agreed terms and conditions of employment that the relations between the majority of employees and their employers are maintained. There are, however, some employees within the industry whose terms and conditions of employment are not regulated by the national bargaining council. In most cases, these are employees whose job descriptions are not clearly defined in the agreement, e.g. administration staff. Their employment relationship is regulated in most cases by the Basic Conditions of Employment Act (BCEA).

The main agreement negotiated at the bargaining council is according to a Steel and Engineering Industries Federation of South Africa's (SEIFSA) abridged version of the main agreement (1997/98) applicable to all employers and employees engaged in the manufacture and repair of any article consisting mainly of metal and the plastics industry, but confined to employees whose minimum rates of pay are scheduled in the main agreement, i.e. from artisans to labourers excluding managers, foremen, tea attendants, gardeners, etc. It must be pointed out that when these negotiations are being conducted, the parties involved negotiate only on behalf of their members. The agreement reached

between these negotiators become binding to non-parties only after the agreement, with the consent of the minister of labour, has been gazetted in the Government Gazette.

Section 32(1) of the Labour Relations Act (1995) states:

“A bargaining council may ask the minister in writing to extend a collective agreement concluded in the bargaining council to any non-parties to the collective agreement that are within its registered scope and are identified in the request, if at any meeting of the bargaining council;

one or more registered trade unions, whose members constitute the majority of the members of the trade unions that are party to the bargaining council vote in favour of the extension; and

one or more registered employers’ organizations, whose members employ the majority of members employed by the members of the employers’ organizations that are party to the bargaining council vote in favour of the extension.”

In the Iron, Steel, Engineering and Metallurgical Industry, the tradition has always been that the agreements reached between the employer and employee representatives bind even the non-parties because the approach adopted by both employer and employee organizations has always been to go for extension. This has been assisted by the fact that the Steel and Engineering Industries Federation of South Africa (SEIFSA) as a federation represents employers employing the majority of members employed within the industry and the nine trade unions party to the national bargaining council jointly have their members representing the majority of workers employed in the industry.

Analysis of the extent to which workers are able to effectively participate in the activities determining not only the nature of their employment relationship but also the manner in which companies where they are employed are run, reveals that their participation more often than not, is confined to the determination of their terms and conditions of

employment, particularly at the industry level. It is at this point probably important to posit the viewpoint that worker participation is considered to refer to a broader process of interaction between labour and capital involving both collective bargaining and what historically has been referred to as 'worker participation'. These two processes are viewed as two dimensions of the same process.

It is also important to note that the level at which workers are able to exert their influence in terms of determining their terms and conditions of employment is extremely remote and as such make direct participation highly unlikely. Their participation is through representation from their trade unions. Given this situation, the extent to which ordinary workers are able to influence decisions taken at this level is greatly dependent on the vibrancy of democracy and the vigilance of the workers within their trade union organizations. Clearly, the active participation of ordinary workers is not guaranteed, but is dependent on their organizational strength and insistence on transparency and accountability on the part of those representing them.

Workers who are collectively organized into various formations representing workers' interests, no matter how limited their access is to decision making organs, depending as clearly stated on their organizational strength within the industry and their formations, are strategically positioned to influence industry decisions than those employees not organized into any collective worker organization. At the end, as is shown above, these 'unorganized' workers are legally bound by decisions which are not part of their formulation.

This is unambiguously spelt out in the Labour Relations Act (1995). Section 32(2) of the

Act states that the minister must extend collective agreement, as requested, by publishing a notice in the Government Gazette declaring that, from a specified date and for a specified period, the collective agreement will be binding on the non-parties specified in the notice. It is correct to state that the conditions applicable to 'unorganized' employees within the industry, in terms of being compelled by the Act to comply with the agreements reached at the bargaining council, are equally applicable to 'unorganized' employers. Participation by these parties is clearly non-existent at this industry level.

#### **4.4 COMPANY RELATIONS AS MICROCOSM OF INDUSTRY RELATIONS**

On the basis of this arrangement, it is proper to identify the location of S A Wire Co. as an individual enterprise, in terms of the organization and regulation of relations between capital and labour at the industry level with the view to assessing if these have any significant impact on the kind of relations found within the company. It is also necessary to analyze if this organization at the industry level has any effect on the extent and nature of worker participation in the company.

As it is already stated, the company forms one of the 9000 employers providing employment to not less than 285000 employees in the Iron, Steel, Engineering and Metallurgical Industry according to the latest figures by the Steel and Engineering Industries Federation of South Africa (SEIFSA). The company is categorized as a middle-sized company. This categorization is based firstly on the company's annual turnover and secondly the number of employees on its payroll. The company is not a member of any of the employer associations affiliated to the Steel and Engineering Industries Federation of South Africa (SEIFSA). As such the company has historically

never had the right and opportunity to influence the outcome of some of the policies it sometimes had to implement internally. The denial of this right and opportunity, however, stems from the company's choice in opting not to affiliate itself to any association.

Whilst the current arrangement is that the employer has no influence in terms of what transpires at the national bargaining council level, the situation on the part of the employees is somewhat different. The majority of workers in the company are organized under the banner of two trade unions. Some are members of the National Union of Metalworkers of South Africa (NUMSA). Others are members of the South African Workers Trade Union (SAWTU) and there are those who are not members of these two trade unions.

Current figures released by management in this regard suggest that the National Union of Metalworkers of South Africa (NUMSA) represents 44%. The South African Workers Trade Union (SAWTU) represents 34% and the remaining 22% are non-members. Whilst the National Union of Metalworkers of South Africa (NUMSA) commands the majority support at the industry level, at this plant representation suggests this is not the case. Although it is sufficiently represented but it does not enjoy outright majority, and as a result its influential muscle is to a certain extent limited. To this end, it is essential to distinguish between the dimensions of worker participation to be able to identify in which of the two is the power of the National Union of Metalworkers of South Africa (NUMSA) to influence decisions restrained. Because of the significant power and influence the National Union of Metalworkers of South Africa (NUMSA) enjoys at the



industry level and resulting from the fact that, at this level, participation is confined to the determination of terms and conditions of employment, the National Union of Metalworkers of South Africa (NUMSA), remains the most influential even at the company level. This is true because through the influence that the National Union of Metalworkers of South Africa (NUMSA) is able to exert, the form and nature of the decisions taken at this level are through the minister of labour's intervention extended to the company under investigation even though, it is not party to these decisions.

On this basis, it is without doubt that workers organized under the banner of the National Union of Metalworkers of South Africa (NUMSA) are able to participate in determining terms and conditions of employment governing their employment relationship. This ability to participate in the decision making process is nevertheless dependent on the extent to which ordinary workers are afforded the opportunity, within the structures of the trade union to make contributions. On the question of 'co-operative issues', the muscle power of the National Union of Metalworkers of South Africa (NUMSA) at the company level are somewhat diminished relative to its power on 'distributive issues'.

On the question of the South African Workers Trade Union's (SAWTU) ability to define and influence decisions at the industry level, the situation is different. Unlike the National Union of Metalworkers of South Africa (NUMSA), the South African Workers Trade Union (SAWTU) does not form part of the nine trade unions represented at the national bargaining forum that are party to the agreement governing terms and conditions of employment affecting all employees employed within the industry. To confirm the binding nature of this agreement, the Steel and Engineering Industries Federation of

South Africa (SEIFSA) Handbook of the main agreement for the Iron, Steel, Engineering and Metallurgical Industry (1997/98) stipulates that:

“The conditions of employment in this handbook form a main agreement which is the outcome of negotiations between the registered employer associations and registered trade unions which are parties to the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry.”

It goes on to clearly state that:

“The main agreement is gazetted in terms of section 32 of the Labour Relations Act (1995) and as such is legally binding on all employers and employees in the industry.”

It thus becomes apparent that participation by workers organized under the banner of the South African Workers Trade Union (SAWTU), either in the definition of issues or the influencing of the outcome of the issues commonly referred to as “bread and butter issues”, is non-existent. Despite this situation, they are bound by the decisions taken in this regard.

While there may be many reasons that could explain why the National Union of Metalworkers of South Africa's (NUMSA) power of influence on co-operative issues at plant level is restrained, it is important to indicate two of these for the purpose of this exercise:

- One is the fact that the trade union movement in this country, particularly, over the decades focussed its attention on wage issues. The premise for this approach being the assumption that workers should stay away from ‘management issues’ and focus their energies and efforts on increasing wages and the betterment of their terms and conditions of employment because seeking to deal with ‘core business issues’ might mean co-optation and collective management of the capitalist system.

- The second one is that the labour legislation governing relations between labour and capital has without doubt failed to ensure that joint decision making remains not only rhetorical but becomes practically feasible. As a result, for a number of decades, the South African labour legislation never made any visible attempt to bring the question of management prerogative to serious scrutiny on issues widely termed 'core business issues'.

Since the company under investigation is part of the Iron, Steel, Engineering and Metallurgical Industry, in which a wide range of terms and conditions of employment are negotiated at the national bargaining forum, and it is clearly stated in the main agreement that no party may compel another party to negotiate any of the issues negotiated at the bargaining forum, it makes sense to argue that the only issues that may be negotiated at plant level are 'co-operative issues'. However, analysis of the Labour Relations Act (1995), viewed by many as a major victory on the part of the workers in terms of its attempt to subject these core issues to joint decision making, reveals that the 'major victory' notion espoused by some scholars and labour relations practitioners alike represents an over-simplistic analysis of the Act. Indeed the Act falls short of its intended purpose in this regard.

#### **4.5 LABOUR RELATIONS ACT (1995) AND JOINT DECISION 'MAKING**

The purpose of the Labour Relations Act (1995) is to:

"Advance economic development, social justice, labour peace and the democratization of the workplace by fulfilling the primary objects of the Act which are to promote orderly collective bargaining; collective bargaining at sectoral level; employee participation in decision-making in the workplace; and the effective resolution of labour disputes."

According to the Labour Relations Act (1995), there is a clear distinction between 'hard'

issues requiring bargaining and ‘soft’ issues requiring co-operation. For instance, Lehlere (1995:7) notes that in the Explanatory Memorandum on the Draft Negotiating Document, it is argued that:

“Workplace forums are designed to perform functions that collective bargaining cannot easily achieve: the joint solution of problems and the resolution of conflicts over production... They achieve this purpose by relieving collective bargaining of functions to which it is not well suited.”

From the observation made above, it is clear that ‘co-operative issues’ are envisaged to be taking place in the workplace forums and ‘distributive issues’ dealt with through collective bargaining. It is supposedly in the workplace forums where joint decision making between employers and employees should take place. Furthermore, Section 80(1) of the Labour Relations Act (1995) states that:

“A workplace forum may be established in any workplace in which an employer employs more than 100 employees.”

Clearly, in terms of this provision, all employees employed by companies employing less than 100 employees are denied the legislative right to even be consulted on those issues historically regarded as management prerogatives, which many claim the Act seeks to expose to worker scrutiny. In companies where more than 100 employees are employed, the Act in Section 80(2) goes on to state that:

“Any representative trade union may apply to the commission in the prescribed form for the establishment of a workplace forum.”

Section 78(b) stipulates that:

“Representative trade union means a registered trade union or more registered trade unions acting jointly, that have as members the majority of employees employed in a workplace.”

Since the researched company employs more than 100 employees, trade unions representing workers have the legislative power to trigger the establishment of a workplace forum. However, this legislative right and power cannot be exercised, either by one of the two trade unions acting independently of each other because neither of the two commands the majority support required by the Act to trigger the establishment of a workplace forum. From this brief analysis of the Act, it is clear that the National Union of Metalworkers of South Africa (NUMSA) as an independent trade union, is not in a position to trigger the establishment of a workplace forum because, as figures indicate according to the Act, it is not representative of the employees employed in the establishment. Its options if it is willing to have a workplace forum established are as follows:

- It engages in a vigorous recruitment campaign which carries the possibility of tilting the balance of power in its favour through increased membership to be in line with what is stipulated in the Act; or
- It engages the other trade union in terms of forming a coalition of one form or another with the view of acquiring a status of representativeness.

From the Labour Relations Act (1995) viewpoint, an ability of the trade union to influence “co-operative” issues is greatly dependent on the existence of a workplace forum. This is the institutional framework through which the Act seeks to expose what historically has been regarded as management prerogative to the influence of employees and their trade unions. However, on the basis of a brief analysis outlined above, the

National Union of Metalworkers of South Africa's (NUMSA) chances of influencing "co-operative" issues at company level in any significant way are remote.

The South African Workers Trade Union (SAWTU), like the National Union of Metalworkers of South Africa (NUMSA), is also not in a position to determine or influence the nature of co-operative issues at plant level. This limitation emanates from the fact that it is also according to the Act not representative of the entire workforce in the company. If its intention is to pursue the ideal of a workplace forum, it has the option of either:

- engaging in a recruitment drive with the view to ensuring that it is able to acquire a majority status within the company; or
- engage the National Union of Metalworkers of South Africa (NUMSA) in some form of a coalition so that jointly the two trade unions are placed in position where they have the necessary percentage to trigger the establishment of a workplace forum.

On the basis of this inability to represent the majority of employees, it may be concluded that until such time that the trade union is able to acquire a "representative" status, its chances of influencing co-operative issues at a company level are very slim if they exist at all. This problem of limited participation on the part of the National Union of Metalworkers of South Africa (NUMSA) members and non-participation on the part of the South African Workers Trade Union (SAWTU) and non-union members becomes even more complex when one considers the following.

Even if the two trade unions were to form a coalition of one form or another with the view to ensuring that the workplace forum is established in the company, full and meaningful participation would still not be guaranteed. The probable explanation for this



is that whilst the Act endeavours to create conditions in which labour can be involved in the determination and formulation of policies and strategies affecting their own lives, it does not go far enough particularly on those issues termed “core business issues”.

In fact an argument can be convincingly advanced that the notion of management prerogative remains unshaken. This is evident in the Act itself. In Section 84(1) it is clearly spelt out that:

“...unless the matters for consultation are regulated by a collective agreement with the representative trade union, a workplace forum is entitled to be consulted by the employer about proposals relating to any of the matters: restructuring the workplace, including the introduction of technology and new work methods; changes in the organization of work; partial or total plant closures; mergers and transfers of ownership in so far as they have an impact on employees; the dismissal of employees for reasons based on operational requirements; exemptions from collective agreement or any law; job grading; criteria for merit increases or the payment of discretionary bonuses; discretionary bonuses; education and training; product development plans; and export production.”

By not subjecting these issues to joint decision making, the Act fails to guarantee meaningful participation by the workers and their formations. By ordering that workers and their formations be consulted, the Act, implicitly denotes that, the final determinant of whether or not workers' input on these matters is seriously considered and taken into account is the balance of power between these class forces. This assertion is based on the ambiguous nature of the term consultation, and its susceptibility to manipulation and various interpretations, to serve the interests as divergent and sometimes contradictory as those of capital and labour. The ambiguity of the term consultation is also illustrated in Rycroft & Jordaan (1991: 311) in their observation that:

“Since the early cases on the duty to consult, two opposing approaches are evident in court judgements. One approach maintains that consultation must take place prior to the decision to retrench because this gives the employer the opportunity to explain the

reasons for the proposed retrenchment and to consider alternative measures to retrenchment. From this perspective, an argument is advanced that that consultation does not mean merely affording an opportunity to make a comment on or express an opinion about a decision already made, and which is in the process of being implemented.”

The second approach according to Rycroft & Jordaan (1991: 312) is one which says that:

“Consultation is not required where it would not have affected the decision to retrench and furthermore, the onus is on the retrenched workers to show that consultation would have made the difference.”

This view is strongly reiterated in the expression that:

“To suggest that a general immutable and inflexible rule exists according to which the employee must be fully consulted at the first stage, when the decision to retrench is being taken, in my view with the utmost respect makes for economic and business nonsense... It boggles the mind even to have to begin to think about enforced participation of shop stewards in delicate negotiations of the kind where some members of the board, even for extreme secrecy are deliberately kept in the dark. On the other extreme, why can I not simply shut down my small business, I am truly sick and tired of running it. On what conceivable basis can I be forced to consult my workers as a prerequisite for doing so...” (Rycroft & Jordaan, 1991: 323).

These two approaches are indicative of the problematic nature of the concept of consultation. For instance, the former approach advocates for consultation to be embarked upon before the decision to retrench by management is made. Implicit on the latter approach is the assumption that consultation is:

“... process which takes place after an in-principle decision to retrench has been taken at managerial level which decision is solely management’s to make” (Rycroft & Jordaan, 1991:326).

The lack of clarity and agreement around the concept of participation is also evident in the assertion that:



“There has been much debate in decided cases on when consultation should commence – i.e. after the decision to retrench is taken, or immediately a policy decision is taken which might result in retrenchments” (Grogan, 1998: 163).

In the above quotation Grogan (1998) appears to accept the fact that the term consultation is too vague to attach any one widely accepted meaning to it. However, he immediately points to the fact that the Labour Relations Act (1995) seems to give some perspective and directed interpretation of the term. For instance, he points out that:

“The Act to some extent ends this uncertainty by stating that consultation must commence when an employer contemplates dismissing one or more employees. This makes it clear that the decision must not have already been finally taken when the employer begins consultations” (Grogan, 1998: 163).

In fact an argument can be advanced that even though Grogan (1998) appears to want to disagree with the notion that the term consultation is ambiguous and uncertain, in his own comments, it is clearly evident that he acknowledges the problematic nature of the term.

This is depicted further in the assertion that:

“But the term contemplates is clearly one of degree. It would appear that what is intended is that the employer should notify the workforce of the possibility of retrenchments as soon as it has decided in principle to adopt a policy” (Grogan, 1998: 163).

On the basis of the outlined ambiguity and controversy surrounding the concept of consultation, it is clear that any real and meaningful participation by labour on issues of importance in business is never guaranteed in the legislation. What appears to be certain in the legislation is the fact that before the employer dismisses its employees, it must explain the reasons and listen to what the employees have to say. This in itself does not ensure that employees would be able to influence the decision once it is taken in

principle. In most practical terms the concept of participation must entail the right to determine issues of discussion and also contribute towards the shaping of those issues by being part of discussions. Analysis of the approach advocating consultation before a decision is taken, suggests that trade unions are not be afforded the right in law to suggest issues for discussion in this regard. The Labour Relations Act in Section 84(1) states that:

“Unless the matters for consultation are regulated by a collective agreement with the representative trade union, a workplace forum is entitled to be consulted by the employer about proposals...”

Further, Section 85(1) goes on to say that:

“Before an employer may implement a proposal in relation to any matter referred to in Section 84(1), the employer must consult the workplace forum and attempt to reach consensus with it.”

It is clear from the above quoted legal requirements that trade unions as independent organizations are not legally entitled to consultation on these matters. Even where workplace forums exist, employees are not allowed to initiate discussions around these issues but can only be consulted by the employer should the need arise. Moreover, even if the employer were to consult the workers, consultation on its own does not guarantee joint decision making, which must form the core of any participatory endeavour.

The latter view, it could be argued, shatters all hopes by those who hold the view that the Act, in its inclusion of the right of employees to consultation on co-operative issues, is a major breakthrough in an attempt to ensure that extensive powers accompanying management prerogative are curtailed. On the basis of this understanding, the point can therefore be made that the Act is not the solution of all problems and challenges facing

the workers and the labour movement. However it does provide a solid basis upon which the labour movement can consolidate and further advance its struggle in order to ultimately ensure real and meaningful worker participation.

#### **4.6 THE MAIN AGREEMENT AND JOINT DECISION MAKING**

In the same spirit of the Labour Relations Act (1995), Section 33 of the main agreement of the Iron, Steel Engineering and Metallurgical Industry dealing with the introduction of new technology and work re-organization, states that following the notification of the trade union by the company of its intention to introduce new technology, “a joint committee comprising representatives of the trade union(s), an employee representative body and management shall be established”.

Technological change according to the main agreement means the introduction by the company of manufacturing equipment substantially different in nature or type from that previously utilized by the company or of substantial modifications to present manufacturing equipment. By work re-organization is meant the introduction of major work re-organization which will substantially and materially affect the work of employees.

The intended purpose for the establishment of this joint committee between management and workers, should the company decide to embark on one or both of the processes mentioned above, the argument goes, is to:

“endeavour to reach agreement on the following issues:

- The training or re-training of employees whose jobs are adversely affected or who may

be displaced from their jobs as a result of technological change and/or work re-organization

- The impact on the health and safety and work environment of workers as a consequence of such technological change.”

Joint decision making between labour and capital, in accordance with this agreement, is allowed only in so far as it does not interfere with management’s right to decide whether or not to introduce new technology or re-organize work. It is allowed in so far as it is to discuss only the “training or re-training of employees whose jobs are adversely affected”, probably because the decision to introduce new technology and work re-organization is too complex and beyond the comprehension of workers to be able to make “informed and correct decisions”.

The main agreement goes on to stipulate that where the introduction of the new manufacturing equipment or modifications to present manufacturing equipment may result in retrenchments or redundancies, the security of employment provisions of this agreement (Section 35) shall be observed. Section 35 deals with the termination of employment due to operational requirements. Analysis of the above suggests that workers or trade unions are denied the right to meaningfully participate even on issues that affect their very essence, i.e. employment.

Any informative analysis of worker participation in the company under investigation should be grounded on the background information provided above. This is of central significance given the fact that interaction between management and workers is regulated primarily by either the Labour Relations Act(1995) or the Iron, Steel, Engineering and Metallurgical Industry’s collective agreement.

## **CHAPTER FIVE: THE LABOUR RELATIONS HISTORY OF S A WIRE**

This chapter gives a historical account of the company's labour relations development paying particular attention on the contradictory nature of these relations in the period dating back to 1973 until the time of this research project. The development of the company's labour relations since the early 1980s has been characterized by intense conflict between management and workers, with the workers on the one hand displaying an increased level of militancy, and management on the other, trying to adapt and respond accordingly to this 'new' culture of resistance. To be able to provide a broader view of these developments, it is important however, to sketch though very briefly, the context within which interaction between management and workers took place. This context saw the rapid re-emergence of worker organizations, on a scale never seen before in the history of the country, characterized by a high degree of militancy and willingness to engage in confrontational resistance.

### **5.1 THE INTENSIFICATION OF WORKER UNIONIZATION COUNTRYWIDE**

The period between 1960 and 1970 could simply be categorized as a decade of 'peace and stability' in South Africa after the successful repression of all forms of resistance in 1960. On the political arena, activists and leaders of the resistance movements such as the African National Congress (ANC) and Pan Africanist Congress (PAC) were arrested and sentenced, some to long sentences and others to life imprisonment. During this campaign too many people were executed and the political movements were banned from operating openly. On the labour front, this meant that Black workers had no voice because their

trade unions were not recognized neither by the Industrial Conciliation Act (1924) nor the Labour Relations Act (1956) and were subsequently crushed and disappeared when all unlawful organizations were banned by the state in 1960. With regard to White, Coloured, and Indian workers who by law had the right to organize themselves into trade unions, very little, if anything of substance, in terms of advancing their interests happened during this period. It was only in the early 1970s that signs of active resistance, on the part of the oppressed, particularly on the labour front, began to show.

For instance, in Durban and surrounding areas, 1973 remains an important year in the history of the formation and subsequent consolidation of trade unionism. The prevailing mood of labour activism in the early 1970s with its conspicuous feature of renewed sense of defiance and resistance did not go unnoticed. Baskin (1994: 252) commented that:

“Whilst the rebuilding of the union movement began in earnest in the early 1970s through the length and breadth of South Africa, in Durban and as early as 1973, about 2000 workers at Coronation Bricks downed tools and demanded a pay rise... Within weeks thousands of textile workers in Pinetown and Hammarsdale also downed tools. They were soon joined by municipal workers and thousand of others.”

Whilst this mood of defiance and resistance was rapidly and increasingly showing signs of visibility in almost all corners of South Africa, this observation by Baskin is chosen precisely because of its focus on the activities taking place around Durban during this period. These activities, it could be argued, become more relevant particularly because the location of the company under investigation is also in Durban. Further it would be argued that these labour activities had a significant impact on the researched company even if indirectly. These strikes reflected the impatience and the degree of readiness not only on the part of labour but the entire component of the oppressed to engage both



capital and the state head on. These worker activities, a clear reflection of intensified unionization campaign, shook not only the captains of industry, but the White parliamentarians as well as depicted in the statement by one parliamentarian that the: “Bantu of Natal did not have in them to come together and agree that a thousand of them should strike”(Baskin, 1994: 253).

Inherent in this comment is the assumption that workers do not possess in them the will and capacity to engage in any form of resistance without being manipulated by certain ‘hidden forces’.

The 1973 strikes and other labour activities around this period, like most activities of a similar nature, did not affect all industries and every company equally. Some companies and industries were badly hit during this round of labour activities, probably because workers in these firms and industries, were directly involved in such activities and others emerged less shaken because of their workers’ non-involvement. The company under investigation, like many other companies which during this period did not experience the heat of industrial action, was also affected by such action, even if only in the later years.

Such effect is reflected in the company’s decision a year later to appoint worker representatives referred to as councillors. The role of these councillors defined broadly was:

- to take problems experienced by the workers on the shop-floor and convey them to management; and
- to take decisions taken by management on their deliberations as a response and convey them back to the workers.

This development was viewed by management as a progressive step forward towards ensuring that the views, fears and aspirations of the labour force were taken into serious consideration in their decision making process. Expanding on this view, for instance the human resources manager maintains that:

“The development must be viewed within the context of what was happening at that point in time. Some managers for example had been in their management positions for a considerable length of time without any knowledge whatsoever that workers have the will and power to challenge management on what is believed to be strictly management prerogative. This was in a sense new experience for them and the fact that they were bold enough to at least want to listen to what the workforce had to say, to me is very encouraging”(Interview, April 1997).

The reaction of the workers on the very same arrangement indicates an element of ambiguity. Some workers are of the opinion that such arrangement had to be welcomed because it represented for the first time an attempt by management to listen to the “voice of the worker” (Interview, April 1997).

Meanwhile other workers held a different view to this one. Their position was that such arrangement had very little if anything to do with the workers but everything to do with management. According to this view, it was an arrangement meant to benefit management, not the workers. As one employee puts it:

“We were not even consulted on the idea of having councillors. We were never given the option to elect who we wanted. They were just appointed by management for us and we just had to accept them. It was one of those management ideas and some of us felt that management was interested in our plight”(Interview, April 1997).

Another employee concurs with this sentiment expressed above, however, differently when he says:



“The councillors were not even part of discussions. They were appointed only to convey our problems to management. They were not involved in the joint discussions of those problems. Management had to decide what to do with the problems. If they felt that what we raised was of no interest to them, their response was always negative”(Interview, April 1997).

One notable feature of the institution of these councillors remains on one level, the total exclusion of labour in both the initial conception of the idea and its subsequent implementation. This is illustrated in the first instance by the fact that the need to put into existence councillors representing workers was felt by management and secondly the appointment of such councillors was also done by management. On the other level, all the councillors were expected to do, was to establish what problems were the workers experiencing. The discussion and the resolution of such problems remained management prerogative.

Three years from the appointment of worker councillors, the Indunas, were appointed who, according to management were important in ensuring the smooth flow of the production process because workers would now have people to look after. Responding to a question of a criteria used in selecting Indunas, one member of management who was present then had this to say:

“We had to look at whether or not the person was able to perform his duties efficiently and effectively, the ability which in most cases, came with experience in the job. We also had to look at whether or not the person’s attitude was right for looking after his fellow workers. The person should also be able to understand a little bit of English” (Interview, April 1997).

There is another dimension to this decision to appoint Indunas in 1977 as one former Induna puts it:

“We were thought to have a better understanding of the job based on our experience, and our appointment would relieve our foremen of the other duties they were doing then. Because we were Black, and a product of a similar cultural background and could understand the language spoken by the majority of the workers, it was easier for us to understand their concerns and frustrations, than it was for white foremen. Problems that had to do with operation on the shop floor had to come through us to management.” (Interview, April 1997).

This dimension is critical because it begins to expose the limitations White foremen had in their day-to-day dealings with the Black labour force. It begins to show the contradictions inherent in the system in which people with a totally different social, economic, political and cultural background, speaking a language foreign to the majority of the labour force were entrusted with the task of ‘managing this labour force and make them produce’.

Other than the view espoused by management on the selection of Indunas positing strictly an element of competency on the part of the appointees, and the need to improve the performance of the company, the perspective given above adds another element which is that of being able to control the activities taking place on the shop-floor, an element very difficult to achieve without an ‘understanding’ between the controllers and the controlled.

On the basis of the above observation, it becomes clear that management began, whether consciously or not, a process of consolidating its mechanism of control on the shop-floor. The putting into operation of councillors on the one hand to collect information on issues regarded as human issues and Indunas on the other, to concentrate on operational issues, meant that they were then able to effectively access the kind of information necessary to enable the kind of decision making informed by stakeholders historically disregarded.

### **5.1.1 SAAWU AND THE FIRST STRIKE ACTION**

The intensification of the unionization campaign countrywide, caught up with S A Wire as evidenced by the coming into operation of the South African Allied Workers Union (SAAWU) in 1982. The unionization of S A Wire employees brought with it new challenges and experiences not known to the company in its entire history of existence. During the first year of the union's existence within the premises of the company, there was a five hour work stoppage. The first collective action ever taken by the workers in the company's 69 years of existence.

Through this work stoppage, workers were demanding that they be refunded their pension fund contributions. In the Iron, and Steel industry, the pension fund scheme, requiring employees to contribute a certain percentage of their earnings towards their retirement had only come into operation in 1978. This means that there was no retirement scheme for employees who worked and retired before 1978 and consequently had nothing to depend on after their working days were over.

Even when this retirement scheme was introduced, neither the workers nor their elected representatives were involved in the taking of this important decision. As a result workers were clearly opposed to the deduction of part of their earnings to contribute to the pension fund scheme as one worker puts it:

“We decided to stop working because we were aware that there were certain companies that had already refunded their employees their pension fund contributions. We therefore felt that applying pressure on management would produce similar results” (Interview, April 1997).

In talking to the workers, what comes out as the main objective of the stoppage appears to be two-fold:

- Workers were not satisfied with what they were earning, and were of the view that if the pension fund contributions were to cease this, no matter how little, would supplement what they took home on a weekly basis. They therefore wanted to make sure that the deductions are stopped.
- Employees could not trust management and therefore viewed the idea of management keeping their pension money until they retire with scepticism. Therefore central to the strategy was an attempt to ensure that if the idea of bringing an end to the deductions does not succeed, they at least are accorded some representation on the administration of the fund.

According to management, the fact that workers had to embark on a work stoppage was very unfortunate in the sense that:

“As management we were not involved in making that kind of decision. It was a legislative requirement that we were compelled to abide by. What was most disturbing was the fact that the decision was taken in the interests of the workers to ensure that when they retire, at least they had something to fall back to” (Interview, April 1997).

In November 1983 workers embarked on yet another collective action. This time it was a strike action. Unlike in the work stoppage, during this round of action they demanded the reinstatement of a dismissed fellow worker. This strike action which took place a year after the work stoppage, begins to clearly demonstrate a sense of collective power which came with the unionization of the workers. As one worker put it:

“Before the union came in, we could not question the right of management to dismiss workers. The situation was so bad that you were not even expected to argue with your White foreman because if during that argument, he felt offended, you were gone without being given an opportunity to state your side of the story. When the union came in, our situation of powerlessness became something of the past, and for the first time in my working career, I personally felt that I could stand up and fight the injustices which we

had always experienced at work” (Interview, June 1997).

This kind of action at S A Wire was never an isolated action. Some companies and industries had already begun experiencing strike action as Webster (1994: 271) correctly points out that workers were beginning to challenge issues of control. They were beginning to question the right of employers to dismiss workers as they saw fit. The view held by management in this regard is that there was no need for the strike in the first place. For instance, one manager in articulating a management position in this regard had this to say:

“The employee who the workers were demanding that he be reinstated, was prior to his dismissal an Induna. When there was a shortage in the amount of work he was doing at that point, a decision was taken to offer him a job back on the shop floor to be an operator. He rejected this offer and therefore presented management with no other viable alternative, but to terminate his contract of employment because there was no other job to be offered to him. For employees to embark on a strike action in support of an employee who blatantly refused to accept a reasonable offer under circumstances and carry out an instruction is difficult for me to comprehend”(Interview, June 1997).

The manner in which the strike action was handled by management left the workers’ camp divided. When management issued an ultimatum insisting on employees who do not want to be dismissed to return to their work stations, some workers heeded the call. Others refused as clearly pointed out in the statement by one worker that:

“We viewed the call as a threat and therefore refused to be intimidated by management’s threats to dismiss and suddenly found ourselves out of the gate” (Interview, June 1997).

In an attempt to further deepen lines of division which were already beginning to come to the surface, management engaged in a process of selectively re-employing among those employees who eventually were dismissed. Employees, who were re-engaged, however

did so, on the understanding that they would become new employees. After this process, workers were divided into three camps. There were workers who returned to work immediately after the issuance of an ultimatum however, before the decision to dismiss had been announced. These workers lost their earnings equivalent to the time they spent in the strike action.

There were those who defied management's ultimatum and subsequently were dismissed, but were selectively re-employed. Their loss was their earnings equivalent to the time in which they were involved in the strike, their earnings equivalent to the time lost after their dismissal but before their re-engagement. The service equating to the years they had spent with the company before the strike action.

The last category involved those who also defied management's ultimatum and subsequently were dismissed, and never considered for re-employment. Their loss was the most severe of the three categories in that over and above the loss suffered by the second category. For them what began as a fight against 'injustice' ended up costing them their jobs.

Interviews with both workers and management on these developments point to the fact that on the part of the employees, the coming into existence of a trade union slightly shifted their consciousness towards a more collective approach in their dealings with management, thus strengthening their position in the company. On the part of management, the existence of a trade union appears to have brought with it a sense of frustration, powerlessness and ambivalence.

Whilst workers felt strengthened by their belonging to a trade union, the manner in which the union handled the strike action resulted in most of them questioning the integrity of the union organizer. Workers felt betrayed because the last time the trade union organizer was seen was after his meeting with management on the day just before workers were dismissed. He promised to come back but never kept his promise.”

### **5.1.2 UNDERGROUND WORK AND THE EMERGENCE OF MAWU**

According to workers, management engaged in the “...old tactics of divide and rule in their bid to screen what they perceived as troublemakers and found workers not in a stronger position to challenge this action particularly after we had been let down by the union. On the other hand management maintains the view that there was no hidden agenda on their response to the strike action. This view is contained in the assertion that:

“We did everything possible to persuade employees to return to work. We called in the union organizer to come and intervene. On our discussion with him, he admitted that the strike action was indeed illegal and promised to persuade employees to resume their duties. He tried to speak to them. However, he could not get the message through. After that we issued an ultimatum, they still would not go back to work. We were therefore left with no other option but to dismiss them” (Interview, June 1997).

In the face of an aborted attempt to put pressure on management to reinstate a fellow comrade, the immediate response of employees who continued to be employed by the company was to go underground. The period immediately after the November 1983 dismissals was characterized by the absence of the trade union and ‘labour peace’ on the shop floor, as one shop floor manager puts it: “The dismissals brought the situation back to normality since most ring leaders never came back.” However, in the words of a worker who is among the selectively re-employed, in explaining a similar situation, a

different picture is painted. He argues that:

“Management thought of their response to our action very carefully and when they responded, we were caught unaware. In the process, we ended up divided. Therefore it was logical that we had to be careful on every step we were planning to take. Yes, we were quiet but we were not dead. It was a matter of time before we came back to the surface again” (Interview, June 1987).

It appears that both parties accept the existence of a period of relative peace and stability immediately after the 1983 strike action with its subsequent dismissals, but the parties seem not to converge on their understanding of the reasons behind this state of affairs.

In 1984, in an attempt to consolidate this perceived state of ‘peace and stability’, management engaged, for the first time in the company’s history, since its establishment in 1913, in a process of employing female employees to work on the shop floor. These female workers were engaged to replace dismissed employees who had been involved in the November 1983 strike. Management was divided on the thinking to employ women to work on the shop floor. Some held the view that the nature of work in most engineering industries do not lend themselves to being performed by women. Others were of the view that women, like men, would be able to perform duties expected of them on the shop floor only if they are given the opportunity. The former view, was mostly held by that section of management who in most cases were in direct contact with the shop floor.

The latter position seems to have been propounded by the senior level of management. Eventually the decision to go ahead with the decision to employ women was adopted.

This response brought with it a sense of ambivalence on the part of employees who already were part of the establishment. This sense of ambivalence seems to emanate from



the following reasons:

- The first one appears to be that workers were still hoping that management might still change its decision and bring back the dismissed fellow workers.
- Secondly, there was also concern on the part of the workers that the kind of jobs available might not be suitable for women.
- Thirdly, workers were also concerned that the engagement of women was just another ploy management was using to neutralize the militancy of male workers already the company.
- Fourthly there was also a sense that the employment of women should not lead to the further division of employees within the company since this might strengthen the hand of management.

On the question of women being used to neutralize the militancy of male workers, one worker actually pointed out that this was not just a perception on their part since certain managers on the shop floor used to express the view that the 'mix' might help normalize the situation on the shop floor. This sentiment is in line with the argument that women are considered not only to have naturally nimble fingers, but also to be naturally more docile and willing to accept tough work discipline, and naturally more suited to tedious, repetitious, monotonous work (Elson & Pearson, 1989: 148).

On the part of management, there were those who thought of women as being incapable of doing what historically has been regarded as mainly 'male jobs'. Others held the view that women were docile and therefore appropriate to act as a neutralizing element in a climate that was beginning to get volatile. On the part of the employees themselves, there were those who viewed the employment of these women with scepticism. For one, they were considered a threat to the jobs of their 'fellow comrades'; secondly they also like management, viewed them as incapable of performing some of the duties because of

their gender; and thirdly, like management, they viewed them as a neutralizing instrument in a relationship which was beginning to be heated. All these and other assumptions, which clearly are grounded on sexist, patriarchal and male chauvinistic views of the world were however, proven wrong. The widely held view that most jobs in the engineering industry are male orientated was put to test with the employment of women at the company under investigation and proven to be just an assumption with no solid basis. For instance, when asked about their adaptation in a male dominated work environment, one woman worker had this to say:

“Most of us were a bit frightened initially because it is common knowledge that the industry is mainly dominated by men. We were not sure if we were going to cope with the demands of the new situation. However, because we had said we want work, we were very determined to ensure that we are able to cope. Since work allocation was not based on gender, we had to give it our best to perform as expected and at the end found that there was nothing to fear because we were coping and in certain instances, we were even better than men” (Interview, June 1997).

This view concurs with the observation by one manager that: “They were very quick to adapt and honestly, I do not think anyone ever expected such a rapid adaptation.”

The assumption of women’s docility and their unwillingness to associate themselves with the trade union movement is also found wanting with the experience of S A Wire Co. In fact, the opposite of this assumption appears to be true. As Baskin (1991: 285) correctly points out:

“Women workers in South Africa – unlike many other countries – are no less keen to join unions than men. Indeed, experience often reveals that women are often in the forefront of those joining unions. They also tend to be the most militant and dedicated members during industrial action. Individual women often provide the strong and charismatic leadership essential for the unionization of a factory.”

Looking at the company under investigation, it is probably easy to substantiate the observation made above because not long after their employment, 100% of women working on the factory floor were unionized, whereas there were men who remained out of the union. Based on this factual information, it is incorrect therefore to generalize that women are less willing to join the trade union movement.

Towards the end of 1985, the majority of workers had already joined the Metal and Allied Workers Union (MAWU). However, such development did not just happen towards the end of 1985. It was a culmination of a process that had already begun taking place as early as the beginning of 1985. It is only that the union was only introduced to management towards the end of the year. Explaining the reason for a prolonged time between the initial coming into contact of workers with the union and its introduction to management, one of the first workers to join had this to say:

“The 1983 strike sowed seeds of division amongst ourselves. There were those who were never dismissed and subsequently retained their service and everything. Some of us had to come from outside to reclaim our positions in the company, and as a result lost our service. You therefore had to be very careful in everything you wanted to do. So we had to keep a very low profile so that initially it was only those of us who lost service whom we could recruit to join the union and we had to keep this close to our chests. Mind you, after the strike the majority of employees continued their membership with the South African Allied Workers Union (SAAWU).” (Interview, September 1997).

As to the reason why there was a switch from the South African Allied Workers Union (SAAWU) to the Metal Allied Workers Union (MAWU), most respondents appear to cite two issues, contributing towards the shift. The first issue concerns the issue of the South African Allied Workers Union (SAAWU) as a trade union particularly the manner in which it handled the 1983 strike action. Most respondents feel very strongly that they

were sold out by the trade union, in particular, the organizer who promised to deal with the dispute at hand but chose to run away. This sentiment is adequately captured in the response that:

“We joined the union to defend and advance our rights and interests. Why do you have to keep paying subscriptions to a union that runs away at the time when it is supposed to discharge its duties” (Interview, September 1997).

The other reason deals with the issue of paying subscriptions to the union. The South African Allied Workers Union (SAAWU) expected workers to call personally to pay their subscriptions into union offices. The Metal Allied Workers Union (MAWU) offered to arrange for the company to deduct union subscriptions from employees' wages and pay them over to the union. Workers thought this to be a proper arrangement because to be expected to pay union subscriptions to the offices, in most cases, is very inconvenient.

### **5.1.3 THE 1987 WATER STRIKE AND THE MYTH OF WOMEN'S DOCILITY**

There was in 1987 yet another strike action. The dispute this time arose over the unavailability of water on site as a result of the 1987 floods. Workers were of the view that they could not be expected to work in a situation where there was no water. Their argument is that it was the duty and responsibility of management to ensure that clean water was provided on company premises. Management on the other hand, was not opposed to the view expressed by the workers. However their point of departure was that the problem was way beyond their control and therefore could not be held responsible for the shortage of water. For instance, one manager expressed his view like this:

“It was irresponsible on the part of the workers to just embark on a strike action over an

issue that had very little to do with management. What makes the situation even more difficult for me to comprehend, is the fact that we, even under those difficult conditions, made serious attempts to get water from other places. However workers insisted that they wanted clean water and further argued that under no circumstances would they use water provided, on the pretext that it was dirty and could endanger their lives" (Interview, September 1997).

Workers, on the other hand, portray a picture different to that painted by management on the same issue. Their point of departure is that they proposed to management that in view of the unavailability of water, management should make efforts to find clean water from other sources. Or alternatively, allow them days off until the situation had improved. One employee argued for instance that:

"There was no way in which we could be expected to continue working under those conditions. No water to drink, no water to bath, and the toilets were filthy. We made a very reasonable proposal to management, either to get clean water or allow us to go home and come back when water was available. But because production is more important than our lives, they decided to bring us dirty water and expected that we were going to be happy" (Interview, September 1997).

During this round of worker collective action, women were in the forefront and the most militant in this struggle against management. The senior shop-steward at this time was a woman which probably demonstrates the activism and the involvement of women in the trade union in the company under investigation. It is also important to note that as a result of this strike action, over one third of company employees were dismissed. Of the total number of women employed in the company during this time, 85% were dismissed. On the other hand, of the total number of men employed, just under 45% were dismissed.

It is central to point to the fact that just like in the 1983 strike action, dismissed employees represented those who defied management's ultimatum. Like in 1983,

employees who were not dismissed were those that went back to work when they were told to do so and unlike in 1983 there were also those who never embarked on the strike action because they were working nightshift. Asked as to why they were never involved in the strike, one worker put it this way:

“The decision to go on strike was taken during the day by employees who were on day shift. They did not bother to consult those of us who were working at night about the possibility of going on strike. The only time they thought about us was when they wanted to stop us from working after they had already been dismissed. That is the reason why we were never involved” (Interview, September 1997).

Whilst in numbers men were in the majority of those who were eventually dismissed, this is only because the company, like the industry, is overwhelmingly male. However, when percentages are considered, women were by far the highest of those who were dismissed. This high percentage of women dismissed could also be taken to be an illustration of the degree of women’s involvement in the union activities. The observation by Baskin (1991: 285) that experience often reveals that women are often in the forefront of those joining unions and tend to be most militant and dedicated members during industrial action is probably confirmed by this account.

This greater involvement of women in the trade union and their active involvement in the struggle against management, which together with other workers led to their subsequent dismissal, is a clear indication of the fact that the view that women are docile and are not prepared to be part of the trade union movement, lacks substance and cannot be generalized. On the basis of the empirical evidence at the company under scrutiny, a convincing argument can be advanced here that such a view remains not only a theoretical fallacy but also a practical myth.

In fact, the 1987 water strike proved wrong the thinking and concerns of both management and male workers respectively working in the company prior to the employment about female workers, that they could be used as a neutralizing element in the relationship between management and employees. Instead of operating as a neutralizing element, women proved to be the most radical and most dedicated in the struggle against management. This 'unexpected behaviour' by women led management into adopting a position of not employing women as reflected in the fact that no other women were ever employed to work on the shop floor since the employment of the first group in 1984.

The dismissal of the striking workers took place on the 05<sup>th</sup> October 1987. Immediately after the dismissal, the company engaged in a process of replacing dismissed workers.

The need to replace dismissed employees was extremely urgent as articulated in the statement:

"It is clear that we are under extreme pressure to supply customers with their goods. The disruption caused by the strike means that the promises we made to our customers could not be fulfilled. It is clear therefore that it is not in the interest of the business to waste more time. To be able to proceed with speed, it is therefore imperative on our part, to re-organize production as soon as possible. And if it means getting new people who are prepared to work, in the places of dismissed employees, that is exactly what we have to do. We must do everything possible, because the priority now is to ensure that the production process is kept on track as a matter of urgency" (Management Brief, 1987).

After the strike more than one-third of company employees were new. Management had to strike a balance between the urgent demand to 'satisfy customer needs' on the one hand and on the other the need to ensure that quality standards were not compromised. In some departments the departure of dismissed employees left a skill vacuum, which

contained possibilities of compromising quality standards whereas in ‘other departments the situation did not look too bad’. In an attempt to deal with this situation, management relied heavily on the experience and expertise of the Indunas. All Indunas did not participate in the strike and consequently were not dismissed. The heavy reliance on Indunas in certain departments to re-organize production, is explicitly articulated by a former Induna when he says:

“You know, of all the machines that this company has, chain-link machines are probably the most complex to operate. After the strike, there was only one out of six operators left who had the knowledge to operate these machines. The responsibility of training five more operators from employees engaged after the strike rested on my shoulders. Mind you, I had to do this at the time when there were lots of orders that had to be delivered. The difficult part is that all six machines had to run at the same time. I was here, there, and everywhere, but at the end we were able to cope” (Interview, September 1997).

In a separate interview, one member of management concurs with the viewpoint that the efficient and effective operation of the company depended heavily on the commitment and determination of Indunas who over the years had gathered knowledge and experience that enabled them to significantly contribute to the sustainability of the company during that period of difficulty. Those who were dismissed viewed management’s decision as being unfair and consequently instructed the union to refer the matter, initially to the then industrial council for conciliation and eventually to the then Industrial Court for litigation.

The matter was eventually heard in the Industrial Court on 16,17 and 18 June 1988, almost nine months after management’s decision to dismiss. In its argument, the union appealed to the court that should the company be found to have acted illegally and unfairly, employees should be reinstated to their positions without any prejudice and be



compensated for all the loss they incurred in the form of lost wages during the period of absence as a result of their dismissal. The company in its defensive argument stated that should it be proven that it acted illegally and unfairly, it is prepared to consider the question of reinstatement, however, the issue of compensation would certainly have a detrimental effect on the well being of the company because of the enormity of the amounts involved.

In its ruling, the Industrial Court found that the company acted both illegally and unfairly in its handling of the strike action and therefore ruled that all dismissed employees be reinstated. The conditions attached to the reinstatement were that workers should be reinstated as soon as possible, and should be compensated for an amount equivalent to three months' wages, at the rate of their pay at the time of their dismissal. Management appealed to be given two weeks to convey the decision of the court to those employees who already were in the employment of the company. These are employees who were employed immediately after the strike, on a fixed term contract, subject to the resolution of a dispute between the company and dismissed workers. Consequently, their fixed term contracts of employment were terminated on 01 July 1988 to allow for the resumption of duty by dismissed employees on 04 July 1988.

On the surface it would appear that the reinstatement and compensation of dismissed workers represented a victory on the part of labour, however, closer analysis reveals that the impact of such ruling had devastating effect on both parties. Whilst reinstatement was without doubt a major victory on the part of employees, and contributed positively in uplifting their morale and collective sense of solidarity and power, the fact that they

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remained out of employment for almost nine months, had a devastating effect on their psychological and social life. The monetary compensation they received was only a third of what they lost as a result of the strike, which clearly represents a loss on their part. The impact on the company was also ambiguous. The company lost a great deal as a result of its decision to dismiss because of the money that it had to pay out in the form of lost wages. However, this might represent a minor loss if viewed against the possibility of the loss the company could have incurred, had it lost its major customers as a result of a prolonged strike action.

Thus the argument that the reinstatement of dismissed employees represented a major victory on the part of the workers might represent a partial and limited understanding of the impact the strike might have had on both the psychological and material aspects of workers' life. On the other hand, whilst it would appear that the company was the loser during this round of the battle, a holistic view seems to suggest that by being able to keep its major customers, the loss incurred was relatively minor.

It must also be pointed out that the ruling gave workers a moral high ground and kept management on the defensive. This situation presented management with difficulty in terms of managing the company after the reinstatement of dismissed workers. This difficulty is captured in the statement that:

“It is now time that the issue of providing training to all management staff in terms of being able to handle discipline and grievance matters is seriously considered. The lack of confidence borne out of inadequate knowledge on labour legislation matters and how to effectively deal with disciplinary, grievance and trade union-related issues remains an issue of great concern. It is as a result of this, that a high degree of indiscipline on the shop-floor is being experienced at the moment. It is imperative therefore, that as a first step in dealing with this problem, the layer of management dealing with employees on a

day to day basis must undergo intensive training in this regard.”(Management Brief, 1988).

#### **5.1.4 REINSTATEMENT AND THE INTENSIFICATION OF CONFRONTATION**

On Monday 04 July 1988, dismissed employees resumed their duties on terms and conditions equivalent to those that existed before they were dismissed as ruled by the Industrial Court. It is common practice that in the Iron and Steel industry, wage increases are effected on the 01<sup>st</sup> of July every year. However, traditionally this date has never been met in terms of ensuring that wage increases are indeed effected on this date.

What has tended to happen historically, is that it is around this time that conflict around the question of wage increases, begins to intensify. The reinstatement of dismissed employees coincided with this period of intensified conflict around wage increases. Accordingly, workers engaged in demonstrations within the plant in support of the National Union of Metalworkers of South Africa's (NUMSA) national demand of one Rand per hour increase. Employers on the other hand were offering 12% equivalent to between R14.10 and R16.00 per week for the majority of unskilled and semi-skilled workers respectively. Workers' demand translated into Rands per week equated to R45.00, which was far in excess of what employers were prepared to offer. This was indeed a source of conflict. Management was opposed to these demonstrations because according to them the dispute in question had very little if anything to do with S A Wire management. The view held by management is that the company is not a member of the Steel and Engineering Industry Federation of South Africa (SEIFSA), an employer federation negotiating on behalf of employers within the industry and as a result has no

influence in terms of national negotiations. All management is interested in is the agreement reached between the parties, which according to a statutory requirement is then implemented. Management maintains the position that there is no need for employees to engage in the strike over issues that are deliberated at national level over which the company does not have any influence. The workers' position continues to be that they have a moral duty to engage in an action aimed at advancing their own interests.

During these demonstrations there were acts of violence. These violent actions were directed more often than not to other workers, particularly those who were never dismissed in 1987 who, according to those who were in the forefront of these demonstrations, were less willing to participate in actions 'that were in the interest of all'. For instance this is what one worker had to say in this regard:

"We were sick and tired of people who did not want to struggle and pretended as though they did not want money. But as soon as an increase was given, they took it. These people sold out in 1987 and we were not prepared to let that happen again. If we were dismissed, as a result of our involvement in the strike, all of us had to go" (Interview, September 1997).

These violent acts resulted in the dismissal of two workers who were alleged to have beaten one employee who did not participate in the demonstrations. A disciplinary inquiry was held and they were found guilty and subsequently dismissed. This dismissal however, did not temper the spirit of employees. Even after the wage dispute had been settled at 15%, workers continued with various other activities, including but not limited to go-slows, work-to-rule, work stoppages, demonstrations and overtime bans. Central to these struggles was the question of the Congress of South African Trade Union's (COSATU) call for a 40-hour week. In pursuance of this strategy was the call for a ban

on all overtime in an attempt to put pressure on management to accede to this demand.

On the question of overtime ban, workers were clearly divided. Some supported the call and others held the view that should the need arise for overtime to be worked, they would seize the opportunity and work. When the issue was debated at the workers' meeting, on the strength of majority view, it was decided that the call must be supported.

The meeting even decided on the question of punishment to be given to those who defied the decision. In the words of one worker: "All those who worked overtime were expected to pay R20.00 as a form of punishment". Clearly, this did not go very well with those who were determined to continue with overtime, and consequently represented a major source of conflict amongst workers because according to some, '...the money paid by some just disappeared amongst the shop-stewards and no one really knew what happened to that money'.

Towards the end of 1988, workers embarked on a work stoppage that lasted about one and half day. During this period, some workers were working night shift and as a result were not part of the decision to embark on a work stoppage. The decision taken by the workers was to remain within the premises of the company and sent the shop-steward committee to raise their grievances with management with the view to finding a solution. On their part, management refused to entertain any idea of engaging in discussions with the shop-steward committee if the workers did not want to go back to work. Both parties agreed that workers would have to go back to work to enable deliberations to take place between management and their representatives. When the shop-steward committee reported back to the workers during lunch time on the progress of their discussions with

management, workers were not satisfied and therefore resolved not to go back to work after lunch. When nightshift workers reported for duty in the evening, they were confronted and attacked by some workers who were on day shift. Resulting from this incident, two employees, among them the supervisor who had recently been appointed, were dismissed.

Apart from the rift that was beginning to develop among workers themselves, relations between management and workers soured very rapidly after 04 July 1988. In November 1989 management responded to a two-week go-slow, by giving every worker on the shop floor a final written warning. When management announced that it intends taking disciplinary action against all those involved in a go slow, worker responded by saying that management would have to call all of them to a disciplinary inquiry at the same time. In response to this situation, management gave them the warning without holding the inquiry, citing the reason that workers were obstructing the disciplinary procedure.

From the above analysis, it is apparent that the situation was no longer conducive to any normal working relation between workers and management and workers themselves.

Management on the one hand, blamed what was happening entirely on the union as expressed in the utterance that: "It was clearly a union influence in the sense that most of their demands were union driven". Workers argued that it was management's fault, "...since they thought they knew everything and did not want to listen to what we were saying and clearly our only viable option at the time was to continue fighting".

### **5.1.5 WIRE PRODUCTS DEPARTMENT GOES ON STRIKE**

On 11 October 1990, the wire products department engaged in a strike action over what

they perceived as the imposition of a supervisor from outside the company by management, thus effectively reneging on the undertaking made of promoting people from within before considering bringing in outsiders. Before the decision to bring in the supervisor in question, some employees had been sent for a basic supervisory training course on the understanding that should there be vacancies arising within the company, these workers would be given first preference. Speaking with some of the employees who were part of the strike action, it becomes apparent that the object of this strike action was two-fold:

- Firstly, it sought to challenge the company's recruitment and selection procedure in the sense that the position of the supervisor in question, was not known, because there was no attempt to advertise the position within the company. The workers actually allege that they came to know of the situation when the supervisor in question was being introduced to them.
- Secondly, it sought to demonstrate a collective sense of solidarity with those comrade who were taken to be trained in supervision on the understanding that should a vacancy arise they would be considered first. It was the feeling on the part of the workers that all those who went for training and passed the course should have been given the job before any person from outside was considered. Consequently, it was only collective action, at least in the eyes of these workers, which would make management take this issue more seriously.

Summing up a management's viewpoint on these two issues, this is what one member of management had to say:

"It would have been unrealistic on our part as management to put into such an important position as that of a supervisor, a person whose performance, during the supervisory training course, was not satisfactory. It is true that we made an undertaking to promote people from within the ranks, however all employees who went to the course and shown capabilities had already been offered supervisory posts. Those that were not offered posts, it was unlikely that they would be considered for any supervisory posts because of their results. It was precisely that reason why the job was not advertised internally. The other advantage with employing a person from outside was that a person with experience

was required to assist other supervisors who were new in the job particularly because supervisory posts were being introduced for the first time in the company”(Interview, September 1997).

On 12 October 1990, the entire department with the exception of a manager, two supervisors and four shop floor workers went on strike. Among the four workers, one was absent from work and the other three chose not to associate themselves with the strike. At the time of dismissal, the major point of disagreement appears to be that management on their part wanted workers to go back to work whilst the matter was being discussed with the departmental shop steward.

The shop steward who, like the senior shop steward was also a female, refused on the basis that she would not engage in discussions with management without being mandated by her constituency. Employees were adamant that management created the problem and what was required was for management to remove the supervisor in question and the problem would have been resolved.

After the announcement that employees from the wire products department had their contracts of employment terminated, employees immediately gathered to discuss the matter. At this meeting held on the afternoon of the 12<sup>th</sup> October 1990, it was decided that another meeting be held on the morning of the 13<sup>th</sup> October 1990. On this day, dismissed employees from the wire products department also reported to work. The purpose of their reporting to work was to continue with the discussions of the 12<sup>th</sup> and to seek, together with employees from other departments, to come up with an appropriate response to the decision already taken by management against them. When the matter was debated, there were two views that dominated these deliberations. On the one hand,



there were employees who held the view that other departments must also embark on a strike action in support of their comrades who already had been dismissed. This, it was felt, would put pressure on management to consider its decision against wire products employees, since no one would be prepared to work. This view was advanced in the main by wire products employees who already had been dismissed.

On the other hand there was a view pointing to the inappropriateness of all employees going on strike since this could jeopardize chances of defeating management on this issue. Instead, it was argued that employees who would be left behind should put pressure on management to bring back the dismissed employees. Eventually it was agreed after management was granted a court interdict to remove all workers within the premises of the company that only dismissed employees should vacate company premises.

In her persuasive plea to the dismissed employees to accept management's decision, the senior shop-steward pointed out that it was in the best interest not only of the dismissed employees but the entire workforce to abide by management's decision. She pointed out that should management decide to enforce the court interdict and remove all employees within company premises, it would be very difficult to fight the dismissed employees' case. She further argued that the best possible strategy of "...defeating management was to attack on both fronts..." implying that the matter should be referred to a third party but at the same time pressure must be exerted from within. At this point management was contemplating locking out all employees including those who were not dismissed, since no employee was actually working as it is clearly articulated:

"It is clear that employees have not resumed their duties today. One possibility could be

that all of them are not prepared to work, in which case we do not need them here. Alternatively, there are employees who are willing to go back to work. However, due to fear of intimidation, it is unlikely that they would ever risk doing that under present conditions. It is therefore in the best interest not only of the company but also of those employees who might be willing to go back to work, to proceed with the enforcement of a court interdict” (Management Brief, 1990).

Employees were not satisfied with management’s decision to dismiss wire products department. They therefore called upon the union to intervene. Both parties agreed that the matter be heard by a private arbitrator and consequently it was agreed that IMSSA be tasked with the responsibility to arbitrate on the matter. It was also the understanding that the arbitrator’s verdict would be final and binding to both parties. The matter was scheduled to take place for three consecutive days and in his ruling the presiding officer found the strike action of employees to have been illegal. It was on the question of fairness that management was found to have acted unfairly.

The arbitrator found that when the decision to dismiss was taken, management had taken into account the fact that employees had final written warnings in their files arising from the previous stoppage. The arbitrator found this final written warning to have been invalid for technical reasons.

During arbitration the shop steward pointed out that the issue of a final written warning was new to them. Management acceded to the fact that some workers may not have been aware of its existence, because when it was issued, workers refused to attend disciplinary inquiries as individuals and insisted on collective discipline. Nevertheless, management insisted that the shop-stewards were advised in this regard and therefore they were aware.

All employees were therefore reinstated on the basis that the final written warning, management admitted played a decisive role, in the decision to dismiss, might not have been known to at least the majority of dismissed workers. If it were not as a result of the warning in question, it was argued that workers would probably not have been dismissed. This reinstatement came six months after the dismissal. However the loss suffered by affected employees was great in the sense that there was no monetary compensation.

On their briefing of other management staff, senior management who represented the company in the arbitration proceedings stressed the importance of caution and thorough consideration before any stringent measures are taken:

“Initially we thought that the arbitrator was a bit harsh for ruling that workers must be reinstated. On second thoughts however, it became clear that the final written warning that was used as a basis of our evidence probably carried less weight in the sense that most if not all workers, with the exception of the shop stewards, were not properly advised of. Whilst this in itself does not imply that workers were not aware of the final warning, it does however, mean that we need to be very careful in almost everything that we do... On closer analysis, we are now convinced that our judgement then was to a large extent clouded by our emotions. On the basis of this analysis, it may be necessary to view this decision by the arbitrator as a lesson to all of us not to allow our emotions to interfere with our objective judgement on issues of this nature.” (Management Brief, 1991).

### **5.1.6 THE SHORTAGE OF WORK AND THE 1992 STRIKE**

Parallel to the struggle that was being waged between management and workers on the labour front, there was yet another battle that had to be fought on another front, probably by both these antagonists in a more co-operative way, though for different reasons. The economic depression resulting partly from the country's political and economic isolation was beginning to have negative effects on many business activities. Consequently there was a slight decrease in the amount of work which the company was expected to do.

This reduction in the amount of work had a direct bearing on the number of people employed by the company at the time. Management was concerned that the reduction in the amount of work would have a negative impact on the company's turnover, thus affecting its profitability. Workers on the other hand were much more concerned with the possibility of them losing their jobs.

Clearly both parties seem to share a similar objective, i.e. to ensure that there was no reduction in the workload since both their interests, despite their divergence, would be interfered with. On the basis of this assumption, one may be tempted to conclude that it was in the interest of both parties to co-operate in ensuring that despite their internal differences, the situation does not arise that might lead to the shedding of jobs. A closer analysis of events however, suggests that in fact the very opposite happened.

Towards the end of 1991 management made it known that on the basis that there was a shortage of work, the company was going to work short time. When this possibility was made known to shop stewards, their standpoint was that short time should affect not only shop floor workers, but every employee in the company. Management rejected this proposal on the basis that this would negatively affect departments that had plenty of work.

After some discussions and debates, management agreed that all employees would go on short time with the exception of monthly paid employees. The reasoning used being that their salaries are not calculated hourly or daily and as such would require that they be paid their full salaries even though they would have worked short time. For the period of

four weeks until the annual shut down in 1991 all employees with the exception of monthly paid employees, worked four instead of the normal five days. When the firm re-opened in January 1992, the situation temporarily returned to normality with every employee working five days as per the terms and conditions of employment. It was on the 04<sup>th</sup> March 1992 when management, in a special meeting called precisely to discuss the question of short time, advised the shop stewards of the intention to begin working short time on the 09<sup>th</sup> March 1992. In explaining the reason for not working short time when the company re-opened, since it was clear from the previous year that there was a shortage of work, one production manager had this to say:

“We were optimistic that the situation might get better. In fact we did not want to begin the new year with an element of negativity. However, when we realized that things were not going as anticipated it became necessary to take such measures. (Interview, November 1997).

In this meeting management reiterated the view they held previously that only those departments with less work would be affected by short time. On the other hand, shop stewards maintained that they would only accede to a short time arrangement provided that all weekly paid employees are affected. These two views could not be reconciled during the discussions. Management insisted that short time would go ahead on their terms.

In explaining this uncompromising stance, management argued that the company was in a serious condition. It was necessary therefore to ensure that those departments that had ‘plenty’ of work were kept working to be able to pay for losses incurred in departments where there was a shortage of work. According to this view, asking for people with work

to stay at home would have disastrous effects not only to those departments, but the entire company would be affected. On this question one production manager argued:

“It became clear to us that the union was being obstructive and did not make any serious attempt to understand the problem faced by the company or alternatively to come up with a practical proposal”(Interview, September 1997).

In terms of the Iron, Steel and Metallurgical industry's collective agreement, governing terms and conditions of employment of all employees defined in the agreement, in which the majority of employees employed in the company fall, it is clearly stated that an employer shall give the bargaining council, affected party trade unions two clear working days' notice of the intention to implement or increase or reduce short time hours.

In terms of this collective agreement, it is apparent that management satisfied the notification requirements as stipulated in the agreement in the sense that affected parties were advised on Wednesday the 04<sup>th</sup> March 1992, with the short time expected to commence the following Monday on 09<sup>th</sup> March 1992. At the report back meeting held by the workers in this regard, it was decided that management's decision to work short time must be defied. This position was reaffirmed in a mass meeting on the morning of Monday the 09<sup>th</sup> March 1992, when workers decided to hold labour power in protest against the decision to work short time.

In her argument, at the above mentioned meeting, the senior shop steward persuasively maintained that:

“We have an agreement with management agreed upon last year which clearly spells out that should there be a need to work short time, the entire factory will have to go on short time. A situation where certain departments and individuals will be expected to work

short time while others remain unaffected is not acceptable. Management is now deliberately reneging on that agreement by saying that certain departments must work short time while others continue as normal... Clearly comrades, this is one of those divide and rule tactics and we must not allow ourselves to be divided."

Confronted with this statement, the factory manager dismissed it as mere politicking on the part of the shop steward. He remained adamant that this was never an agreement but merely an understanding reached between the two parties because of the following reasons:

"There was a shortage of work in almost all departments. There was no need therefore, to expect some departments to work while others were not. In 1991 the problem of work shortage was applicable to almost all departments. Unlike in 1992 when the employees decided to go on strike, some departments had a lot of work. Asking those departments to work short time would be like chasing customers away because we would not be able to meet their demands which in the long run would be detrimental to the viability of the business." (Interview, November 1997).

On the realization that workers were not resuming their normal duties, management requested a special meeting with the shop stewards to ascertain the reason for worker's refusal to go to their work stations. Shop stewards rejected any meeting with management to discuss the issue of their stoppage, citing the reasons already conveyed to management at the meeting held on 04 March 1992. All they were prepared to discuss, they argued, was how the short time arrangement was to be implemented across the board.

On their part management continuously appealed to shop stewards to sit down and engage in a dialogue, but in vain. Employees continued to withhold their labour power. This strike action was marked by incidences of violence and intimidation. For instance, employees who appeared to be against the strike were beaten, some had their clothes torn

and some supervisors were attacked and had to be taken by managers away from work. On Wednesday 11 March 1992, the union officials came in to try and resolve the dispute between management and employees. This meeting failed to come up with any resolution, which could avoid what was clearly becoming inevitable. Management advised the union that if the workers refuse to go back to work, it remains with no other option but to dismiss them. Initially management's approach was to be selective in its decision to dismiss. However the union insisted that if management decides to dismiss, all employees had to be dismissed because no one was working.

Management did not agree entirely with this viewpoint. As a result on Wednesday 11 March 1992, all weekly paid employees were dismissed, with the exception of all production supervisors, artisans, machine setters and clerks. Categories, management claimed, did not embark on a strike action. The trade union and employees were advised that employees who wanted to be re-employed had until the 16<sup>th</sup> of March 1992 to re-apply.

When the question of whether or not to embark on a strike action was discussed and debated by the workers, there were differing viewpoints. There were on the one hand those who supported and actively engaged in attempts to ensure that the strike became a success. On the other hand there were those who were vehemently opposed to the strike action. The point of departure on their part was not necessarily an opposition to the strike action per se, but behind the reason to strike. One issue for instance, which represented a centre of debate evolved around the fairness of the need to embark on a strike action.

Some who were opposed to the strike expressed the view that there were departments that



were short of work before, and only those departments were affected by short time. On the other hand, the proponents of the strike action maintained that what happened in the past should be forgotten and people must begin to focus on what should happen in the future. These differences were never bridged, but on the strength of the vote, it was decided that workers must embark on a strike action. After the dismissal of almost all weekly paid employees, around 40% of those dismissed handed over their re-employment applications by the 16<sup>th</sup> and 17<sup>th</sup> March 1992. Employees who re-applied were re-engaged as new employees and those who did not apply, never returned. In addition the company employed new employees to make up necessary numbers.

Initially, the situation between employees who were re-employed and those who never returned was extremely tense as expressed in the statement that:

“There was no way I could just come to work defenseless. I had to ensure that if I was attacked, I was at least in a position to defend myself. It is no secret that some of these people wanted to kill us because they felt that we sold out” (Interview, November 1997).

The majority of returnees when confronted with the view that they sold out, their response appears to be that they were not in favour of the strike in the first place and they made their position known when the matter was discussed. However, because shop stewards happened to hold a differing viewpoint, they were able to manipulate other people through intimidation and subsequently the impression was created that the majority was in support of the strike action, which in fact was not the case.

Opposition to the strike from the beginning was cited by many returnees to be the main cause for re-application. In line with this widely held view, one employee stated that:

“We wanted to come back to work because we were not in the first place supportive of the strike action. We felt that we were forced to join the strike. When the issue was first debated, some of us expressed the view that only departments affected by the shortage of work should go on short time. It was not fair for departments with work to be affected because short time evolved around the department where the senior shop steward was working. Some departments had gone on short time in previous years and because this did not affect certain people, no one ever said that all departments must go on short time... we were booed and called sell outs and cowards” (Interview, November 1997).

Others went as far as expressing the view that:

“It is easy for women to just call a strike action, because they know that if they get dismissed, at least they have their husbands and boyfriends to fall back on. You know, we have families that are entirely dependent upon us, and we cannot just go on strike just to serve the interests of certain individuals because they happen to be shop stewards.”

The National Union of Metalworkers of South Africa (NUMSA) was not satisfied with the decision taken by management and they, on behalf of dismissed employees, referred the dispute initially to the Industrial Council and when the matter remained unresolved at the Industrial Council level, took it over to the Industrial Court for adjudication. The dispute as far as the National Union of Metalworkers of South Africa (NUMSA) was concerned evolved around two major questions. In their presentation to the court, they argued that the process of dismissal was unfair because all weekly paid employees took part in the strike but some were never dismissed. And secondly, even after the dismissal management engaged in a process of selective re-employment which, according to the applicants, the strike action was used merely to get rid of those, who in the eyes of management were ‘troublemakers’.

Management on their part successfully defended their action and eventually the court ruled that workers engaged in an illegal strike and management’s action under

circumstances was appropriate, and therefore their decision to dismiss was upheld. The application of the National Union of Metal workers of South Africa (NUMSA) on behalf of employees was consequently dismissed with costs.

The National Union of Metalworkers of South Africa (NUMSA) was not satisfied with the ruling given out by the Industrial Court and therefore opted to take the matter further to the Labour Appeal Court. Of the three presiding officers reviewing the case at the Labour Appeal Court level, two found the Industrial Court's ruling to have been correct and therefore upheld the ruling. The other one found that the court did not take all necessary factors into consideration and therefore its decision was inappropriate under the circumstances. As a result of this split decision, the company's decision to dismiss was confirmed. This dispute took almost two years before its final resolution.

### **5.1.7 THE PERMANENT REGISTRATION OF FIXED TERM CONTRACT WORKERS**

After two years of uncertainty, all employees employed after the strike were eventually permanently registered in April 1994. Before this time their future with the company depended on the outcome of the dispute between management and dismissed employees. During this period of uncertainty, there was no trade union in operation within the company and any formal communication on a collective basis between workers and management took the format of monthly meetings between a management delegation and worker councillors elected by the workers on the recommendation of management. The difference between councillors who came into operation in 1992 and those that operated earlier is that unlike the latter, the former were elected by the workers themselves.

For instance the minutes of the meeting between the factory manager and the supervisors dated the 21<sup>st</sup> April 1992, on the question of representation from the shop floor reads:

“Management is proposing that workers should be given the opportunity to elect their representatives. The motive behind this, being to improve communication and create better understanding. The representatives will sit in a meeting with management to discuss business-related problems as well as other issues, which are of interest to both workers and management”(Management/Supervisor minutes, 1992).

When the decision of the Labour Appeal Court was conveyed to the workers, all of them showed signs of satisfaction and joy. Returning employees were satisfied in the sense that they did not have to be called traitors each time they meet dismissed employees, as one worker put it:

“We were proven right by the court even to those who kept calling us sell outs. Now everybody knows that our position was the correct one and our return to work was justified” (Interview, October 1997).

On the other hand employees who were employed after the strike were overjoyed in the sense that the security of their employment was strengthened as reflected in the assertion that:

“I could begin to plan my life accordingly with the knowledge that there was at least some security in as far as my employment was concerned. Since that decision, there was no need for me to keep on worrying about the possibility of loosing my job”.

After permanent registration, workers began organizing themselves into a trade union.

The view expressed by workers on the role of councillors seem to be that whilst they appreciated their role in terms of dealing with management at a time when it was difficult for them to join the trade union, they clearly had some reservations on their capacity to

deliver on their mandate. These reservations though, were not attributed to councillors as individuals but on their role as part of a structural arrangement present at the time. The view expressed by one employee in this regard is that:

“One cannot make a fair comparison and be able to come up with an objective analysis between the role played by the councillors and shop stewards because the councillors had no backup other than ourselves whereas the shop stewards are also supported by trade union officials. As a result, they have access to legal advice and moral support coming from outside the company. The councillors’ ability to put pressure on management to accede to some of our demands was extremely limited and it became necessary therefore to organize ourselves into a trade union” (Interview, November 1997).

When activists began recruiting members, they did this confidentially: “... so that by the time management realized what was happening, it would be too late for any attempt to reverse the situation.” As a result, of the need to maintain secrecy in this recruitment campaign, the process initially was very slow since the intention was to ensure that everything that was done was precise in terms of bringing the majority of employees into the trade union.

In late August 1994, the company received a letter from the National Union of Metalworkers of South Africa (NUMSA) requesting a meeting between management and the union to explore the possibility of engaging in a working relationship by the two parties. This request was based on the membership the National Union of Metalworkers of South Africa (NUMSA) claimed to have with the employees of the company. It was not until the 05<sup>th</sup> October that the first meeting between management and the newly elected shop stewards committee was held. As early as the 26<sup>th</sup> January 1995, indications that tension existed within the trade union/worker delegation were beginning to come to the surface. Indications were that the source of this tension stems from the question of

increment. Two of the shop stewards, including the senior shop steward, put onto the agenda of a meeting with management the issue of wage increase. When this was opposed by other shop stewards supported by the union organizer on the basis that the issue was a national issue and therefore does not form part of issues to be raised for negotiation at plant level, the other two shop stewards took offence to that.

The tension exploded into the open on the special meeting requested by the senior shop steward on behalf of the shop steward's committee held on 20 March 1995, in which meeting, shop stewards requested the presence of the company's Managing Director to discuss wage increases. In the very same meeting, the union organizer was expelled by shop stewards. This expulsion is thus reflected in the minutes:

"Before the senior shop steward could present the subject for discussion, he handed over a letter to the chairperson asking that the presence of the union organizer be dealt with before the commencement of the meeting. The chairperson suggested that the union be afforded some privacy to deal with the matter. This was agreed to. After the caucus, the union resolved that the organizer was not going to be part of the meeting" (Minutes of Management/Union meeting, 1995).

The disciplinary action was taken at the level of the union against the two shop stewards implicated in the expulsion of the union organizer. Consequently, the two shop stewards were expelled from the union. This expulsion represented a point of division amongst employees. Some employees resigned from the National Union of Metalworkers of South Africa (NUMSA). The majority of employees who resigned from the National Union of Metalworkers of South Africa (NUMSA) subsequently joined the South African Workers Trade Union (SAWTU). The South African Workers Trade Union was introduced into the company immediately following the expulsion of the two shopstewards. In its first

letter that the trade union wrote to the company it demanded the right to represent its members who were employed by the company. After some discussions between the South African Workers Trade Union (SAWTU) and management, the two parties eventually agreed that the company would recognize the trade union in so far as its representation of its members only.

The division between employees organized under the banner of the National Union of Metalworkers of South Africa (NUMSA) and those organized under the banner of the South African Workers Trade Union (SAWTU) was characterized by tension, allegations and counter allegations of war talk. Tension also existed between the two trade unions and management with each trade union accusing management of colluding with the other trade union.

This situation is reflected on some of the letters sent to both trade unions in this regard.

For instance, one letter sent to the South African Workers Trade Union (SAWTU) by management dated 26 March 1997 reads:

“It is unfortunate that the gist of your argument is clouded by unsubstantiated allegations of connivance between NUMSA and ourselves, hence difficult to establish in exact terms your concerns... I would like to address myself first on the question of resignations from either union. It is true that our understanding after the first debacle on this matter was that a resigning employee would notify the union concerned of his/her intention to resign. The said union would in turn inform the company accordingly. It is at this point that the company can process such resignation... Since then, there have been resignations from both unions. Our commitment to the agreed procedure could easily be demonstrated by your assertion that we refused to process resignations handed over to us by employees. On the part of NUMSA, this could also easily be illustrated by the fact that they had to declare a dispute and take us to the Industrial Council for refusing to process resignations not sanctioned by your union. Both unions however, never co-operated with employees who wanted to resign. This is probably why we are being accused of connivance by both trade unions...” (Management letter to SAWTU, 1997).

It is clear from the above letter that there were allegations and counter allegations by both trade unions to the fact that management was taking sides in the problems understood by parties purely as worker problems that had nothing to do with management. On the other hand, management was refuting these allegations as merely imaginations from both trade unions. Despite management's denial of the allegations of collusion, however, it would appear that the perception held by the two trade unions created an environment not conducive to better working relationships, not only between the two trade unions but also between the two trade unions and management.

#### **5.1.8 DEEPENING OF ANIMOSITY AND NUMSA'S STANDPOINT ON MEETINGS**

After the break up, management took the position that one meeting would still have to continue between management and worker representatives irrespective of trade union affiliation. This was accepted by both trade unions and an agreed formula was developed through which representation from the two unions was to be decided. The shop stewards were expected to elect a senior shop steward/spokesperson among themselves. However, such an arrangement did not last for too long. NUMSA shop stewards boycotted the meetings citing firstly, their constitution as the reason for this. They claimed that the constitution of the trade union did not allow them to sit in joint meetings with trade unions that are not party to the bargaining council.

Secondly, they raised the issue that their constituency had instructed them not to participate in joint meetings with the South African Workers Trade Union (SAWTU) lest they found themselves in 'deep waters'. This reason cited by shop-stewards when they pulled off from the meetings with management was once again raised on the meeting



which was attended by the trade union's regional organizer. The minutes of that meeting held between management and the National Union of Metalworkers of South Africa (NUMSA) states that:

"The union suggested that the two trade unions should meet with management separately because there is always tension between the members of the two trade unions, making co-operation extremely difficult. The trade union would go back to their members to seek a new mandate whether or not to sit in meetings in the presence of the other trade union" (Management/Union meeting, April 1996).

On their part the South African Workers Trade Union (SAWTU) stated that they did not foresee any difficulty in sitting around the table with the National Union of Metalworkers of South Africa (NUMSA) and management to discuss issues of mutual interest. As their senior shop steward put it:

"We did not have any problem in having the same meeting with both management and that other union. Our view has always been that if there are issues that affect workers irrespective of the union they belong to, such issues could be addressed jointly. And in case there were issues where we did not agree, each party could always request a bilateral meeting with management to discuss them. However if the other party was of the view that the meetings should be held separately, there was nothing we could have done" (Interview, November, 1997).

Management later took the decision very much against their will to have on a monthly basis two meetings with the two trade unions separately. The explanation given by management in this regard was that in the interest of keeping channels of communication with the employees of the company open, the decision to hold two separate meetings despite the inconvenience it caused on the part of management had to be made.

Management pointed out that this arrangement was time consuming in the sense that the

two meetings had to be conducted instead of one. It was also pointed out that it was very difficult to reach consensus on issues under discussion because the one trade union would oppose anything proposed by the other trade union and vice versa. Because neither of the two trade unions represented the majority of employees employed by the company, any attempt to reach some form of an agreement on any issue proved extremely difficult.

As a result of these developments, the possibility of bridging any tension and antagonism between the two trade unions became extremely remote. It was clearly on the basis of the National Union of Metalworkers of South Africa's (NUMSA) insistence that it was not prepared even to consider the possibility of joint meetings with the other trade union that it was decided in the eventuality that separate meetings were inevitable.

The coming into operation of the second trade union did not help to reduce the tension that arose as a result of the expulsion of the two shop stewards by the National Union of Metalworkers of South Africa (NUMSA). Instead the situation became more volatile. As it has been indicated above, one area where the manifestation of this is clearly apparent is in the holding of the monthly meetings between shop stewards from the two trade unions and management. It certainly became a norm that if shop stewards from the National Union of Metalworkers of South Africa (NUMSA) propose something on their separate meeting with management, shop stewards from the South African Workers Trade Union (SAWTU), irrespective of what benefits the proposal might deliver to the workers in general, simply rejected it, and vice versa.

It also became a normal way of conducting trade union matters that when reporting back to the workers after a meeting with management, shop stewards from one trade

union would criticize shop stewards from the other trade union and vice versa. One classical example in this regard was a grievance handed in to management by the South African Workers Trade Union (SAWTU) shop stewards against a National Union of Metalworkers of South Africa (NUMSA) senior shop steward. The allegation being that in her report back, she incited workers against them with remarks that the South African Workers Trade Union (SAWTU) shop stewards were selling out to management. The purpose of the grievance, according to South African Workers Trade Union (SAWTU) shop stewards, was to have these allegations investigated, and if found to be true, necessary action taken against the person concerned.

For instance in the minutes of the monthly meeting between the South African Workers Trade Union (SAWTU) and management, the senior shop steward expressed: “the union’s serious concern, in the manner in which management was handling the grievance they handed in against the National Union of Metalworkers of South Africa’s (NUMSA) senior shop steward.” In fact in this meeting management was accused of being in cahoots with the National Union of Metalworkers of South Africa (NUMSA) because up to the point when this meeting was held no action was ever taken against the person concerned despite the fact that the matter was reported some time ago. In their response to this allegation of collusion with the National Union of Metal workers of South Africa management pointed out that in their investigations, they could not find enough evidence to be able to institute a disciplinary inquiry.

In January 1997, when the company saw the need to retrench some of its employees, management invited both trade unions in an attempt to discuss the issue jointly because

of its 'sensitivity'. The National Union of Metalworkers of South Africa (NUMSA) continued with its stance that it would not sit around the table with management in the presence of the South African Workers Trade Union. Eventually management conceded to the consultation process on retrenchment taking place separately. However, when the National Union of Metalworkers Union of South Africa (NUMSA) declared a dispute against the retrenchment of their members, NUMSA alleged that management together with the other trade union jointly decided that only NUMSA members should be retrenched. This argument was based on the fact that no SAWTU member was affected by the retrenchment.

However, in the minutes of one of the consultative meetings dealing with the question of retrenchment, the National Union of Metalworkers of South Africa (NUMSA) suggested a position which was later accepted by the all three parties in the consultation process that should the retrenchment process become inevitable, the last-in-first-out, across the board principle, should be adopted as a criterion for selecting possible retrenchees. In fact this position is also endorsed in the Iron and Steel Bargaining council collective agreement.

It is clear from the records given out by management in terms of the employment dates that the criterion as agreed between management and the two trade unions was properly adhered to. It could be assumed that this issue, which constituted one of the core issues around the National Union of Metalworkers of South Africa (NUMSA) dispute against management, was based solely on the animosity characteristic of the relationship between the two trade unions.

The few incidences outlined above clearly indicate that the relationship between these two trade unions was not conducive to any close working relationship. In fact indications are that the relationship which existed between each trade union and management was relatively better than the relationship which existed between the two trade unions. This situation was clearly not in the interest of the workers, who in their struggle against management should at best, always act in unison or at worst portray themselves as a unified force. What remains striking however, is the fact that relations among employees belonging to the two trade unions, at the individual level was relatively good and without the kind of tension demonstrated at the trade union level.

However, the same could not be said about the shop stewards, particularly the National Union of Metalworkers of South Africa (NUMSA) senior shop steward and the South African Workers Trade Union (SAWTU) shop stewards.

On the basis of this understanding therefore it is very difficult to conclude whether the tension and animosity manifesting itself in various ways and on different issues at the trade union level is a reflection of this tension between shop stewards or has something to do with union policy and/or strategic issues.

### **5.1.9 RETRENCHMENT AND THE LABOUR COURT**

On the 20<sup>th</sup> March 1997, the company retrenched some of its employees on grounds that there was a shortage of work to keep all employees in the establishment fully occupied. Taking into account the 1997/8 sales forecasts and financial plans in the form of various budgets for the above-mentioned period, it was clear management argued, that the only viable option out of the crisis the company found itself, was to reduce the

number of staff employed in the company. The National Union of Metalworkers of South Africa (NUMSA) was not satisfied with the company's decision to retrench and consequently, declared a dispute, which it referred initially, to the Metal, Engineering and Metallurgical industry's bargaining council for conciliation.

When the matter could not be resolved through conciliation, the trade union referred the matter further to the labour court for adjudication. The dispute evolved around mainly two major issues.

- One issue was concerned with the issue of whether or not there was a need for the company to embark on a retrenchment process.
- Secondly, management's failure to consult with the trade union in good faith as required by the Labour Relations Act (1995).

On the part of the National Union of Metalworkers of South Africa (NUMSA) there was no economic reason for the company to even consider engaging in a retrenchment process and management did not make any serious attempt to meaningfully engage the trade union in the consultation process with the view to seeking alternatives to retrenchment.

On the first issue, the trade union argued that there was no economic reason for the company to even contemplate retrenching its employees. They further asserted that in their view, retrenchment was just another attempt at reducing the National Union of Metalworkers of South Africa (NUMSA) membership in order to prevent the union from acquiring a majority status in the company. Supporting this claim, they questioned management's decision, arguing that had this been based on economic facts, the trade

union would long have been advised of the deteriorating state of the company.

Management on their counter argument rejected this claim, stating that the minutes of the meetings between management and the union dating back to July 1996 are testimony to the fact that the trade union had on a monthly basis been kept informed and updated as to the state of the company. On the second issue, the argument advanced by the union was that management consulted in bad faith because they had already made the decision to retrench before consulting the trade union. To illustrate this point, the trade union pointed to the fact that on the very first consultative meeting, management came up with the proposed figure of employees likely to be retrenched, the possible date of retrenchment which the union claim did not allow them sufficient time to thoroughly explore the issue.

The union further argued that all management expected from them was to rubber stamp the decision already made. This argument, was also disputed by management on the basis that the minutes of the consultative meetings between the trade union and management on this question clearly talks about proposed number of people and proposed date. Further, management argued that all the information requested by the trade union for consideration was given to them to scrutinize. At the end, after all arguments and counter-arguments had been presented before the court, the Judge hearing the case dismissed the union's application with costs.

The analysis of the history of labour relations at the company under investigation shows that the nature of the relationship between the workers and their trade unions representing them and management is extremely adversarial. This is clearly demonstrable on the 15-year marriage between the company and the trade unions representing the workers

employed in the establishment. During this period there have been four strike actions and a host of other worker activities, including but not limited to worker stoppages, work to rule, go slows, overtime bans and demonstrations. All the strike actions with the exception of the one in 1983, had to be resolved with the intervention of a third party. Apart from these collective worker activities listed above, there were other individual cases that do not appear on the historical account, which however, led to employee suspensions and dismissals. While the majority of these cases were individual cases, their analysis, more often than not, reveal that they were an integral part and a manifestation of the unhealthy working relations existing in the company throughout this period between employees and their trade unions and management. One classical example of this situation was the dismissal of one employee who engaged in a 'one-man-strike' in solidarity with employees in a different section who were having a dispute with management that remained unresolved. This employee embarked on what could be called a 'sympathy strike' in the sense that his position was that he would only resume his duties when the dispute between his 'fellow comrades' and management had been resolved. As a result of this action, he was subsequently dismissed.

It is also important to point to the fact that a conception that the tension and conflict only existed between workers and management would be over-simplistic. Adequate analysis of the company's historical account demonstrates beyond doubt that tension existed even among workers themselves. This tension is clearly apparent in some of the comments made by workers who were re-employed after the 1992 strike. Inherent in most of these comments is the alleged abuse of power by those who were entrusted with the task of leading and guiding the struggle against management repression and exploitation. The



senior shop steward, in particular, in the period between 04 July 1988 and 11 March 1992 is portrayed as a very active leader with a strong character, but also selfish, undemocratic and not willing to listen to what other people had to say. This tension among employees is not only confined to the pre-1992 era, but clearly, it was able to transcend the 1992 strike into the post 1992 period as evidenced in the relationship between the National Union of Metalworkers of South Africa (NUMSA) and the South African Workers Trade Union (SAWTU).

The tension forming part of the workers' day to day relations on the shop floor was beyond doubt very real in the lives of workers employed in this company. At one level, this tension exploding at various points of the company's historical development, took the form of workers against workers, where a certain group of workers viewed themselves as 'comrades' who were anti-management, and who in the sense of the word were actively involved in the struggle against exploitation while looking at others as management loyalists normally referred to as 'amagundane'.

At another level, even within those who regarded themselves as 'comrades' differing viewpoints on certain issues led to situations where intense conflict developed and became more personalized, with some workers claiming that some people make the union theirs. It is also clear that some if not the majority of the men within the labour force were inherently resistant to being led by women. The patriarchal and chauvinistic comments made by some male workers against their female counterparts are testimony to this fact.

It is also important to point to the fact that even at the level of management, there is no coherence and uniformity in terms of views and approaches to certain issues. There have for instance, been cases where shop floor managers and senior managers have held differing viewpoint on certain issues. For instance, the employment of women in 1984 is a case in point. This clearly points to the complex nature of an organization and the context within which the struggles by the workers against management are couched. It is a context full of contradictions in which class, race, gender and personal issues are articulated. These interests and issues are intertwined to the extent that more often than not, it is extremely difficult to isolate and distinguish between them in real life.

## **5.2 WORKER PARTICIPATION IN THE POST 1994 ERA**

Labour relations in the post 1994 era appear to be qualitatively different from employer-employee relations characterizing the period before 1994. This qualitative change appears to emanate partly from the transfer of political power from a racist white minority regime to a non-racial and democratically elected government. The other part explanation seems to be that both social forces, i.e. labour and capital are increasingly and continually redefining their role and contribution in the light of a new set of demands, presented by the new national dispensation and also the need to rapidly come to terms with the impact of globalization. Whilst confrontation still remains the central feature of these relations, both labour and capital appear to have acknowledged the strength and depth of their mutual dependency, at least in the short to medium term

One of the most fundamental features of the institution of a non-racial and democratically elected government in 1994 has in the main been the clear separation of worker struggles

directed at their employers and those battles meant to hit the state. Before this institution, clear lines of demarcation between economic struggles continually waged by workers against their employers and the political battles between the racist regime and the entire component of the oppressed were very blurred. Parallel to this distinction increasingly taking shape between economic struggles and political battles, has been the re-creation of the macro-environment in which the divergent interests of the two social forces, i.e. capital and labour, are seeking to advance, are hotly contested. This re-creation began in earnest in 1995 with the legislation of the new Labour Relations Act 66 of 1995. This process was taken a step further when the Basic Conditions of Employment Act 75 of (1997) was enacted. The Employment Equity Act 55 of (1998) was also passed into law and the Skills Development Act 97 of (1998) have been legislated shaping further the way in which these two forces behave.

The coming into operation of these new laws in the labour arena presents an undoubtedly strong foundation upon which lies a convincing argument that these new laws represent a significant shift in emphasis in the definition of relations between capital and labour. It is therefore within this increasingly changing labour relations context spearheaded partly by the enactment of the new labour laws and further by the continued contradictory interaction between labour and capital that an endeavour is made to explore with the view to understanding the concept of worker participation at the research company.

### **5.2.1 'NEW ENVIRONMENT' AND WORKER PARTICIPATION**

An argument is advanced above that despite the realization by both capital and labour of their mutual dependence, confrontation remains the central feature determining relations

between these two social forces. Inherent in the Labour Relations Act (1995) is an attempt not only to acknowledge both the contradictory and co-operative dimensions of the interaction between employers and employees, but to further provide the institutional space within which these dimensions can be expressed. In doing this, the Act advances both the theoretical and practical institutional framework within which such expression takes place. What becomes clear about this institutional framework is the fact that they are, according to the Act, theoretically and practically distinct. It is the view of this exercise that such distinction is based on the assumption that one is meant to deal with issues the other is not able to deal with and vice versa.

According to the Labour Relations Act (1995), the contradictory dimension of employer-employee relations must find its expression within the collective bargaining institutional framework and the co-operative dimension must be given space within the workplace forum institutional framework.

The incorporation of workplace forums, over and above collective bargaining into the Act, as an institutional framework where labour and capital could seriously discuss issues of mutual interest, represents a significant shift with the past where interaction between capital and labour was facilitated only through collective bargaining. The provision in the Act of this institutional framework means that worker participation on issues historically defined as falling within management jurisdiction is now encouraged. For instance the Act clearly spells out that a workplace forum, is entitled to be consulted by the employer with the view to reaching consensus about the matters referred to in Section 84 and is entitled to participate in joint decision making about the matters referred to in Section 86.

On the basis of the above provisions, it is clear that workers are now allowed to influence the outcome of issues historically understood to be beyond their sphere of influence.

Despite the extension of this right to influence these issues, a view is posited in this study that such extension does not go far enough to enable workers to have both meaningful and decisive participation. On the contrary, it only lays the basis for further encroachment into the sphere historically understood to be management prerogative. To illustrate the point being made here an analysis of the post 1994 developments at the company being researched, particularly around the question of participation, will be conducted.

### **5.2.2 WORKPLACE FORUMS AND WORKER PARTICIPATION**

Section 80 (1) of the Labour Relations Act (1995) states that:

“A workplace forum may be established in any workplace in which an employer employs more than 100 employees.”

On the basis of the provision above, the company under investigation is entitled to establish a workplace forum because it has on its payroll more than the figure stipulated in the Act. Since the promulgation of the Act to this date, no attempt has ever been made to establish a workplace forum. Whilst it is not clear as to the reasons why this is the case, there is probably one major reason for this state of affairs. The two trade unions currently in operation on the premises of the company are clearly not in a position to trigger the establishment of a workplace forum. This inability stems from the fact that Section 80 (2) goes further to state that:

“Any representative trade union may apply to the commission in the prescribed form for the establishment of a workplace forum.”

In Section 78 (b) representative trade union is defined as a registered trade union, or two or more registered trade unions acting jointly, that have as members the majority of employees employed by an employer in the workplace. Representation at this company clearly suggests that there is no representative trade union in terms of the Act's definition. The only viable way, at least at this stage, through which the two trade unions can acquire a representative status is to agree to act jointly with the view to establishing a workplace forum.

The animosity which exists between these two trade unions, as clearly illustrated on the discussion above, makes any collaboration between these worker formations extremely difficult. Such tension has a direct bearing on the ability of both these trade unions to jointly initiate the establishment of a workplace forum. Based on this analysis, one can comfortably argue that the formation of a workplace forum initiated by the trade unions either independently or jointly, at least in the short term, is inconceivable. On the part of management the situation is made even more difficult by the fact that workplace forums, according to the Act, can only be initiated by trade unions.

Employers do not in any way have the legal right to initiate workplace forums. Asking the human resources manager on the possibility of establishing a workplace forum in the company, he stated that:

"All depends on the employees and their trade unions. As you may be aware, our hands in terms of establishing a workplace forum are tied. The decision lies strictly with the two trade unions... However, if current relations between the two trade unions and their respective constituencies are anything to go by, I am very doubtful if we will ever have a workplace forum in this place" (Interview, May1998).

On the basis of the non-existence of a workplace forum at the company under scrutiny, any form of worker participation, if it does exist, it would be argued, continues to take place outside the provisions of the Labour Relations Act (1995). Attention is now given to an analysis of what has been done either in the past or currently, aimed at ensuring that employees participate in the decision making organs of the company.

### **5.2.3 POOR COMPANY PERFORMANCE AND MANAGEMENT RESPONSE**

Since around 1994, the financial performance of the company began to show signs of decline. This decline in management's view was: "...as a result of a host of factors including but not limited to the economic depression, high competition due to the lifting of economic sanctions and low productivity on the shop-floor. These economic factors listed by management almost coincided with the coming into operation of the two trade unions that remain opposed to sit around the same table to discuss with management issues of mutual interest. The existence of this situation, according to management is counter-productive in that it creates fertile conditions for conflict and animosity on the shop-floor, particularly between employees belonging to these trade unions making it extremely difficult for them to work in co-operation for the benefit of all stakeholders.

The nature and the extent of this conflict and animosity manifest itself in various areas and levels of the business. A typical example of this manifestation is the aborted attempt by management to explore with both trade unions their proposed 'participative initiative' in 1995. According to this management proposal, both trade unions had to be represented at the highest decision making level where management also had to second their own

representatives. This structural arrangement was to co-exist with other decision-making structures in the company, e.g. the management-union forums held on a monthly basis, strategic meetings held by management and so on. Because it was meant to be a joint structure, it was empowered to examine, discuss, and take decisions binding to all parties, on almost all core matters of the business including but not limited to:

- the company's strategic direction;
- the formulation of new and reformulation of existing company policies;
- the review, development and refinement of the company's mission;
- the company's investment on new projects, machinery and human resource development; and
- the company's financial position and how the wealth generated were to be fairly distributed among all stakeholders.

The merits and de-merits of the proposed initiative were not even explored because the trade unions were not on good terms. The South African Workers Trade Union (SAWTU) on their part fully supported the idea and were willing to engage in an exploratory exercise with the other two parties. On the other hand the National Union of Metalworkers of South Africa (NUMSA) was willing to be part of the initiative only on condition that the other trade union was not party to it. As a result of different positions adopted by the various trade unions, particularly the stance taken by the National Union of Metalworkers of South Africa (NUMSA) the opportunity to get involved for the first time, in the company's decision-making on core issues of the business, was lost.

Commenting on the failure of the project to get off the ground, the senior shop-steward for the South African Workers Trade Union (SAWTU) argued:



“On our side, it was not a matter of going into the process blindly. We were fully conscious of the fact that the process might present both new challenges and obstacles. We were, however, willing to give the initiative a try, knowing fully that if things did not turn out to be what we anticipated, we reserved our right to pull out. It was unfortunate that NUMSA chose not to be part of the process because of our presence.” (Interview, May 1998).

Presenting a view in sharp contrast to the one expressed above, the National Union of Metalworkers of South Africa (NUMSA) shop-steward pointed out that:

“It would have been against the constitution of our trade union if we agreed to participate on the joint scheme as proposed by management. It is not true that we rejected the idea merely because we do not have a good working relationship with the other trade union. The truth of the matter is that the other trade union is not part of the bargaining council within our industry. We therefore, had to be careful in terms of what we wanted to do. We had to look at the impact this process might have if we engaged in this venture with a trade union which is not party to the industrial council. We had to consider both the present and the future.” (Interview, May 1998).

The failure of such an exercise to get off the ground did not help the company's situation which had already begun showing signs of deterioration. It became clear that things were becoming increasingly unbearable. Management found it increasingly difficult to maintain control on the shop floor. Relations between management and employees were on the one hand becoming extremely difficult to manage and on the other, a clear line of division between employees who were members of the South African Workers Trade Union (SAWTU) and those who were members of the National Union of Metalworkers of South Africa (NUMSA) deepened. Conflict between the two trade unions intensify as the two trade unions fight for support among employees who chose not to be associated with any of the two trade unions.

A case in point relates to the Indian workers and Diwali. Most of these employees, for

reasons not quite clear chose to associate themselves with the South African Workers Trade Union (SAWTU). Even those who originally were members of the National Union of Metalworkers of South Africa (NUMSA) resigned and subsequently joined the South African Workers Trade Union (SAWTU). The long-standing practice in the company has always been that employees celebrating Diwali are given paid time off by the company to go and celebrate this religious ceremony.

In response to what they perceived as an increase in the support of South African Workers Trade Union (SAWTU) by the Indian population of the workforce, the National Union of Metalworkers of South Africa (NUMSA) quickly took the issue of Diwali with management on the basis that company policy on this issue was discriminating between Blacks and Indians on the basis of religion and as such the decision to give out paid time off for celebrating Diwali should be stopped. NUMSA shop-stewards went on to express the view that should management grant paid time off to Indian workers in 1995, they would call on their members also to go for celebration.

Fearing disruption in the workplace, management backed down on this issue, citing the reasoning that on the basis of the Act and not allowing discrimination on the basis of religion, and given the fact that more than one third of employees were not in support of the practice, management decided to grant in future time off for Diwali purposes on a no-work, no-pay basis.

By October 1998, the National Union of Metalworkers of South Africa (NUMSA) appeared to have completed its somersaulting circle on this issue. Consider for instance the letter sent to the company by the trade union organizer.

“The company employs some of the workers who are Hindus by religion. It happens that Hindus celebrate Diwali during the month of October each year. Most of Hindu followers in South Africa are concentrated in KwaZulu Natal province. Therefore the celebration of Diwali which is observed by Hindu followers is a prominent yearly event which sometimes is attended by the state president, Mr Nelson Mandela. However, unlike Christmas and Easter holidays, Diwali and other religious celebrations are not part of the national holidays recognized by the government. The workers who are employed by the company who happen to be Hindu followers would like to be granted paid time off each year to celebrate Diwali. The union is also of the opinion that workers who follow the Hindu religion should be granted paid time off so that they can celebrate Diwali. We would therefore appreciate a favourable response from the company regarding the request of the workers in question.”

Analysis of this radical change in the National Union of Metalworkers of South Africa’s (NUMSA) position appears to point to the fact that at the time of their initial position, the Indian workers concerned were members of the South African Workers Trade Union (SAWTU). They have since resigned from the South African Workers Trade Union (SAWTU) to join the National Union of Metalworkers of South Africa (NUMSA). One can convincingly argue therefore, on the basis of this fact, that their first position was based not necessarily on their dislike of Indian employees, but can be viewed as merely a tactic used to attack an increase in support South African Workers Trade Union (SAWTU) was beginning to enjoy, particularly from the Indian workers. This is just one area where conflict between these two trade unions has played itself out.

This conflict, it would be argued, continues to affect the extent to which management is able to exert control and authority on the shop floor. On the one hand, management is trying to develop a better working relationship with the entire workforce whilst on the other, it is increasingly engaged in trying to manage the tension between the two trade unions. Explaining the rationale behind abandoning the idea of a joint structure between the two trade unions and management, the human resources manager commented that:

“It would have been a futile exercise to continue with the idea, no matter how brilliant, no matter how beneficial it was going to be if more than one third of the entire workforce were not willing to give it their full support. It was painfully disappointing. Nonetheless, we had to accept that employees were not ready yet or alternatively conditions were not conducive enough to explore to the fullest the potential of such an exercise” (Interview, May 1998).

The above quotation does not assume abandoning the idea but expresses the view that probably in the future the idea might still be pursued. This confirms the observation that on their part management continued to seek ways through which employees can be involved in the decision making processes of the company. For instance a document drafted by human resources department titled “A strategic Transformation – A Human Resources Perspective”, in stating its objectives, it lists among other things the following:

- To ensure that through various empowerment schemes, historically disadvantaged groups are allowed to participate in various levels of the decision making organs of the company.

This draft strategic document by the human resources department, according to the head of the department, was triplicated. One copy given to the National Union of Metalworkers of South Africa (NUMSA) and the other copy given to the South African Workers Trade Union (SAWTU) in order to make sure that all parties were involved in the formulation of the strategy most likely to affect employees, in the early stages of the process.

According to the human resources manager, no response was ever received from both trade unions in this regard even though they were requested to make contributions in an attempt to develop and refine ideas propounded in the draft document into something that would be acceptable to all three parties. This failure by both trade unions to respond to

this yet another initiative to involve them in the decision making process, did not stop proposals made in the draft document from being developed and attempts made to put them into practice.

#### **5.2.4 THE EMPLOYMENT EQUITY ACT (1998) AND WORKER PARTICIPATION**

To illustrate the point made above, it is important to note that whilst no concrete response emerged from either of the two trade unions on the matters raised in the draft document, some of them have been finding space on the on-going discussions that have been taking place between the three parties. For instance, the question of employment equity has been raised on several occasions and more conspicuously during a relationship building exercise conducted in June and July 1998 between management and the two trade unions.

It is worth noting that whilst this issue continued to be a subject of discussion between management and employees, attempts by the department of labour to put through parliament an Act whose purpose is not significantly different from the discussions held at company came to fruition when the Employment Equity Act 55 of 1998 was passed.

The stated purpose of the Employment Equity Act (1998) is:

“to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.”

This purpose as stated in the Employment Equity Act appears to be in line with one of the objectives listed in the company’s human resource strategic document, which states

that the company seeks to ensure that through various empowerment schemes historically disadvantaged groups are allowed to participate in various levels of the decision making organs of the company. The same issue has also been raised by the trade unions during the relationship by objectives exercise conducted between management and the two trade unions.

During this relationship building exercise, the trade unions accused management of having an employment policy grounded on racial discrimination. To this end, they demanded that the company should stop racial promotions and begin to address the question of equity in its employment practices. It was agreed at this meeting that a committee comprising of representatives from the three parties would have to be formed to look into the question of employment equity within the company.

It is worth noting that the trade union and management delegations were having different views on how soon this question should be tackled. On the one hand, trade unions wanted the committee to be formed as soon as possible in order to begin to deal with the issue as a matter of urgency, whilst management on their part maintained that there were other pressing issues requiring urgent attention before this committee could be formed. This view by management is grounded on their assumption that the question of employment equity is not a major problem because in their view the company had long begun with the process. In the general manager's words for instance:

"As far as I am concerned the issue can be looked at later. The reason being that it should not be a source of conflict in the sense that all employees are aware that the company policy in this regard is that of non-racialism and non-sexism. Whilst I agree that we may not have been able to speed up the pace of moving towards this direction, I am however, of the opinion that we are making reasonable progress" (Interview, July 1998).

Arguing against this viewpoint, one employee pointed out that whilst it has been the policy of the company on paper at least, to say that employees are promoted not on the basis of colour, the reality is that employment practices still reflect the old apartheid thinking where race takes precedence over competency when it comes to selection. He goes on to argue that:

“Even if it was true that people are selected on the basis of their qualifications and experience, it is still not fair because most of us blacks, do not have the often required experience, This do not mean that we are not capable. The tendency as of now does not take these dynamics into account” (Interview, July 1998).

To accommodate the two viewpoints propounded in this regard, the three parties agreed that the target date for the initiation of discussions is as soon as the initiation is motivated by one of the parties. The attempt at forming a structure that would accommodate all three parties has as its primary objective the need to ensure that all interested parties are given space to express their viewpoints in terms of how the process should unfold. It was also decided that this structure would have the final decision making power in terms of employment equity.

In line with this need to ensure the inclusivity of any process aimed at striving to create with the view to sustaining the equitable employment and representation of historically disadvantaged employees, Section 16 (1) of the Employment Equity Act states that:

“A designated employer must take reasonable steps to consult and attempt to reach agreement on the matters referred to in Section 17 with a representative trade union representing members at the workplace and its employees or representatives nominated by them or if no representative trade union represents members at the workplace ,with its employees or representatives nominated by them.”

Section 17 refers to (a) the conduct of the analysis; (b) the preparation and

implementation of the equity plan; and (c) a report to the Director General.

It is clear that the position taken by management and the two trade unions in terms of the three parties initiating the process is in line with the requirement as stipulated in Section 16 (1) of the Employment Equity Act (1998), requiring a designated employer to consult with a representative trade union and employees or representatives nominated by them. Section 16 (2) of the same Act goes beyond this position to assert that the employees or their nominated representatives with whom the employer consults in terms of subsection (1) (a) and (b), taken as a whole must reflect the interests of:

- employees from across all occupational categories and levels of the employer workforce;
- employees from designated groups;
- and employees who are not from designated groups.

It is clear from the above requirement of the Employment Equity Act (1998) that the position adopted by the three parties, falls short of satisfying these requirements. For instance, all company employees working in the administration, including but not limited to the sales, accounts, reception, purchasing and production planners are not members of any trade union. The implication of this situation is clearly that representation by the two trade unions on these discussions may not be reflective of the interests of these employees working in the administration section of the business. Commenting on this requirement, one shop-steward pointed out that the need to include other players such as employees who do not belong to either of the two trade unions and employees who are not from designated groups, as determined by the Act would have to be discussed



between the three parties before anything can be done.

However, the feeling seems to be that as long as this inclusion does not create stumbling blocks to the speedy identification of problem areas and agreements reached to resolve them, workers do not anticipate major difficulties. What must also be noted is the fact that any structure which is eventually agreed upon, would be dealing with issues at the highest level of the company's decision making process. These decisions were previously the prerogative of management and employees had no say in terms of employment policies, particularly at management level. Indications point to the fact that discussions, which had been going on between these three parties and the need to comply with the Act change and seriously re-define relations between management and employees in this company.

### **5.2.5 THE MAIN AGREEMENT AND WORKER PARTICIPATION**

The main agreement which governs terms and conditions of employment within the Iron, Steel and Metallurgical industry is mainly a product of collective bargaining between on the one hand, employers represented by the Steel and Engineering Industries Federation of South Africa (SEIFSA) an employer federation and on the other, by employees represented by various trade unions party to the national bargaining council. This agreement more often than not was and continues to be shaped by interaction grounded on confrontational relations between these two forces. Issues forming the basis for discussions for purposes of collective bargaining, upon which this collective agreement grounds itself, have always been bread and butter issues. With the advent of a new era in the labour relations front, some changes have also been taking place with regard to issues

forming part of discussions at the industry level. One notable feature of such changes has been the agreement reached between employer representative and the nine trade unions at the national bargaining forum dealing with the question of broad banding.

Through this agreement an attempt is made to reduce the number of grades in the Iron, Steel and Metallurgical industry from thirteen to six. The implication of this reduction, clearly being to integrate functions and roles in an attempt to broaden the skills base of employees expected to carry out these functions. The fundamental importance of such an agreement lies in the fact that it begins to extend participation rights for employees on areas historically regarded as management prerogative. For instance, contained in this agreement is the question of multi-skilling, multi-tasking and flexibility. These issues are known to form part of issues, which in the past were at the discretion of employers. To illustrate this point, the Steel and Engineering Industries Federation of South Africa (SEIFSA) Handbook (1997/1998: 38), an abridged version of the main agreement for the Metal Industries for the years 1997 to 1998 states:

“It is however recognized that any job requires a degree of flexibility to meet normal operational requirements and change. This degree of flexibility under normal circumstances, will therefore not constitute an element of this agreement as specified above.”

This quotation clearly indicates that there are flexibility issues, which this agreement is unable to subject to joint decision making and therefore continue to be informed by management thinking. Nevertheless, the fact that these issues can now be discussed between workers and management with the view to arriving at an agreeable solution represents a shift away from the past.

It is also important to indicate that according to this agreement, individual employers in the industry together with their respective worker representatives and/or registered trade unions recognized at company level may accordingly mutually agree on whether or not to implement the new five grade job and wage structure or continue to observe the thirteen current grades and related arrangements. Inherent in this arrangement is an attempt to decentralize decision making power on this issue to individual companies. However this arrangement has its own advantages and disadvantages. On the positive side, there is a drive towards encouraging trade unions and employers at plant level to engage each other with the view to arriving at agreeable solutions. This, it would be argued, would facilitate a process of shop floor empowerment in the sense that employees would be forced to take decisions for themselves. Since they are the people closer to the problems, their input is vital in ensuring that whatever is agreed upon reflects their interests as well. In theory, this should broaden and further deepen participatory democracy in the workplace.

On the negative side, the national framework might be welcome as a basis for increasing participation into areas historically regarded as management prerogative. In certain companies employees may find it extremely difficult to get the process off the ground as it will be shown at the company under investigation.

Plant level discussions aimed at dealing with some of the issues mentioned above are at the moment non-existent. However, there was an attempt to initiate discussions around the five-grade system and wage structure by the National Union of Metalworkers of South Africa (NUMSA). For instance the minutes of the meeting held between management and the National Union of Metalworkers of South Africa (NUMSA) on 25

February 1997 reads:

“A meeting between management and trade union representatives was held on the five-grade system and new wage structure...the union representative outlined the view of the trade union in this regard... Further discussions will be held regarding this.”

After the union had outlined its view in this regard, both parties agreed that management would formulate their response and further discussions would resume. To date no concrete follow up discussion on this matter has ever taken place. The view expressed by the human resources manager in explaining the reason for non-activity in this regard is the fact that there are issues, which have not yet been finalized by teams dealing with them at national level. He went on to argue that:

“Until such issues, for instance, the proposed framework for the re-grading of jobs are finalized, any attempt to begin to engage in this process becomes highly complex. However, as soon as there is finality on some of these issues, we are hoping to move into the process with some speed” (Interview, July 1998).

This situation does not in any way denote that the extent to, which parties are able to get this process off the ground is dependent solely on management. Workers have means through which they can exert pressure on management to either accede to this demand or alternatively speed up the process of implementing this new system. For instance, step 4 of the dispute resolving mechanism where consensus on the matter cannot be reached states:

“Should the parties not have followed the conciliation/advisory arbitration process set out in steps 2 and 3 above or should either party not be prepared to accept the advisory arbitration decision, they will be free to pursue the matter in terms of legal industrial action. Alternatively, the parties may agree in advance that the arbitration decision will be final and binding, in which case no legal industrial action may be implemented” (Main agreement, 1996/1997: 251).

What steps will be taken by the two parties in an attempt to ensure the implementation of this new system of work arrangement remains to be seen in view of the current stalemate in this regard. The issues dealing with technological changes, work re-organization, productivity, etc. which also have always been outside the sphere of influence by workers, now form part of issues the main agreement is seeking to subject to either consultation or joint decision making. These developments make it very difficult for employers to effect unilateral changes on these issues. For instance, Section 33 of the Main Agreement dealing with technological changes and work re-organization provides for the establishment of an ergonomic committee and procedures to be followed in the event of out-sourcing and in-sourcing, of part of a firm's activities including resultant retrenchments and redundancies.

### **5.2.6 THE MAIN AGREEMENT AND SELF MANAGED WORK GROUPS**

The main agreement goes further to stipulate that where an employer intends introducing major work re-organization which will substantially and materially affect the work of employees, the employer shall consult in an endeavour to reach agreement with the representatives of the trade unions represented at the company and any employee representative body to discuss the implications of the work re-organization including the need to re-train employees affected by such work re-organization; and possible impact on the health, safety and work environment of the affected employees. (Handbook, Main Agreement, 1997/1998: 46).

On the basis of this requirement, the study goes on to explore how management is hoping to introduce work re-organization within the company employing the concept of self

managed work groups. In terms of Section 33 of the Main Agreement dealing with the question of technological and work re-organization changes it is stated that:

“Where an employer intends introducing major work re-organization which will substantially and materially affect the work of employees, which the study assumes self-managed work groups will, the employer shall consult in an endeavour to reach an agreement with representatives of the trade unions represented at the company and any employee representative body to discuss the implications of the work re-organization, including: the need to retrain employees affected by such work re-organization and any possible impact on the health, safety and work environment of the affected employees. The company shall notify the union of any such work reorganization not less than 30 days prior to the implementation of such change; and where the introduction of work re-organization may result in retrenchments or redundancies, the security employment provisions of this agreement (Section 35) shall be observed”

Section 35 of the Main Agreement deals with the termination of employment due to operational requirements, e.g. retrenchments.

What becomes apparent in this provision is that very little space, if any, is provided for joint decision making. However, it must also be noted that there is an obligation on the part of employers to consult employees and/or their trade unions with the view to reaching some consensus. This obligation to consult does not in any significant way render the prerogative of management on issues of technology introduction and work redesign to joint decision making. It does, however, begin to provide some space for the trade unions and employees to influence decisions that are taken by employers on these issues. In introducing the concept of self-managed work groups, the company in question appears to have gone beyond what is stipulated in the main agreement in terms of the time frame which must be given to either the employees or trade unions before the intended date of introducing such work re-organization. This observation is based on the fact that the first time this matter was raised with the intention to consult the two trade

unions, was in the monthly meetings held in March 1998, and six months later implementation has not taken place yet. The process of consultation appears to be still in process. Through the introduction of self managed work groups it would appear that management intends decentralizing as much decision making power and authority to the shop floor as is possible. For instance the draft document on self-managed work groups developed by the human resources department argues that the concept must among other things do the following:

- Speed up the process of decision making by re-arranging the organizational structure and its operating relationships;
- Decentralizing decision making authority further down the organization; and
- Increasing the level of responsibility and accountability of people directly involved in the production process.

The thread linking some of the issues raised above is the tendency to democratize the workplace. To substantiate on this observation, it is worth considering the following extract from the presentation made by the human resource manager to the company's management team:

“The formation and subsequent operation of self-managed work groups will be based on democratic principles, i.e. once groups have been identified, group members will be afforded an opportunity to elect their leaders. Group leadership is not fixed but subject to review, periodically. Group members have a supreme decision in terms of who becomes their leader at any point in time. It must be pointed out that this will have a significant impact on the structure of the company as it exists. Given this change, supervisors will cease to exist and be replaced by these democratically elected group leaders” (Management Strategic Document, 1997).

Further down, it is argued that:

“The basis for self-managed work groups is collective effort, collective responsibility and

accountability. It is clear therefore that the current working arrangement which focuses on each individual employee will have to give way to a working arrangement which begins to capture group effort and dynamics” (Management Strategic Document)

Emphasis on this project seems to be located on the shop floor in terms of democratization and participation by the workers. This observation emanates from the fact that the right to elect and re-elect on the part of employees is confined only to the supervisory level, which represents the lowest level in the managerial hierarchy. It is also important to point out that the decisions that are targeted for decentralization through the implementation of this project are decisions that more often than not are confined to the daily running of the organization. Decisions that are more strategic in nature appear not to be affected by this effort to engage employees in the decision making process.

The observation made above that democratization and participation appear to be confined only to the shop floor is further reiterated in the union’s comment during the consultation process with management. For instance minutes of the meeting held between NUMSA and management among other things states:

“The union is of the view that internal discussions cannot bear any fruitful results because management is not interested in changing the entire structure of management. For instance, they stated that the structure of senior management remains intact and middle managers are according to this proposal already being earmarked. The only level that seems to have been affected by this change is the level of supervisors only. It is clear from the trade union’s perspective that the process lacks transparency and democracy.” The union further demanded that they want the middle management layer to be elected so that they also can be answerable to the workers, unlike in management’s proposal where they remain answerable to management.” (Minutes of NUMSA/Management meeting, 31 July 1998).

It is clear from this extract that the question of extension of democracy and participation remained a major area of debate. Management on their part posited the view that they are



not opposed to the idea of extending democracy and participation to all levels within the organization, however, they argued for putting the transformation process in its proper perspective. For instance the minutes of the above meeting depict management's response as follows:

"Management is not opposed to the idea of approaching transformation holistically, however, it pointed out that it is important to conceptually distinguish between self-managed work groups as one aspect of the overall transformation project and a process of transformation in which self-managed work groups form just a part. There are issues which currently are being addressed between management and the trade unions, for example, health and safety, training and development etc., which do not have to stop because the issue of work groups is being discussed. The question of work groups should also not stop because of those other issues. However, it is the view of management that all these issues can be addressed concurrently without having to stop any process because of the view that the process is not holistic." (Minutes of NUMSA/Management meeting, 31 July 1998).

Further to this extract an interview with the human resources manager reiterated the view that it is true that the focus of self-managed work groups is primarily on the shop floor. However, according to him, to assume that participation is restricted would be an incorrect analysis of what is taking place in the company. In supporting this statement an extract from his presentation made in the management strategic meeting reads:

"The mechanism of how trade unions will be involved on matters of strategic concern remains a matter of discussion between management and the trade unions themselves. My view for instance, is that we need together with the trade unions to agree on a broader perspective in terms of their involvement. Once this broader perspective is agreed, the various functions would have to be formulated and together with the unions develop ways of engaging one another in an attempt to take the transformation process forward. Clearly this process of involving workers through their trade union representatives represents indirect worker participation in the activities of the company historically regarded as management prerogative. Self-managed work groups must therefore be seen as an endeavour to involve workers directly in these activities. The two processes clearly, represent involvement by workers at the highest decision-making level of the company and also at its lowest level. What we are seeking to create here, is both representative and

participatory democracy” (Management Strategic Document, 1997).

The view management seems to be advancing in this regard is that the initiative, which was put on hold as a result of the misunderstanding between the two trade unions remains a possible alternative through which participation of employees at the highest decision making level of the company can be pursued. However it is also pointed out that should any of the parties come with a workable proposal agreeable to all parties, management remains committed to adopting that as a vehicle for total and meaningful participation.

The other fundamental aspect of the introduction of self-managed work groups is the question of the gain-sharing scheme. The assumption behind the introduction of this scheme is that since employees are expected to actively and meaningfully participate in the running of the company, they should also be joint partners in the distribution of wealth created through joint effort.

There are two fundamental ways through which the scheme seeks to actively engage employees as partners in the distribution of the company's wealth. The first one is the monthly production bonus scheme to be paid to those groups that are able to achieve performance levels in accordance with agreed criteria and formula. The second one relates to the question of profit sharing. The view advanced here is that profits to be shared are those coming over and above the budgeted profit, i.e. above the expected returns for the money invested in the business. Profits to be shared, the argument goes, will be shared on a 50/50 basis between all company employees irrespective of occupational category or level and shareholders.

Asking the two senior shop-stewards from the two trade unions about this proposal gives the impression that both trade unions are keen to be part of the transformation process. However, they seem to differ on the approach. For instance the South African Workers Trade Union (SAWTU) shop-steward maintains that:

“Our members are very keen to embark on this process. In fact we want the process to be implemented as soon as possible. We know that this is something new to all of us but we are willing to learn along the way. We have made our views clear on this and we are willing to continue to engage management as we go along” (Interview, March 1998)

On her part, this is what the National Union of Metalworkers of South Africa (NUMSA) senior shop-steward had to say:

“We support the idea of transformation by all means. There are, however, differences between our position and that of management in terms of implementation. We would therefore want to see those differences resolved or at least clarified before we can give the process our blessing” (Interview, March 1998).

On the basis of the analysis provided above, it makes sense to posit the view that there are indeed attempts being made at the company under scrutiny, aimed at ensuring that workers are indeed made to take part on issues affecting the business even though there are differences still in existence between the parties involved in this process. The view implied in the quote extracted from the human resources strategy document is testimony to this observation. In this extract it is argued:

“Whereas in the past employees had been widely regarded as outsiders whose presence was only to sell their labour power in exchange for a wage, we now need to create a working environment where all stakeholders, particularly employees, are allowed and further encouraged to contribute to the growth and sustainability of the company and share in its successes” (Management Strategic Document, 1997).

### **5.2.7 THE OHS ACT AND WORKER PARTICIPATION**

Health and safety constitutes another area where fierce struggles between employers and employees have been waged over the years. Employers were taking the view that ensuring the health and safety of employees does not constitute part of their duties whilst employees remained adamant that ensuring safe and healthy working conditions was the duty and obligation of management.

There have been other pieces of legislation in place seeking to address this question like the 1983 Moss Act. However employees continued to fight for further transformation in this area. These struggles culminated in the passing into law of the Occupational Health and Safety (OHS) Act of 1993, wherein Section 7 (1) states that:

“The chief inspector may direct any employer in writing; and any category of employers by notice in the gazette, to prepare a written policy concerning the protection of the health and safety of his employees at work, including a description of his organization and the arrangements for carrying out and reviewing that policy.”

This legislation effectively puts to rest the debate surrounding the responsibility of health and safety at the workplace. Section 7 of this Act unambiguously states that it is the employer’s responsibility to ensure that employees working under his employment work under safe conditions.

Section 8 of the Occupational and Safety (OHS) Act 1993 goes further to state that:

“Every employer shall provide and maintain as far as it is reasonably practicable, a working environment that is safe and without risk to the health of his employees, establishing as far as is reasonably practicable what hazards to the health and safety of persons are attached to any work which is performed, any article or substance which is produced, processed, used, handled, stored or transported and any plant machinery which

is used in his business and he shall, as far as is reasonably practicable, further establish what precautionary measures should be taken with respect to such work, article, substance, plant or machinery in order to protect the health and safety of persons, and he shall provide the necessary means to apply such precautionary measures;”

Coupled with this clear duty and responsibility on the part of the employer on matters of health and safety, Section of the Act goes further to state that:

“An employer and the representatives of his employees recognized by him or, where there are no such representatives, the employees shall consult in good faith regarding the arrangements and procedures for the nomination or election, period of office and subsequent designation of health and safety representatives in terms of Subsection (1): Provided that if such consultation fails, the matter shall be referred for arbitration to a person mutually agreed upon, whose decision shall be final: Provided further that if the parties do not agree within 14 days on an arbitrator, the employer shall give notice to this effect in writing to the president of the Industrial Court, who shall in consultation with the chief inspector designate an arbitrator, whose decision shall be final.”

The above provision clearly demonstrates that whilst the duty to ensure a safe and healthy working environment remains that of the employer, however, in carrying out such duties it is incumbent upon that employer to ensure that the employees and their representatives are consulted in order to make input into the process. The Act makes it quite clear that employers must consult their employees on various issues regarding the endeavour to put the Act into practice.

It is clear from this statutory requirement that employees are by law afforded the right to at least be consulted on issues affecting their own health and safety at the workplace. If the employer is either not prepared to consult at worst, or is prepared to consult in bad faith at best, workers reserve the legal right to demand that the matter be arbitrated.

#### **5.2.7.1 WORKERS’ STRUGGLE FOR DEEPER INVOLVEMENT AT COMPANY LEVEL**

Before an attempt is made to outline the extent and the nature of this struggle at company level, it is proper to put this topic in its proper context. As it has been clearly shown that there are two trade unions currently organizing within the research establishment, in discussing this topic of health and safety it is important to state up front that reference to workers or workers' representatives, means reference to the National Union of Metalworkers of South Africa (NUMSA) membership, its shop-stewards, or the National Union of Metalworkers of South Africa (NUMSA) as a trade union, unless stipulated otherwise. The primary reason for this being that, analysis of this topic has shown that intense struggle in this regard has been between the National Union of Metalworkers of South Africa (NUMSA) and management.

Very little opposition if any, on the part of the other trade union has been forthcoming on the question of health and safety. Therefore little reference, if any, would be made to the South African Workers Trade Union (SAWTU) as far as this issue is concerned.

A closer analysis of the developments taking place at the company under investigation suggests that the process of complying with this piece of legislation has not been without its difficulties. Prior to this Act coming into operation, mechanisms, in accordance with the Moss Act (1983), had already been in place in an attempt to create safe and healthy working conditions for the employees. Some of these mechanisms however, were not in line with the current legislation.

For instance the safety representatives were never elected by the workers but were appointed by management. Each department used to have two safety representatives who, according to the company's safety policy, were supposed to conduct a safety audit on a

monthly basis in order to identify potential hazards and those major potential incidents likely to pose threat to life at the workplace.

The representatives mentioned above were not elected by workers but appointed by management. Their authority and power was confined only to the departments in which they were located. These safety representatives in each department were part of the department's safety committee formed by the manager of the department, acting as the chairperson of the committee, the supervisors responsible for various sections in the department and the safety representatives. The company level safety committee comprised the factory manager who in terms of the Act was the competent person appointed by the company's Chief Executive Officer, serving on the committee as the chairperson, and the heads of the various departments.

Asked as to why the workers were not represented at company level safety committee, the factory manager pointed out that:

"It is incorrect to say that employees were not represented at this level. The fact of the matter is that employees were part of the safety committees in the various departments. Matters remaining outstanding in deliberations at this level, were taken to the company level safety committee by the chairpersons of the various departmental committees ... I hope it becomes clear from this brief explanation that employees did indeed have a say on the issues discussed and decisions taken at the company wide level." (Interview, April 1998).

Commenting on the very same issue the National Union of Metalworkers of South Africa (NUMSA) shop-steward presented a contradictory view to the one stated above when she says that:

“We were not very happy at all with the then arrangement, in terms of the structures meant to ensure safe working conditions at this workplace. Even now we are still not satisfied. As safety representatives, we are not allowed to take decisions at the highest decision making body in so far as safety issues are concerned. We do not believe that managers who, it was often claimed represents their departments’ interests at this level, were indeed representing workers’ interests. They were there to serve just the interests of management, ... The truth of what I am saying is clearly evident because most of the things we were raising in the departmental committees were never taken seriously and as a result very few have ever been attended to” (Interview, April 1998).

These two views clearly demonstrate a contradiction on the extent to which management and employees view the level and degree of participation and involvement by workers on matters of safety. Inherent in this clear contradiction, is the question of representation. As far as management is concerned, the mere fact that the head of department acting as the chairperson of the departmental safety committee forms part of the company safety committee, that in itself, is sufficient to be regarded as employee representation on the company safety committee.

The employees as indicated by the view quoted above, do not regard the heads of their departments to be representing their own interests as workers. To them managers remain managers, and do not have the moral authority to represent the interests of the workers and thus their view that they need representation at company level is informed by such an understanding.

Resulting from these contradictory articulations, management eventually acceded in early 1996 to have two safety representatives becoming part of the company safety committee. This arrangement, however, did not afford to these safety committee members all rights enjoyed by other members of the committee. The two safety representatives were part of this committee on a rotational basis as observers. They were not accorded the status of



full membership and therefore could not meaningfully participate in the discussions and the taking of decisions. Workers were still not prepared to accept this kind of arrangement and decided to push for further transformation in this regard.

### **5.2.7.2 RESISTANCE AND THE IMPLEMENTATION OF THE OHS ACT**

The differences existing between management and employees on safety issues began to manifest themselves at various levels. One such level was on the issuance of protective clothing and the responsibility that goes along with these. The visibility of this problem came to the surface in the form of who should carry the responsibility for the loss of the protective clothing.

For instance, at the meeting held between management and the National Union of Metalworkers of South Africa (NUMSA) in June 1996, shop-stewards pointed out that employees were having their protective clothing, particularly safety boots and safety clothing, stolen because of broken lockers.

The debate on this issue revolved around whether or not the employer should assume responsibility for the losses in the change rooms. The minutes of the meeting between the National Union of Metalworkers of South Africa (NUMSA) and management states:

“... After further deliberations in this regard, it was agreed that all lockers must be capable of being locked and all those that are damaged will either be replaced or repaired” (Minutes of Management/NUMSA meeting, 06 June 1996).

From the above quotation, it is clear that both parties accepted that it was management’s responsibility to repair broken lockers and ensure that those beyond repair were replaced.

However, examining the same minutes further down reveals that the two parties held two divergent views on the question of who should be responsible for the loss of safety clothing. These divergent views are contained in the wording:

“The issue of who is to be held responsible for the loss of safety clothing in the change rooms was explored. Management is of the view that the responsibility of replacing lost goods lies with the employees concerned. On the other hand, shop-stewards argue that workers cannot be held responsible for something under the control of management” (Minutes of Management/NUMSA meeting, 06 June 1996).

The above quotation suggests that both parties were not willing to take responsibility for theft taking place in the change rooms. Asked as to what the thinking behind their position was on the issue, one worker maintained that:

“The buildings and the lockers where we keep our clothes remain the property of the company. To safeguard company property and everything in it, management has gone to the extent of engaging a security company to ensure that nothing belonging to the company gets stolen. Therefore, if something gets stolen, and for some or another reason a penalty must be instituted for the loss, it should be against the security company, and not us” (Interview, April 1998).

Confronted with a similar question the factory manager argued that:

“There is no doubt in my mind that the responsibility for the loss lies with the workers. In the years gone by, change rooms were kept locked at all times except during tea breaks, lunch breaks and knock off times. Their request, which after some discussions was granted, to have change rooms opened at all times effectively took away responsibility from management. Since employees wanted to have change rooms opened at all times we, in acceding to such a request, clearly stated that management would not be held responsible for theft likely to result from such request. On the basis of this understanding, it is clear that employees concerned, had to pay for what they lost” (Interview, April 1998).

These divergent viewpoints represent one area in which management and the workforce differed on the question of the implementation of the company's safety programme. The

other source of conflict was the election of safety representatives. The National Union of Metalworkers of South Africa (NUMSA) advanced the argument that safety representatives who were in operation at the time were not elected by the workers democratically and therefore called for the new election of safety representatives.

This shift in focus on the part of the National Union of Metalworkers of South Africa (NUMSA) appears to be informed by the trade union's strategy to ensure that in departments where they were in the majority, shop-stewards become safety representatives. This shift in emphasis puts into question, probably for the first time, the legitimacy of safety representatives appointed by management and/or the transparency of the election process if any election was ever conducted in this regard. The basis allowing NUMSA to focus its attention on the election of safety representatives is the Occupational Health and Safety (OHS) Act (1993).

They view the existence of these not elected safety representatives as a violation of the Occupational Health and Safety (OHS) Act. For instance, the letter written by the trade union to the company on 7 April 1998 among other things states:

"On the last page and second to last paragraph, they reiterated their request to the company to comply with the Act/regulation. The company's resistance to comply testimony to this fact and must therefore be understood from within this context."

On the other hand, management remain adamant that the safety representatives the National Union of Metalworkers of South Africa (NUMSA) claims not to have been elected, were in fact elected by the workers. Elaborating on this view, the factory manager argued that safety representatives were elected in all departments. In his view,

what appears to be the problem was that the National Union of Metalworkers of South Africa (NUMSA) wanted to portray itself as a dominant party in the implementation of the safety program. This is made explicit in the letter he sent to the union on 29 October 1997 which reads:

“You must bear in mind that you are not the only union on this site and I must satisfy all my employees’ needs.”

This extract seems to suggest that the view held by management is that safety representatives were freely and fairly elected. Further, they appear not to want to be seen to be giving in to the National Union of Metalworkers of South Africa’s (NUMSA) demand since this could create the impression of dominance on the part of the National Union of Metalworkers of South Africa (NUMSA).

At another level, the problem revolved around whether the senior shop-steward should become the safety representative in the department where she was not working. Initially management appeared vehemently opposed to this idea as clearly indicated in paragraph 2.3 of the letter sent to the trade union by the company dated 26 October 1997, stating that:

“The company did raise the issue of the senior shop-steward being elected because she does not work in the department. She has a full time job to do besides being the senior shop-steward and is shop-steward in another department. She is also away every Friday and at least another day a week on trade union business. Briefly she spends approximately only 50% on the time that she is paid to do...”

In opposition to this view, the trade union advanced an argument that it is the right of the employee concerned to stand for elections if fellow employees are prepared to elect her. Added to this, employees have the right to elect any person of their choice, only if s/he is

employed in the same workplace. The letter written by the trade union to the company dated 7 October 1997 captures this sentiment very well because among other things, it states,

“The purpose of the meeting is to try and resolve the question of Rosemary Mbambo being a health and safety representative as well as being a senior shop-steward in the company. The constituency she represents is resolute that she should represent them. On the other hand it would seem that the company deny the workers their democratic right to choose their health and safety representative.”

The other area of conflict between management and employees was on the question of the safety committee. According to the new structural arrangement for health and safety, which management claims is in line with the Occupational Health and Safety (OHS) Act (1993), the highest decision making body on health and safety issues within the company is the safety executive committee.

This structure comprises the factory manager, acting as its chairperson, the human resources manager, the maintenance manager, two senior shop stewards from the two trade unions, three production controllers and three safety representatives elected by other safety representatives. According to a memorandum dated 30 October 1997:

“The creation of this executive safety committee is meant to create total involvement, participation and communication down to the shop floor. It is at this level that health and safety policies, procedures and training are discussed and agreed upon.”

Informing the trade union about the formation of such a structure, management argued that to enable the empowerment of employees and for them to be part of decision making within the company, an executive committee needed to be formed. In the letter written by

management to the National Union of Metalworkers of South Africa (NUMSA) the factory manager asserted:

“...an executive committee has been set up to discuss policies, procedures and training. On that committee are the two senior shop-stewards from the two trade unions and three safety representatives from the shop floor as well as persons representing management” (Letter from Management to NUMSA, 1997).

The National Union of Metalworkers of South Africa (NUMSA) shop stewards did not regard this move as a step in the right direction. For instance they argued that the fact that there was no discussion between them and management when this idea was being mooted, is a clear demonstration that the question of empowerment management is talking about was ‘just a joke’.

Their position is that if management were really serious about involving them in the process, they should have consulted them before they decided on the nature and the format of this structural arrangement. The shop stewards’ opposition to this idea became prevalent when the senior shop steward who was supposed to be part of this executive structure opted to boycott the meetings of the executive committee.

In her explanation to her constituency as to the reason why she did not want to be part of the committee, the senior shop-steward argued that:

“If we were to ensure our own safety in this workplace, we need to ensure that we collectively struggle for changes in the way this safety program is run. We need to ask ourselves questions like how is the structure being mooted going to operate, who is going to make decisions and who is to benefit from those decisions? Comrades we are convinced that this is not meant to benefit us. If management were serious about engaging us in this process of effecting changes in safety, we would have been consulted before a decision was taken. Based on this analysis, we chose not to associate ourselves with this executive committee.”

Whilst shop-stewards were clear about their stance not to participate in the executive committee, the trade union officials did not appear to have a clear cut position on the issue. This is illustrated in the position adopted by the trade union organizer that the National Union of Metalworkers of South Africa (NUMSA) was to discuss and advise its members accordingly on whether or not to sit on the health and safety structure presented by the company to the meeting. Further the National Union of Metalworkers of South Africa (NUMSA) proposed that an independent third party specializing in safety matters be brought in to assist the parties to resolve their differences.

Central to this proposal by the National Union of Metalworkers of South Africa (NUMSA) was the strategy to oust NOSA as a health and safety training provider for the company and put in its place STS consultancy. It was the view of the workers who were members of the National Union of Metalworkers of South Africa (NUMSA) and their trade union that NOSA was pro-management.

As a result they were not capable of providing the kind of training which would provide to the workers the empowerment they required to enable them to actively participate and take joint decisions on safety matters as required by the Occupational Health and Safety (OHS) Act. This strategy becomes evident for instance in the minutes of the meeting between the trade union and management held on 16 July 1998, in which it is stated:

“Management wanted to know why Mr. Chris De Beer has to attend the meeting. The union explained that out of the health and safety training providers, Chris De Beer and his company offer the kind of approach to safety training most acceptable to the union in terms of empowering both management and employees. For this to happen, it is proper, the union argues, that training for both parties takes place at the same time.”

Whilst management's view on this issue was very negative when the issue was first proposed by the trade union during the above-mentioned meeting, their response took a more positive approach. This observation can be substantiated by contrasting responses given by management when the proposal was first raised by the union, in 1997 and when it was repeated in the meeting held in July 1998. The letter sent to the trade union by management in response to the first proposal reads:

"The company has enough competent persons who can ensure the safety of its employees if they would only take part and become responsible in these positions. There is no need for an outside consultant. All that is required is for your trade union to co-operate with the company's safety programme and become part of it."

At the meeting held in October 1998, management acceded to the trade union's proposal to have a meeting convened between the factory manager and Chris De Beer with the view to exploring if there were any possibilities of creating a relationship between STS and the company. It was further agreed that the factory manager would have to report back at the next meeting to be held between the trade union and management on this issue.

It is clear from the above analysis that the implementation of the safety programme is also full of contradictions between management and the workers. Whilst both parties seem to see the need for workers' participation in this programme, the extent and the nature of their involvement remains a matter of intense conflict and disagreement. However, as it has been shown, parties seem to be able to make some progress even within the context of these contradictions.





### **5.2.8 THE FUTURE PROSPECTS OF WORKER PARTICIPATION**

Analysis of the interaction between management and employees of the company under consideration seems to indicate that both parties are in favour of the concept of worker participation. However, the complex nature of relations depicted above serves to point to difficulty surrounding the concept of worker participation as well as the constraints confronting attempts to put this concept into operation. This difficulty is reflected firstly, on the inability of both these forces to develop a common understanding of the concept and secondly, on their failure to merge and integrate their objectives of the concept into a coherent rallying point.

On the level of developing a similar understanding of the concept, both parties appear to be unable to develop a clear and unambiguous concept of worker participation which serves as a basis around which their deliberations evolve. On the basis of this inability to develop a clear vision in terms of how each party want the process to evolve, any attempt to sell the concept to the other party becomes even more difficult. Both management and workers appear to advocate the concept of worker participation at its very abstract level.

This situation may be caused probably by the fact the implementation of this concept is still at its infancy stages. Most of the issues, particularly on the part of management remain ideas which still require practical translation into concrete reality. On the part of the workers, they seem to present clear alternatives to what management offers. This failure appear to emanate from their preoccupation with power struggles between them and as such their energies and efforts appear to be directed winning this battle.

It has been shown in this study that what management understands worker participation

to entail is not necessarily what the workers perceive worker participation to be. For instance, members of management more often than not want worker participation to be confined to the shop floor. Workers would prefer a kind of worker participation that is all embracing.

On the question of the concept's objective, it has also been shown that the strategic objective of worker participation on the part of the workers is not necessarily the same as management's strategic objective of the concept.

On their part, workers and their trade unions are more interested in worker participation in so far as it carries with it possibilities of opening up spaces for digging deep into the territory historically regarded as management prerogative. They are more concerned with the empowerment aspect of worker participation. Employees feel that their involvement in the decision making process of the company ought to increase and deepen their control not only of the production process on the shop floor but, also of other strategic decision making areas.

On the other hand, management is more interested in the kind of worker participation, confined primarily on the shop floor and which seeks to instill a high sense of motivation and morale, thereby increasing workers' productive capacity and efficiency. This kind of worker participation contributes very little in terms of worker empowerment. Rather it seeks to inculcate and further reinforces a sense of worker compliance and submissive collaboration in the management of business.

An argument may be advanced here that in this way worker participation is deployed, not

only for the further control by management of the production process, but also for the reinforcement of submissive collaboration on the part of the workers.

These two areas of difficulty in dealing with the concept of worker participation at the company under scrutiny, have manifested themselves more visibly in the post 1994 era in various levels of management-worker interaction. The most visible areas in which the contradictory deployment of the concept of worker participation manifested itself, perhaps requiring mentioning for the purposes of this exercise are the re-organization of the shop floor and the implementation of self managed work groups, redesigning of the process of production, restructuring of the management structure and the management of the safety programme.

These and other issue have demonstrated beyond doubt that whilst interaction between management and workers in the post 1994 era has made a significant shift in terms of embracing dialogue as opposed to adversarial interaction, this shift does not necessarily signify blind collaboration.

In the midst of this contradictory yet collaborative relationship between the trade union and workers on the one hand and management on the other, there is now a realization by both parties that their continued survival, in the short term at least, is dependent on their mutual co-operation and collaboration.

For management to ensure that the business continues to exist, at worst or, to regain its profitability at best, the centrality of the co-operation of the workers is undoubtedly the key. Workers on their part, are consciously aware that their continued employment and



therefore their hope of survival with their families is dependent on the viability of the company. Further analysis of the post 1994 activities in the company under consideration clearly point to the fact that worker participation in its supreme and most meaningful form remains unattainable at least in the short term. There may be various reasons why the attainment of a workable form of worker participation at least in the short term is remote.

Two issues require mentioning for the purposes of this study. The first one relates to the contradictory interests and the historical relations between management and workers. The truth of the matter is that despite the realization by both forces that their survival, at least in the short term, is dependent on co-operation and collaboration, their class and long term interests remain contradictory. As Summers cited in Rycroft (1989: 5) in his observation correctly points out:

“Conflict of interest between management and workers is an inevitable ingredient of the workplace – conflict between those who pay and those who are being paid; between those who give orders and those who are expected to obey; between those who make decisions and those who must live by them. This conflict between managers and the managed exists in every system whether capitalist or communist, as the strikes in the Gdansk shipyards and the Polish coal mines bear stark witness.”

The major difficulty confronting these forces is how best to link and integrate their short-term necessity of co-operation and collaboration with their contradictory long term-interests. As a consequence of the conflicting interests and the radical win-all mentality characterizing the historical interaction between these forces, the display of power has always been the most logical way of resolving differences.

Because of this history, interaction between management and workers at the company

under investigation remain grounded on distrust and is greatly informed by the radical, winner-takes-all mentality of the past. It is clear, based on this observation, that both parties in grappling with the challenges and opportunities of the present, remain trapped in conceptual strategies of the past.

Nevertheless, the prospect of worker participation remains alive. Despite the fact that relations between these two forces is contradictory and is likely to remain so in the foreseeable future, this does not discount the viability of worker participation as a strategy which can be successfully implemented not only to improve the company's productive capacity and efficiency but also to enhance the empowerment of the employees.

However, what remains important is a serious and honest recognition and acceptance by both parties, at least in the short term, of the mutuality of their relationship and the independence of each party's existence. It is also important to indicate that for the prospect of worker participation to remain alive, both parties must accept that worker participation, will never at least in the foreseeable future, serve the interests of one party at the expense of the other party's interests. In evaluating the future intentions of labour and capital regarding the implementation of worker participation, one is tempted to argue that indeed both parties are aware of their responsibilities and obligations if they are to survive under current conditions.

On the part of the employees, successful deployment of worker participation as an effective weapon in advancing workers' struggle for meaningful participation and control of the production process is dependent on their capacity to develop conceptual and

strategic clarity in terms of their long-term interests and objectives. This argument brings this discussion to the second issue, i.e. the unity and collective strength of the workers. This study has been able to show that there is a great deal of animosity existing amongst workers resulting from their belonging to two different trade unions. The existence of this situation represents a major constraint in any endeavour by the workers to attain meaningful and decisive form of participation.

For workers to be able to advance a coherent project of worker participation which is meaningful and carry with it possibilities of success, they must have a strong power base. With the workers strong power base comes hope that workers endeavours to counteract the enormous power managers have by virtue of being in management positions will be enhanced. However, as the situation stands at the moment in which the two trade unions are in opposition to each other more than they are in opposition to management creates a weak power base for employees. This situation augurs not very well for the workers, since their positive intervention in the management of the business is heavily dependent on their strong coherence, meaningful opposition and independent identity as an interest group with common and clearly identifiable interests.

Analysis of the relations at this company, particularly in the post 1994 era reveals that the two trade unions, at best, are not able to swallow their pride and work together in the interest of improving the workers' lot, or at worst, lack the capacity to transcend their petty sectional interests for the benefit of the workers as a whole. Until the trade unions and their members are able to realize the destructive impact their animosity have on their potential to utilize worker participation as a powerful tool, at least during this transitional

phase of their relationship with management, the concept is likely, if not bound to fail. This failure, particularly on the part of the workers, has in the long term the potential to adversely affect their future in the sense that indications seem to suggest that their continued employment with the company will be informed by their ability to influence and give direction to the future of the company. This, it is argued here, is only attainable through a careful analysis by workers of their strengths and weaknesses and their ability to act jointly and collectively as a labour component.

On the part of management, it is not an under-estimation to argue that their ability to ensure the speedy adaptability of the business to the extreme pressures imposed upon the business by various factors, among which, is global competition, will be influenced by their unconditional commitment to the involvement and participation of workers in the management of the business. This commitment must be based on the recognition of the independence of the trade union and the fact that the interests of the workers are not necessarily the same as those of management.

Based on this understanding, it is clear that the temptation to co-opt workers into the structures designed to serve and advance the interests of management at the expense of the workers' interests is bound to render any participatory measures meaningless and counter-productive. Failure to take cognizance of this reality is bound to cost the company dearly in future.

It must be indicated though that despite this serious weakness on the part of the workers, the prospect of worker participation in the future remains promising. This observation is based on the realization by the labour component that any coherent articulation of their

position is dependent on their solidarity and acting in unison. However, in pursuance of such unity the trade unions appear not prepared to respect each other's 'independence and work together. Rather the strategy continues to be that competition.

This strategy appears to be paying off for the National Union of Metalworkers of South Africa (NUMSA). Current developments indicate that the National Union of Metalworkers of South Africa (NUMSA) is rapidly gaining membership at the expense of the South African Workers Trade Union (SAWTU). Latest figures show that the National Union of Metalworkers of South Africa (NUMSA) has just regained their majority status. This development clearly shows that ordinary workers are aware of the devastating impact their belonging to two trade unions which do not want to work together, has, on their ability to challenge management on important issues.

On the basis of the above analysis it is clear that both management and employees are mutually dependent on each other at least in the foreseeable future. The initiatives currently in the pipeline and those that are in the early stages of their implementation seem to suggest that the prospect of worker participation is great. What remains unclear though is the extent to which these initiatives will contribute to the empowerment of the workers.

Despite this uncertainty, what remains important though, is the fact that these initiatives have presented rare possibilities the entire history of the company has never been able to for the workers to take probably a first but vital step towards a broader and meaningful participation in the management of the business.



## **CHAPTER SIX: OBSERVATIONS AND CONCLUSION**

In concluding this dissertation on worker participation, it is probably worth pointing out the observations made from this case study. Some of the observations made are general and others are more specific in character. It is possible that observations that are general in character may be applicable to other cases other than the one under investigation, whereas specific observations are assumed to apply, in particular, to the company under investigation and very difficult to generalize to other cases. From the observations made will follow concluding remarks. Hopefully, these will begin to provide some answers to the question of whether worker participation is a mechanism for pushing back the frontiers of control on the shop floor, opening up space for workers' control of the production process, or a means of inculcating a culture of submissive worker collaboration, thereby further increasing management control of the production process.

### **6.1 OBSERVATIONS**

Empirical evidence on the interaction between employers and employees seem to point to the fact that power relations is the major determinant of the nature and the character of the relations between these two major social forces. The most logical explanation for this is the relation of these two forces to the means of production. Capital has at its disposal immense power by virtue of it possessing the means of production which have to be sold to labour for its survival. On the other hand labour has labour power at its disposal which have to be sold to capital for survival. This contradiction is depicted in the assertion that:

“Strategies of consent provide labour with an equivalent contradiction. On the one hand, labour resists its structural subordination to capital. On the other hand, labour also has an interest in maintaining the viability of the unit of capital which is the employer. Labour can only be put to work by selling its labour power to that unit of capital. Labour’s

interests are however not to make the unit of capital viable simply in the interests of profitability, but to increase both direct and indirect wages and improve working conditions. The contradictory nature of the labour process under capitalism thus emerges" (Maller, 1992: 7).

Worker participation, as one form of interaction between capital and labour is clearly having the power relations dynamic as the major determinant of its nature and content. Considering the impact of the Industrial Conciliation Act (1924) and Labour Relations Act (1995) on the concept of worker participation both as a theoretical and practical possibility, one is tempted to posit the view that the Labour Relations Act (1995) appears to open more space for the experimentation on the concept relative to the Industrial Conciliation Act (1924).

The 1995 Act's emphasis on consultation with the view to reach consensus and joint decision making is clearly contributing towards redefining and reshaping attitudes of both labour and capital relating to the new role of trade unions in the economy. This new role is however not just given but is dependent on how capital views these developments and what strategies in response to these changes it is going to employ. Also of critical importance is the manner in which the labour component positions itself in preparation for this new challenge.

### **6.1.1 THE BALANCE OF CLASS FORCES AS A CENTRAL DETERMINANT**

A brief analysis of the Industrial Conciliation Act (1924) and Labour Relations Act (1995) undoubtedly demonstrated that a piece of legislation, if properly applied, and if need be, legally enforced, has the potential to direct the population in general and the targeted subjects in particular, to behave in a particular way, even if on a temporary basis.

For instance, it has been shown that the Industrial Conciliation Act (1924) contributed a significant part in entrenching racial divisions in the workplace by creating and nurturing a collective bargaining institutional framework, which catered only for White, Indian and Coloured workers whilst deliberately excluding Black workers from such an arrangement.

It has also been suggested that the Industrial Conciliation Act (1924) together with other pieces of legislation around this time and beyond, were instrumental in integrating and merging the interests of White workers and White capital to the extent that the line of demarcation between the interests served by these two social classes, became not only blurred but non-existent in practical terms. On the other hand the Labour Relations Act (1995) has undoubtedly been able to reverse the situation created by the Industrial Conciliation Act (1924) by inculcating and further reinforcing a culture of non-racialism in workplace institutions.

The formation of trade unions based on race is not allowed and the collective bargaining institution does not exclude any sector of society on the basis of race. With the coming into operation of this Act, there are visible signs that the veil, the ideology of workplace apartheid with all its oppressive and exploitative working conditions for Black workers, at least in theory, is beginning to crumble.

The contrasting consequences of the two labour laws on the labour front clearly indicate the centrality of the balance of class forces in determining not only the nature and content of the laws passed, but also the dominant political and ideological views driving public debates and discussions at any point in time. For instance, in South Africa in the early

1920s, White Afrikaners were beginning to enjoy their political ascendancy, which was accompanied and reinforced by an ideology of White supremacy and a rise in capitalist hegemony considered to be the pillars of the ideological hegemony around this period. The exclusion of Black workers from the labour relations formal institutions did not therefore represent an isolated and accidental arrangement, but a fundamental condition in the portrayal and the perpetuation of white dominance and supremacy.

At the time when the Labour Relations Act (1995) was passed, political conditions which were supported by an ideology of White supremacy and a rise in capitalist hegemony had dramatically changed and were giving way to an advanced level of capitalism supported by a neo-liberal ideology with its most propagated notions of 'democracy, multi-racialism and multi-culturalism'. The Black majority, unlike in the 1920s had already taken over important organs of political power, albeit in a restricted fashion.

Central to these developments has been the global influence towards peaceful resolution of conflicts and respect for human rights. It is clear from this analysis that the dominant political and ideological thoughts driving public discussion and debate around this time is visibly distinguishable from the political and ideological hegemony of the 1920s. Moving from the premise that laws are not passed in isolation, but constitute an element of the dominant political and ideological current, it is logical to argue that the labour laws, which governed labour relations in the 1920s are bound to differ from labour laws governing employer-employee relations in the 1990s and beyond into the 21<sup>st</sup> century because of among other things the radically changed socio-political and ideological context between these two historical periods.

Changes in the dominant mode of thinking in societies more often than not, is reflective of the changing character of the class balance of forces. With this understanding in mind, a cursory conclusion can be made here that at the time of the enactment of the Industrial Conciliation Act (1924) the scale in the balance of class forces favoured the exclusion of the Black majority from almost all instruments of power, which during the late 1980s and early 1990s, was tilted in favour of their inclusion. These changes are testimony to the inherent contradictory relations characterizing almost all societies, forged in an on-going contest over diverse and divergent interests the different social classes seek to advance.

The fact that worker participation today forms a key concept and a pivotal pillar around which relations between labour and capital ought to be constructed, suggest a particular stage in the ongoing contestation with relations between these two social forces pointing to a transitional nature of their struggle, with neither force, willing to stage a frontal assault on the other, probably because of the fluidity and uncertainty of the balance of class forces.

This situation becomes clearer when one considers the fact that at the company under consideration, the question of including or trying to listen to what workers had to say only began with the appointment of councillors and Indunas in the 1970s. Between 1913, the year when the company was established and this period, the company was managed without any attempt to incorporate the interests and aspirations of the employees into business strategies and policies. This, it would appear was never a problem since the ideological current during this period favoured such exclusion. As the Black people in



general and Black workers in particular began sabotage the system around the 1970s, the management of the company began to see the need to bring workers closer.

### **6.1.2 PARTICIPATION: AN AREA OF CONTEST BETWEEN MANAGEMENT AND WORKERS**

The argument advanced above suggests, among other things, that worker participation is not a pre-determined, thoroughly calculated instrument at the disposal either of labour or capital readily available for utilization by these forces in their contradictory struggle. It would however appear that this ongoing struggle between capital and labour has both the conflictual and the collaborative dimensions to it, with these two aspects presenting themselves in a somewhat dynamic and complex fashion, for utilization by either of the two forces depending not only on the subjective conditions of either of these two forces but also on the objective conditions imposed upon these forces.

Consequently, an argument can be advanced that worker participation is just one area where the unresolved contradictions between labour and capital continue to be articulated within the labour relations context.

The history of the company under investigation clearly shows that there were times when the concept of worker participation was never heard of and during the time of this study it is clear that the concept of worker participation is embraced by both management and the trade unions, however, for different reasons. The period between 1913, the year in which the company was established, and around 1977, the year in which councillors representing workers were constituted, worker participation could be said to have been non-existent. Interaction between workers and management during this period continued



without any signs that such non- participation by workers in the company's decision-making organs was unacceptable.

This period clearly reflects the massive power enjoyed by management which the workers on their part, for reasons not part of the scope of this exercise, found extremely difficult to expose and challenge with any reasonable degree of success. The period between 1977 and 1985, the year when the Metal Allied Workers Union made its presence, is a period when worker participation in an extremely limited sense came to the scene. The appointment of worker councillors by management, for instance, afforded an opportunity to the workers, at least in theory, to have their aspirations, fears and interests taken into account in the decisions eventually taken by management.

The coming into operation of the South African Allied Workers Union (SAAWU) in 1982 did not change this situation in any significant way in the sense that the trade union's spell in the company did not usher in any form of collective bargaining where the trade union could be taken as a serious partner in the relationship. During this time, indications were that the balance of class forces was in favour of the capitalist class.

During the period between 1985 and 1992 things continually shifted from the massive power relations in favour of capital to a more balanced scale in power relations between these two forces. During this time, workers could engage actively in collective bargaining with management which opened the space for the workers, not only to articulate their views with management before decisions are made but also to influence and participate in joint decision making with management on certain key issues. Where in the past management could just change terms and conditions of employees' employment as and

when they pleased, this could no longer be done as workers began to exercise their strength as reflected in the many industrial actions taken by the workers during this period, including but not limited to strike actions, work-to-rule, go-slows, overtime bans, etc.

This new-found power and vigilance on the part of the employees at the company under scrutiny is just one among many flash points, which indicated a shift from a capitalist hegemony towards worker control and democracy. In fact, the nature and the content of such participation by workers in decisions affecting their employment relationship was contradictory and radical and further concurs with the view that worker participation is just one area where contradictory relations between management and workers are fought out and more often than not a microcosm of the broader struggle between labour and capital.

Between the years 1992 and 1998, worker participation has taken yet another dimension. In addition to its contradictory dimension this period has seen the steady introduction of a more conciliatory and collaborative form of worker involvement in decision making. Analysis of documents and recent interaction between management and workers shows that on the part of employers there is now acceptance that employees must be involved in decision making. On the part of employees, there is clearly a tendency to move away from demanding participation strictly on bread and butter issues at the expense of soft but core business issues, to incorporating these as part of their agenda.

This is clearly reflected on the demands to get involved on issues such as health and safety, productivity and shop floor management and company restructuring. These issues,



historically thought to be beyond the scope of employees influence, are now accepted by management as forming part of the issues which at the least, workers must be consulted on or at the most, joint decision making must be sought for businesses 'to succeed'.

On another level, the conciliatory and collaborative mentality can be deduced from the fact that between 1993 to December 1998, the company has not experienced any form of industrial action in any significant way as was the case in the period between 1985 to 1992. This period of 'peace' in the workplace is however, not in any way, signifying the absence of conflict and disputes between workers and management. What it shows though, is the degree to which, unlike in the past, the parties are now prepared to sit down around the negotiating table and resolve their differences through dialogue.

This preparedness to resolve differences around the negotiating table is indicative of the kind of mentality which has entered the political and ideological domain driving not only the South African but also the global public discussion and debate. The notion of the respect of human rights, the respect of the right of minorities, multi party liberal democracies and other versions of the neo-liberal ideology, has contributed immensely to a labour relations of compromise and consensus building instead of a win-all situation of the 1980s.

## **6.2 CONCLUSION**

In conclusion it must be pointed out that the direction taken by the form of interaction between labour and capital, be it conflictual or collaborative does not take place in a strategic vacuum, but forms part of the overall contestation between these forces rooted and conceptualized within a highly complex and ever-changing socio-political, economic

and ideological context. It is therefore on the basis of this ongoing struggle that worker participation is at one point, regarded as a logical and viable mechanism of interaction between labour and capital and at another point it is not.

The study had also undoubtedly shown that the notion seeking to distinguish between collective bargaining and 'worker participation' as conceptually, practically and qualitatively different processes, is superficial and over-simplistic and lacks insight into the dynamics and complexity of the concept of worker participation. The mentality that collective bargaining is inherently adversarial and worker participation essentially co-operative has been exposed with all its conceptual and practical inadequacies. What has been shown by this study is that collective bargaining and worker participation are just two facets of the same phenomenon, utilized either separately or jointly, at any particular point in time depending on various other factors which are part of the equation in the relationship between labour and capital.

This has clearly been demonstrated in the company under investigation, where there had been sudden shifts in strategy and tactics, with the parties sometimes employing conflictual approaches and at other times using collaborative strategies, depending more often than not on the issues in question and the strength of each party at any point in time.

To present an argument therefore that there is a bound correlation between either worker participation and worker control, or worker participation and management control, is to oversimplify the complex nature of relations between labour and capital. However, what appears to have been shown by this study is that the extent to which worker participation

as both a concept and process, becomes the tool at the hands of either the workers to open up spaces for further encroachment into the territory historically regarded as management prerogative for their empowerment and control of the production process; or management to push further back the frontiers of control in order to ensure a sustainable and deeper control of the production process, is dependent on the class balance of forces at any point in time and each party's strategic position within that balance coupled with its capacity to calculate with some clarity and seize every moment presenting itself as an opportunity for the advancement of its strategic goals and interests.

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