

UNIVERSITY OF KWAZULU-NATAL

**THE INFLUENCE OF THE RELATIONSHIP BETWEEN MANAGEMENT AND
UNIONS ON ORGANISATIONAL DEVELOPMENT IN ETHEKWINI
MUNICIPALITY**

by

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Master of Administration**

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ABSTRACT

Despite various studies by multifarious scholars on the management–union relationship, lesser attention has been focussed on the influence exacted by this relationship on Organisational Development (OD). This study, therefore, was focussed on the influence of the relationship between management and unions on OD, and the locus was eThekweni Municipality. The original stimulus for this study emanated from the need to operate transformative and developmental municipalities, using OD as a tool while simultaneously dealing with the disharmonious relationship between management and unions, which appears to be standing in the way. The research questions and objectives were developed in support of the above stated aim, together with the theoretical framework which is based on Societal Corporatism. The theory dovetails into what is termed World Class Manufacturing (WCM) which equates to a World Organisation. WCM consists of five (5) building blocks on which the research questions are formulated. The literature review is based on the five (5) building blocks of productivity measurement, flatter and non-hierarchical structures, continuous upgrading of education and skills, union co-operation and fewer grades.

The study is positioned along the lines of the constructivist epistemological approach, and therefore the research design employed is the qualitative design method, and the strategy used is structured face-to-face interviews, based on the narrative phenomenological and grounded theory approaches. EThekweni Municipality was chosen as the study site and the sampling method used was the purposive sampling based on nonprobability approach. The sample size of ten (10) Units consisted of Senior Managers, Union Management, Shop stewards and OD Practitioners. The results obtained from the interviews were organised in terms of 5 major themes. The results amongst others delineated that 100% of respondents agreed that the management-union relationship with regards to OD in eThekweni was not healthy, which supported the need for this study. The results in terms of other themes also supported the negative influence, with tall structures, poor productivity, disintegrated

education and skills development initiatives, absence of union cooperation and the proliferation of grades in the municipality grading system, very prominent.

The recommendations for a complete turnaround are also presented in terms of each theme with 60% - 100% of respondents in agreement with the need to change for the better. Inter alia, structures must be flattened through the Municipal Manager invoking Section 22 of the MSA stringently, development and implementation of the productivity measurement and improvement policy, training of managers in labour relations and union officials in management practices, the empowerment of the Skills Unit (EMA) by increasing the budget significantly, joint decision making and strategic planning with unions by management to increase union cooperation. The study also proved its heuristic value with several recommendations being escalated for further study.

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LIST OF ACRONYMS

| | |
|---------|------------------------------------------------------------|
| BPI | Business Process Improvement |
| BPM | Business Process Modelling |
| BPR | Business Process Re-engineering |
| CAF | Common Assessment Framework |
| CPM | Competency-Based Performance Management |
| EI | Employee Involvement |
| HRM | Human Resources Management |
| IDP | Integrated Development Plan |
| ILO | International Labour Organisation |
| IMATU | Independent Municipal Allied Trade Union |
| JIT | Just In Time |
| LLF | Local Labour Forum |
| LRA | Labour Relations |
| MFMA | Municipal Finance Management Act |
| MM | Municipal Manager |
| MSA | Municipal Systems Act |
| NeDLAC | National Economic Development and Labour Council |
| NLRF | National Labour Relations Forum |
| NSALGBC | National South African Local Government Bargaining Council |
| OBM | Outcomes Based Methodology |
| OD | Organisational Development |
| ODCM | Organisational Development and Change Management |
| POM | Process Oriented Management |
| QWL | Quality of Work Life |
| SAIMAS | South African Institute of Management Sciences |
| SALGA | South African Local Government Association |
| SAMWU | South African Municipality Workers Union |
| TASK | Tuned Assessment of Skills and Knowledge |
| WCM | World Class Manufacturing |

CHAPTER ONE

INTRODUCTION AND OVERVIEW OF THE STUDY

1.1 INTRODUCTION

This introductory chapter serves to illustrate the *raison d'être* of this dissertation as well as defining the problem at hand and the methodology used in exploring the influence of the relationship between management and unions on Organisational Development (OD) in the eThekweni Municipality. A synthesised and integrated literature with the theory and research methodology has culminated in the results and recommendations which are made in the final chapter of this dissertation.

The original stimulus for this study emanated from the dearth of literature and real understanding of the nature and complexities inherent in operating developing and transforming municipalities' internal organisations in the wake of perceived pressure from municipal unions, thereby resulting in strained relationships between the latter and management with deleterious effects on efficiency and effectiveness. A further stimulus arose from the need to contribute solutions to the ever-increasing problem of productivity improvement that many municipalities are grappling with, by putting the spotlight on Organisational Development and assessing its capabilities within a challenging labour-management climate.

1.2 BACKGROUND OF THE STUDY

According to the Integrated Development Plan (2013/14:2), the eThekweni Municipality is in the province of KwaZulu-Natal on the eastern seaboard of South Africa. Its municipal area covers an area of 2297 square kilometres stretching from Umkomaas in the South to beyond Tongaat in the North, climbing up west ward and inland as far as Cato Ridge. The City has 210 councillors and a staff complement of 23000. The unions, the South African Municipal Workers Union (SAMWU) and the Independent Municipal Allied Trade Unions (IMATU), claim to represent 9000 and 13000 respectively of this workforce in eThekweni Municipality.

Like most learning organisations, eThekweni has engaged in a vigorous Organisational Development drive most notably, since 2002 with imperatives like the Competency-Based Performance Management (CPM) initiative which looked

principally at improving business processes with a view to increase productivity and performance. This OD imperative was driven by Management Services (now known as the Organisational Development and Change Management) Unit of the Corporate and Human Resources Cluster. This Unit drew its mandate from the Local Government: Municipal Systems Act (32 of 2000), which flows from the Constitution of the Republic of South Africa of 1996 and various other internal mandates.

On the other hand, unionism was entrenched via the Labour Relations Act (66 of 1995) which also flows from the Constitution of the Republic of South Africa of 1996. The Constitution sought to promote employee participation in decision making through workplace forums and employee consultations and joint decision making on certain issues by providing for simple procedures for the resolution of labour disputes through statutory conciliation and arbitration, and through independent alternative dispute resolution services.

The disharmony between management and unions regarding the implementation of OD interventions has given rise to the need for the placement of the locus of this study to where it is manifest: an exploration of the influence of the relationship between management and unions on OD in the eThekweni Municipality. The placement of the locus of this study on OD is deliberate, as it is in this area where a myriad of problems has occurred resulting in several impasses. Case in point is the slow progress of the restructuring process, as well as other productivity improvement initiatives. The choice of the imperatives in the Organisational Development realm for purposes of this study will also add more value to the organisation as these interventions are currently ongoing and recommendations from this study can succour correct the negative trajectories and bring the relationship back on track which will improve efficiency and effectiveness.

1.3 RESEARCH PROBLEM

Aptly put, the problem is that there is conflict between management and unions regarding Organisational Development and this had a significant impact on efficiency and effectiveness in this municipality. Programmes which could have taken eThekweni forward have dithered due to constant bickering, sometimes grandstanding between the two important stakeholders in the Municipality.

Notwithstanding the organisation of these two stakeholders into joint decision making bodies, like the National South African Local Government Bargaining Council which is legally established, the problem has not abated. Nor has the local establishments like the Local Labour Forums could be resourceful. At best, in eThekweni Municipality there was a period between 2007-2011 when the relationship was so bad that these bodies were virtually dysfunctional due to a total breakdown of trust between management and unions. Although currently some meetings are taking place, there is no semblance of orderliness and issues like restructuring are progressing at a snail's pace while in some areas it has stopped abruptly, regardless of multitudinous appeals from staff and management who anticipate some benefits from restructuring (see attached Annexures on Local Labour Forum (LLF) meetings). This has affected staff morale and concomitantly, productivity.

The problem is indeed not an easy one and warrants an analytical approach and an understanding of the phenomenon based on empirical evidence, hence this research.

1.4 RESEARCH OBJECTIVES

The objectives of the study were:

- To explore the influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality
- To assess the extent to which the relationship between management and unions affect productivity measurement
- To explore the influence of the relationship between management and unions on the continuous upgrading of education and skills of employees
- To determine the extent to which union co-operation with management will contribute to a world class organisation
- To explore the influence of the relationship between management and unions on fewer grades in the municipality's grading system

1.5 RESEARCH QUESTIONS

The research study attempted to answer the following key research questions:

- What is the influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality?

- How does the relationship between management and unions influence productivity measurement?
- What is the influence of the relationship between management and unions on the continuous upgrading of education and skills of employees?
- How does union co-operation with management contribute to a world class organisation?
- What is the influence of the relationship between management and unions on fewer grades in the municipality's grading system?

1.6 LITERATURE REVIEW

The next section provides an overview of the literature review of this study.

1.6.1 Legislative Framework

The White Paper on the Transformation of the Public Service dated 15 November 1995, Chapter 3, was the first document that demonstrated the new government of the Republic of South Africa's intention to ameliorate all the challenges of service delivery and drive the entire government towards transformation. The Public Service Labour Relations Act (Act No. 66 of 1995), followed the White Paper, which entrenched the labour movement by providing them with a myriad of protections and rights. The Act culminated in the establishment of the National Economic Development and Labour Council (NEDLAC), the National Labour Relations Forum (NLRG), the South African Local Government Council (SALGBC) which led to the creation of Local Labour Forum (LLFs) in the municipalities. The LLFs will be very important in this discourse as they were meant to increase participation between management and unions and ensure that there is an *esprit de corps* in the handling of matters of governance between these stakeholders in municipalities.

The Constitution of the Republic of South Africa, 1996 became the hallmark for unprecedented protections and rights and entrenched principles like equal opportunities, fair administrative acts, and freedom of association. The constitution led to the enactment of further Acts which are 'intrinsic' to this study, like the Municipal Systems Act (No 32 of 2000) which regulated issues of governance and restructuring, amongst others. Other important Acts and mandates that are intrinsic in this study include the Municipal Finance Management Act (No. 56 of 2003) which

will touch upon issues of cost cutting measures to improve efficiency and effectiveness, the Constitution of the SALGBC (2014) and the SALGBC Main Collective Agreement on which the issues of LLFs which are very important to this discussion, are buttressed.

1.6.2 Contributions by various scholars

There are streams of literature on the subject that has been used to support this study. This researcher has chosen to move from general to specific and this will be seen in the way the literature by various scholars has been reviewed. This discussion will be anchored on two pillars: Conflict and Cooperation. These 2 pillars will be discussed with reference to how they affect the third important element, Organisation Development.

1.6.3 The Conflict Phenomenon and its Manifestations

Nel et al. (2012:209) contend that management-union conflict results from the differences in the methods used to achieve goals which are being pursued. They mention issues like facility perceptions, differences in backgrounds, and personalities, the existing employment relations, as sources of conflict and contend that a person to person relationship based on mutual trust can be instrumental in eradicating these writings have been juxtaposed with the situation in eThekweni Municipality to understand the manifestations of the adversarial management-union relationship there. Bendix (1996:13) considers potential for conflict in the management-union relationship as infinite. He contends that conflict on a more sophisticated level will not only be about wages but also such issues as the role and status definition, flexibility and control, powers of decision making, structures of accountability personal beliefs, ideologies, values, and goals.

According to Nel et al. (2012) there are various ways in which conflict manifests itself, and these include, real conflict, perceived or felt conflict, constructive and destructive conflict, frictional and strategic conflict (2012:208). Most notably, these writers refer to real conflict or substantive conflict as a final episode of conflict and its manifestation is in abnormal or deviant behaviour which can even result in aggression. These manifestations of conflict, especially real conflict, have been

studied with a view to juxtapose it with the management – union situation in eThekweni Municipality.

Regarding developmental initiatives, Nel et al. (2012:215) refer to ideological conflicts which arise from the fact that employers, employees, and state do not always share objectives and this leads to the stalemate of implementation, thereby rendering initiatives like the promotion of productivity in the workplace, inter alia, being rendered ineffective. This last point has been very important to this discourse as it speaks directly to the impact of conflict between employers, employees and unions on developmental initiatives which fall within the Organisational Development realm.

1.6.4 Societal Corporatist structures and process

Reference will be made below to Societal Corporatism as the theoretical framework adopted for this discourse. In this regard, the state is a partner of unions and employees. The state is in a continuous process of engagement with trade unions and employers to amongst other things, encourage employee participation in decision-making at the workplace (Finnemore, 2009:164). But how does the employee participate in these societal corporatist structures and processes?

1.6.5 Employee Participation

Employee participation is a process which recognises employee's right to individually and collectively be involved with management in organisational decision making (Nel et al., 2012:334). The unitarist/individualistic nature of employee participation refers to that relationship initiated and fostered by management for their own interests, while the collectivist/pluralist entails relationship initiation and furthering by and through unions. The employees would in the light of that, be in the most favourable position with collectivist/pluralist approach. According to Nel et al. (2012:336) for employee participation to be effective, 3 interrelated elements must exist namely, influence, interaction and information sharing and if any of the above is lacking, the employee cannot participate in the decision-making processes of the organisation. The legislated and most popular instrument of employee participation is the workplace forums. The workplace forums are analysed in this study as the

Local Labour Forums which regulate employee participation at a local government level, are set up in the same way as the workplace forums.

1.6.6 Workplace Forums

Venter and Levy (2014:349) make reference to workplace forums as being made up of representatives of workers (non-senior management employees) with the purpose of promoting interests of all employees in the workplace irrespective of trade union affiliation. The intention of the establishment through legislation of workplace forums was the fostering of a more cooperative *esprit de corps* in the traditionally adversarial employment relationship by encouraging indirect employee participation through representation by other employees in the workplace.

Nel, Werner, Haasbroek, Poizat, Sono, Schultz (2013:143) state that the major goal of the establishment of workplace forums is the promotion of employment relationships as well as efficiency in the workplace. The employer is obliged to consult and endeavour to reach agreement with the forum on issues like training and restructuring in the workplace. However, workplace forums have not been successful in achieving the goals for which they were set up. It was considered prudent therefore, to study the importance of workplace forums in fostering the management-union relationship as well as establishing why they failed, as this will offer a valuable contribution to the discourse, especially as their counterparts at the local government level, the Local Labour Forums (LLFs) were formed around the same concept.

1.6.7 Local Labour Forums (LLFs)

On 15 August 1994, the municipal employers' organisations in South Africa signed an agreement with the labour unions operating at a local level to establish a National Labour Relations Forum for Local Government (NLRFG) (Agreement EEMPAA/TEMP/AM/SV, 1994:2). Amongst its objectives as delineated in its preamble, is to enforce the right of fundamental equality and opportunity between men and women in employment as well as the right of every person to be protected against employment discrimination on the grounds of race, gender, ethnic or social origin, colour, sexual orientation, age, disability, religion, culture or political affiliation and to transform local government to a non-racial, non-sexist institution and provide

redress to disadvantaged people. In view of this agreement, the LLFs view themselves as equal partners with employers regarding issues of recruitment and engagement of staff and all matters related thereto. The NLRF was established in terms of the SALGBC Constitution and its Main Collective Agreement, formalised the LLFs.

While the Agreement's statement of intent acknowledges the responsibility of Local Government to, amongst other things, plan, develop and implement a non-discriminatory organisational culture, structure, practices and initiatives (EEMPAA, 1994:2), a further objective of the agreement, *inter alia*, is to co-operatively create an organisational structure that will support and encourage employees to respect diversity while focussing on shared values in order to develop team spirit, promote mutual acceptance, optimise potential and achieve organisational goals. This last point speaks to Organisational Development and could have encouraged the unions' appetite to influence Organisational Development in local government, particularly in eThekweni Municipality. However, the researcher acknowledges that management is also a party to LLFs and therefore, this objective will, be analysed with a view to further unpack and understand the nature and influence exacted by both these parties on Organisational Development. In eThekweni, there are presently five (5) LLFs and eleven (11) Unit Labour Forums (ULFs) which are sub-committees of the LLFs.

1.6.8 Organisational Development

Several definitions of Organisational Development by various scholars are available and will be analysed in this discourse. For a better understanding of this phenomenon, reference will be made succinctly to its historical perspective and then the discussion will be affixed on Organisational Development and the management-union relationship, thereafter narrowing down to the eThekweni Municipality scenario.

1.6.9 Organisational Development and the Management-Union Relationship

A further contribution to the understanding of the management-union relationship regarding Organisational Development has been made by Cummings and Worley (2015:379) with their Employee Involvement (EI) interventions. Their work encapsulated what they termed parallel structures which include union-management

projects and quality circles, high involvement institutions and total quality management. The contribution of these parallel structures as an Organisational Development intervention that is intrinsic in the management-union relationship will be important in this study as it will expose some interesting dynamics to the argument.

This discourse will narrow down to the Organisational Development process as implemented in the eThekweni Municipality and will explore how issues of strategic planning, business process management, restructuring, productivity measurement and improvement and change management are addressed.

1.7 THEORETICAL FRAMEWORK

This study will be based on the Societal Corporatism approach of the Corporatism theory. This approach emphasises social dialogue between employers, employees, and unions all unified under what Finnemore (2009:140) refers to as “Tripartite Co-operation”. The relationship between the state, employees and labour is institutionalised and a strong interdependence among the 3 parties is upheld. Consensus-building as opposed to an adversarial relationship is encouraged. Moreover, conflicts in the workplace are brought to an absolute minimum as there is centralised negotiation on intrinsic issues and there is generally agreement on issues not only affecting their immediate constituencies but those which consider the requirements of the broader society. Briefly, therefore Societal Corporatism promotes a culture of participation, negotiation, social dialogue, and coordination, transparency, and openness among stakeholders.

Finnemore (2009:147) equates organisations using Societal Corporatism or “Societal Corporatist Structures” to world class organisations involved in world class manufacturing (WCM). According to him, the WCM organisations are made up of five (5) building blocks namely, flatter, and non-hierarchical structures, productivity measurement, continuous upgrading of education and skills, union co-operation and fewer grades. The natural progression from this state according to Finnemore (2009:147) is a world class organisation embracing a world class vision that is competitive both in price and quality. To achieve this, an organisation embraces the

ideal of Societal Corporatism and those of Organisational Development as fundamental building blocks of a world class organisation.

1.8 RESEARCH METHODOLOGY

This study is based on the qualitative design method. Creswell (2014:4) states that this method entails the explanation and understanding of the meaning by individuals or groups of the social or human problem, and its process involves the emerging questions and procedures and data is collected in the participant's setting and is analysed inductively building from to general themes. The sampling method used was non-probability sampling using purposive sampling to select the ten (10) respondents that were selected for the study. The breakdown was as follows: three (3) Senior Managers from three (3) selected Clusters, two (2) Shop stewards (IMATU, SAMWU), two (2) Union Managers (IMATU, SAMWU) and three (3) Organisational Development Practitioners. Primary data was collected using the structured face to face interviews. Secondary data in the form of minutes of the LLFs meetings was collected to support the interviews.

Data was analysed using the thematic analysis which culminated in several recommendations for practice as well as a few recommendations for further study

1.9 STRUCTURE OF THE DISSERTATION

This dissertation is structured in terms of chapters which are arranged as follows:

Chapter 1: Introduction and Overview of the study

This Chapter deals with the introduction and background of the study and outlines the problem, research objectives and questions, the theoretical framework on which the study is based as well as the research methodology employed to do the study.

Chapter 2: Literature Review

This Chapter deals with the review of all available literature on the subject. This includes the legislative framework, literature by various authors which supports the topic. The literature covers a broad spectrum due to the magnanimity of the area, but is mainly around Human Resources Management (HRM), HR Development, Public Administration, Employment Relations, Organisational Development and Labour Relations. The main aim of the literature review is to show gaps in the knowledge build and support arguments, show some unanswered questions etc.

Chapter 3: Theoretical Framework

This Chapter deals with the systematic description of concepts, constructs and relationships set in the form of a statement of how and why concepts are related. The theoretical framework offers the grounding in which the research study is buttressed.

Chapter 4: Research Methodology

This Chapter describes the research strategy and the data collection methods used. The chapter also describes the population on which the results will be generalised as well as the units of analysis, which in this regard are individuals. The chapter also includes the discussion of matters of validity reliability of the instrument used and trustworthiness of the data being collected.

Chapter 5: Presentation and Interpretation of Results

This chapter deals with the presentation and the analysis and interpretation of the results provided. This chapter involves the integration of the results with the study objectives and questions as well as the literature and the theoretical framework.

Chapter 6: General Conclusions and Recommendations

Representing the final chapter, this part of the dissertation concludes the study by presenting the recommendations for practice as well as recommendations for future research. This concluding chapter will also demonstrate that the study has fulfilled its objectives and answered the research question: What is the influence of the management and union relationship on Organisational Development in eThekweni Municipality?

1.10 CONCLUSION

This introductory chapter outlines the *raison d'etre* for this study and provides the statement of the problem. The research aim, objectives, and questions as well as the literature review and theoretical framework supporting the study have been clearly set out and explained. The research methodology and the presentation and interpretation of results have also been outlined. Finally, general conclusions and recommendations conclude the dissertation. The next chapter outlines the legislative

and theoretical perspectives of the study based on the available literature on the subject.

CHAPTER TWO LEGISLATIVE AND THEORETICAL PERSPECTIVES OF THE STUDY

2.1 INTRODUCTION

This chapter deals with the legislative and theoretical perspectives of the study based on the available literature encapsulating the writings of various authors on the subject. This aids the study by putting it into perspective and also determines what other scholars thought and wrote on the topic. Finally, it will succour identify the main models that are of relevance to this study.

To put the study into perspective this chapter commences with the identification and discussion of all applicable legislation and mandates. The study is then anchored on three elements: Conflict (management-union conflict in general), Co-operation (management-union co-operation in general) and Organisational Development (OD). Streams of literature around the 3 anchors are then reviewed with emphasis on the influence exacted by the management-union relationship on OD. The theoretical framework is introduced in this chapter and its 5 building blocks as conceptualised by Finnemore (2009:147) for the creation of a world class organisation, discussed in detail. The Chapter ends with the refocusing of the contribution of all the scholars to where the study is manifest: The exploration of the influence of the management and union relationship on OD in eThekweni Municipality.

2.2 LEGISLATIVE FRAMEWORK

The White Paper on the Transformation of the Public Service of 1995 set the scene for the transformation of the Public Service as well as created a strategic framework for change. In terms of the latter delineated in Part 2 thereof it provides guidelines in terms of the following priority areas are provided, *inter alia*

- Rationalisation and restructuring the Public Service;
- Institution building and management;
- Transforming service delivery;
- Human resource development and training; and
- Employment conditions and labour relations.

Chapter 3 of the White Paper of 1995 is more explicit in terms of the challenges it will seek to ameliorate, which include the following:

- Lack of service delivery;
- Centralised control and top-down management;
- Lack of accountability and transparency;
- Low productivity;
- Poorly paid staff;
- Conflicting labour relations;
- Absence of effective management information;
- Lack of professional ethos and work ethic;
- Fear of change;
- Resistance to change;
- Lack of clear, well communicated vision of change;
- Lack of clearly defined roles and responsibilities; and
- Lack of co-ordination (RSA, 1995).

As can be seen from a foregoing, most of the areas the transformation White Paper addresses fall within the realm of OD, although there are aspects of Labour Relations and Human Resources Management/Development issues this discourse may touch upon.

The Public Service: Labour Relations Act (LRA) (Act No. 66 of 1995) entrenches the labour movement by providing it with several protections and rights. For instance, Section 80 thereof provides for the establishment of Workplace Forums and section 84 provides for specific matters for consultation which includes restructuring, changes in work organisation, job grading, education and training. The Workplace Forums are important in this discourse as they are equated to the Local Labour Forums (LLFs) which operate at the same level in local government. The LLFs will be the subject of this discourse as they are major role players in the management-union relationship. Moreover, the Act provides for an interim structure known as the National Labour Relations Forum (NLRF) which was to ensure transformation of the labour relations environment and ensure that trade unions and employer organisations participated under one single institution. This structure was important

as it paved the way for the registration on 1 March 2001 of the South African Local Government Bargaining Council (SALGBC).

The LRA will be important as a lot of discussion in the management-union relationship will be premised on its provisions as well as its subsidiary bodies like the SALGBC and LLFs.

The Constitution of the Republic of South Africa of 1996 provides in Chapter 7 thereof, for the establishment of Local Government in the Republic. In this Chapter, it sets clear parameters for the establishment of municipalities, their powers and functions, processes for the establishment of Municipal Councils as well as procedures for the establishment of Organised Local Government Section 23 of the Constitution lays a foundation for good labour relations and collective bargaining.

The Constitution as the superordinate law in the Republic, sets the tone as well as consolidates all other legislation in local government which are more specific on matters of OD and Labour Relations like the Municipal Systems Act and the Labour Relations Act.

The *Local Government: Municipal Systems Act (Act 32 of 2000)* pronounced upon several OD and HR matters. Of great interest to this discourse is section 66 of the same Act which pronounces upon issues of the staff establishments. In this regard, it states that: -

The Municipal Manager (MM) must within the framework determined by the Municipal Council: -

(a) *Determine the staff establishment necessary to perform its functions, regarding –*

(i) *The number of staff members required*

(ii) *The minimum competencies which staff members must possess*

(iii) *Posts and post levels in which they will be appointed moreover, the MM must inter alia review the staff establishment having regarded to: -*

(a) *The municipality's strategic objectives and its core and support function*

(b) *Consultation with recognised trade unions within the Local Labour Forum (LLF)*

(c) *Outline of the stakeholder and change management requirements.*

The above provisions of the MSA elucidates on matters of OD and Labour Relations in local government, which is the locus of this research, and it will be interesting to establish the extent to which the provisions of this Act are handled within the eThekweni Municipality.

The *Constitution of the South African Local Government Bargaining Council as dated September 2014* is established in terms of the Labour Relations Act with powers and functions to, *inter alia*:

- Endeavours to maintain and enhance industrial peace and promote sound relations between the parties and endeavour to prevent disputes from arising, by negotiation and conclusion on all matter of mutual interest to employers and employees in local government including agreements of wages, and conditions of employment;
- Promote education and training in the local government undertaking; and
- To seek to reach agreement on forms of consultative forums or committees established in municipalities and to confer additional issues of consultation to such forums.

The above mandate confers on the SALGBC powers to ensure that negotiation and consultation happens in a local government setting. The strengths of this body will be tested during this discourse to establish if consultation and industrial peace it purports to foster is indeed effective or not.

The *Main Collective Agreement of the South African Local Government Association of 2015 to 2020*, was signed by SALGA and the 2 unions operating in the eThekweni Municipality, namely the Independent Municipal and Allied Trade Union (IMATU) and the South African Municipal Workers Union (SAMWU), with a purpose to *inter alia*: -

- Establish common and uniform conditions of service;
- Establish common and uniform procedures for employer and employees;
- Endeavour ensure effective and efficient employment relations that will enhance service delivery; and
- To promote and maintain industrial peace.

This agreement will elucidate on matters such as the election of shop stewards, the setting up of LLFs and their powers and functions which are important considerations for this study.

2.3 MANAGEMENT/UNION CONFLICT

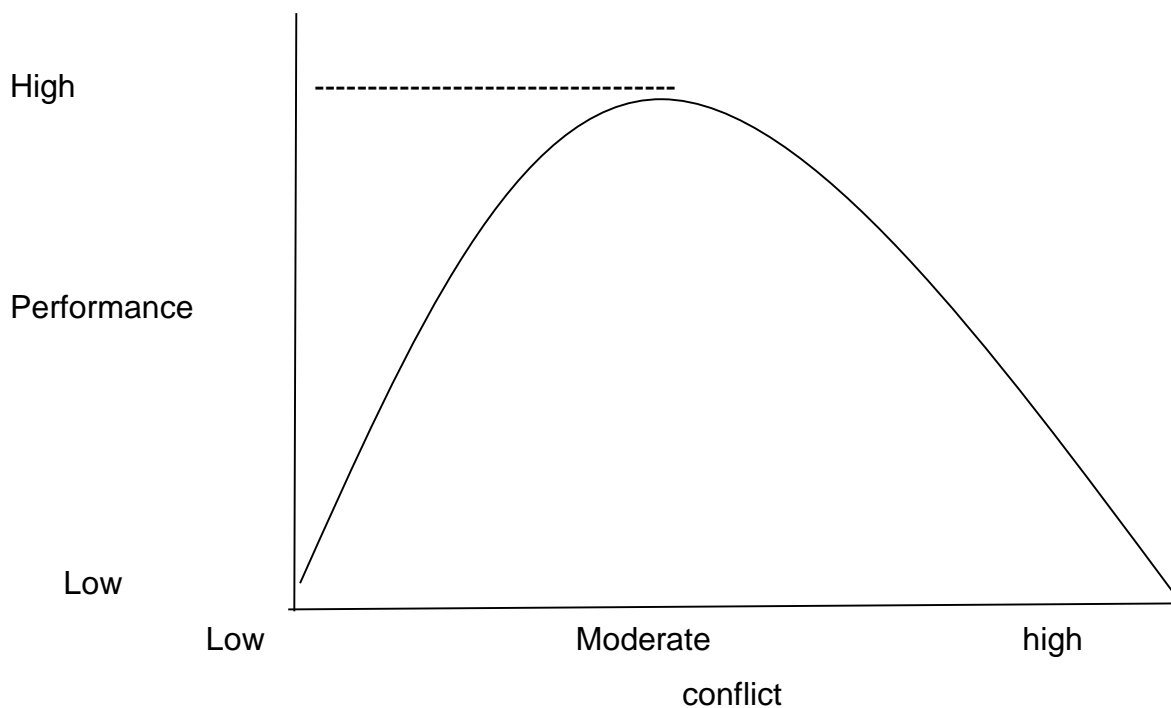
Nel et al. (2012:209) states that management/union conflict results from differences in the goals of both, their value systems, as well as differences in the methods used to reach those goals. To better understand this statement, it is necessary to first understand the nature of conflict and its manifestations.

2.3.1 The Nature of Conflict

Nel et al. (2004:363) defines conflict as the process in which individuals feel that other individuals have frustrated their ability to achieve their goals. These authors further make a distinction between positive conflict and negative conflict, where the former on the one hand Spurs members to better alternatives and higher goals, and also stimulates creative thinking and innovation, while on the other hand, the latter occurs when goal attainment is frustrated because energy is spent on resolving interpersonal differences rather than the attainment of goals.

Nel et al. (2004:363) state that there are various levels of conflict and conflict levels which are either too low or too high results in low performance. If conflict is too low, it can be stimulated through the dialectic technique (where group members are requested to take an opposing view on an issue, or the devil's advocate perspective. On the other hand, if conflict level is too high, certain methods are employed to reduce it. Doughtney (2016:1) mentions 5 strategies which may be employed in this regard, including accommodating, avoiding, collaborating, compromising, and competing. These are discussed in detail below. The various levels of conflict and their effect on performance is represented diagrammatically below.

Figure 2.1: The effect of various levels of conflict on performance



Source: Nel et al. (2004:364)

2.3.1.1 Common Causes of Conflict

There are many and varied causes of conflict, but the most common causes are the following (<http://www.etu.org.za>):

- Different attitudes, perceptions, and values;
- Poor communication;
- Scarcity of resources (equipment, materials, facilities and finances etc);
- Lack of teamwork;
- Disagreements about needs, priorities, goals, and interests;
- Poor or inadequate organisational structure; and
- Lack of clarity in roles and responsibilities.

2.3.1.2 How to identify signs and stages of conflicts

To elucidate on this, a distinction is made distinguishes between disputes of right and disputes of interest.

“Disputes of right”

In this regard people or groups are entitled by law or by contract, by previous agreement or by established practice to certain rights. This is also confirmed in article (<http://www.etu.org.za>). The dispute of right covers issues like employment contracts, or issues of unilateral changes in accepted / customary practices. A dispute of right is usually settled by a legal decision or arbitration and not by negotiation (<http://www.etu.org.za>).

“Disputes of Interest”

These arise when the conflict may be a matter of opinion, where there is no established law or right, and the dispute of interest will usually be solved through collective bargaining or negotiation.

2.3.1.3 Stages of Conflict

There are various stages of conflict (<http://www.etu.org.za>).

These include: -

- Potential conflict – where people recognise that lack of resources, language, culture or diversity may result in conflict if there is no sensitivity towards diversity
- Latent conflict – where a competitive situation could easily become open conflict
- Open conflict – where an incident triggers real conflict
- Aftermath conflict – where a problem may have been resolved but the potential for conflict is still there.

2.3.1.4 Types of Conflict

Nel et al. (2012:208) captures some of the stages mentioned above, but lists his as “types of conflicts” as discussed below: -

- **Real Conflict**

Otherwise referred to as substantive conflict, is usually the final episode of conflict between people and manifest itself in abnormal, deviant and aggression.

- **Perceived or Felt Conflict**

Otherwise referred to as latent conflict, this stage describes apparent potential for conflict that the observer perceives to exist but not real or manifested. If perceived conflict lasts long, it becomes real conflict.

- **Constructive and Destructive Conflict**

Constructive conflict refers to a satisfactory outcome in a competitive relationship based on a compromise not a win/lose situation. **Destructive conflict** arises out of a win/lose situation where one party has lost in a competition for e.g. status, limited resources, or recognition.

- **Frictional and Strategic Conflict**

Frictional conflict occurs as a spontaneous result of the interaction caused by the organisational structure of an organisation and inherently results from people (workers) in a specific post and is usually regarded as dysfunctional to the organisation. **Strategic conflict** is consciously generated by people for the manipulation or reallocation of authority, status, resources or power and can be used to strengthen the person's position or power in the group, i.e. to improve his / her bargaining or coercive power.

2.4 ANALYSING THE MANAGEMENT/UNION CONFLICT

Nel et al. (2012:13) contends that the theory and practice of the management and union conflict revolve around how both parties arrange their relationships, organise and execute the work and distribute the profits that accrue from these productive processes. This encapsulates the whole employment relations universe, which is about the fairness and justice of these arrangements with the ways the parties regulate, balance, integrate and institutionalise their interests. Nel et al. (2012) goes on to note that the heart of the conflict is mainly built around the economic dimension of any employment relationship, employees want better pay and employers want to do or gain more with less outlay.

Of course, Nel et al. recognise that the economic dimension is not the only one that gives rise to management and union conflict. The following sources of conflict are mentioned by Nel et al. (2012:209) as also causative factors:

- The relationship that has existed before between management and unions (if it used to be adversarial, this may crop up in the future due to their history);
- The perceived legitimacy of each side versus the other;
- Personality factors of key leaders;
- The quasi–political nature of the union;
- The status of the group’s representatives; and
- The emphasis on the cooperative or conflictive aspects of problems.

Many scholars have also authored bundles of literature on the subject. Honeyman (2013:1) sees conflict arising when an employer refuses to recognise a union as representative of employees. Chand (2016) says that conflict arises over such issues as wages, overtime or other work provisions thereby leading to a bargaining impasse. In an article published by the ETU on <http://www.etu.org.za> issues like poor communication, lack of teamwork as well as poor or inadequate organisational structure are mentioned as main sources of conflict.

The most intriguing analysis of the conflict between management and unions is contained in an article by Eurofound published in 2008 on <http://euround.eurpa.eu>. This conflict is illustrated in this article by way of an example which occurred at Luxair where its management did a restructure and assured trade unions that no jobs would be lost at the call centre as it was merely improving its customer services by making services available on Sundays. During this time, management asserted, there were less calls and did not justify the presence of more agents at the call centre. Due to what had happened in the past with the cleaning staff at Luxair where cleaners had been replaced unilaterally, the unions developed mistrust and contended they had been deceived by management. A dispute was declared whereby unions sought to stop the restructuring and proposed a social dialogue otherwise real conflict would ensue. The employer was forced to concede and embark on a social dialogue route to avert further undesirable consequences.

The Luxair case proves that trust is a very important element in the management and union relationship. Nel et al. (2012:210) confirm this statement by stating that mutual trust can help remove or avoid conflict, which means that if this trust is eroded, countless problems in the management and union relationship will result.

2.5 CONFLICT RESOLUTION STRATEGIES

Generally, any conflict situation needs to be managed, and in this regard, we are not specifically addressing the management and union conflict per se. Doughtney (2016:1) describes 5 conflict management strategies that can be employed, namely accommodating, avoiding, collaborating, compromising and competing.

2.5.1 Accommodating

This strategy entails giving the opposition what it wants, thereby keeping the peace. Doughtney believes that employees who use this strategy may keep track and may develop resentment.

2.5.2 Avoiding

This strategy seeks to put conflict off indefinitely, by using strategies like delaying the conflict, hoping that the conflict will go away without serious confrontation. This strategy applies mainly to those who have low self-esteem or hold a low position.

2.5.3 Collaborating

This strategy works by integrating ideas of many people and works on an object to find a creative solution that is acceptable to everyone. A lot of time is required to implement this strategy, thereby making it not appropriate for all conflicts.

2.5.4 Compromising

This strategy calls for both sides of the conflict to give up elements of their position to establish an acceptable, agreeable solution. The strategy is more applicable where the parties have approximately the same power.

2.5.5 Competing

This strategy works as a zero-sum game, with one side winning and other losing. This strategy is used by highly assertive personalities and is most applicable to emergency situations than in all conflicts. It is mainly held in reserve for crisis situations that may arise.

In an article shared by Toolbox (in <http://www.etu.org.za>), it is stated that for any organisation to be effective and efficient in achieving its objectives, its people should have a shared vision as well as clear goals for the department or team. It is therefore important to resolve conflict so that it does not degenerate into something serious so that cooperation is rendered impossible.

Toolbox in their article conclude by saying that

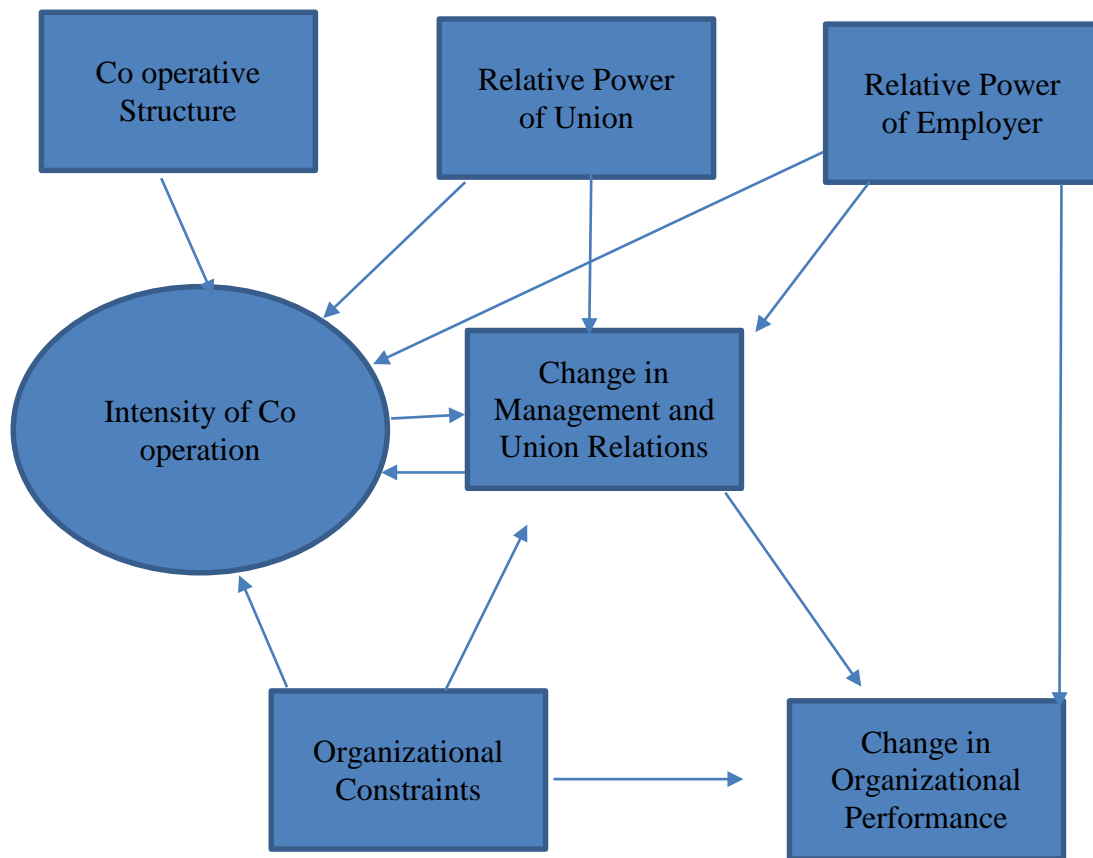
Co-operation can be achieved through observing behaviours for achieving teamwork and minimising conflict which include:

- Sharing information by constantly updating people in the group;
- Empowering one another e.g. crediting high performances and encouraging others to perform and achieve more;
- Expressing positive expectations about one another;
- Team building; and
- Resolving potential conflict – by ensuring that differences are brought into the open and ensuring the facilitation of potential conflicts.

2.6 MANAGEMENT AND UNION CO-OPERATION

Osborne and Gaebler (1992:263) states that most entrepreneurial managers believe that unions have not been their primary obstacle, but the quality of management, meaning therefore that the management and union problems are simply a symptom of bad management. In analysing the management and union relationship therefore, it is important not to be biased and look on the side of unions only as a causative component but both components (management and unions) in the relationship. For instance, management itself has shown some opposition and resistance towards unions which has made cooperation difficult. Fossum (2006:389) calls this an antipathy towards unions, and suggests that management will only collaborate with unions only where improved performance is expected. In this regard, cooperation will need to be based on open communication, with management accepting the representational role of the union, and the union for its part, aiming all its energies towards the success of the organisation, e.g. improving the performance thereof.

Figure 2.2: Model of the effect of cooperation on performance and Labour Relations Outcomes



Source: Fossum (2006:391)

2.6.1 Co-operation Methods

Fossum (2006:391) examines several generic approaches to the management and union cooperation, and these include, area wide management and union committees, employee involvement (EI) and productivity improvement plans, gain sharing and employee stock ownership plans, which may be combined to enhance joint outcomes. Osborne and Gaebler (1992:266) also mentioned methods of cooperation as labour-management committees, employee development programs, attitude surveys, quality circles, employee evaluation of managers, intervention policies, innovation champions and reward programs. Nel et al. (2012:349) add Workplace Forums as further cooperation methods. Finnemore (2009:164) contends that cooperation methods especially in the management-union situation should be understood from the point of view of societal structures and processes.

- **Area Wide Management and Union Committees**

These committees are jointly sponsored by unions and employees in a local area. Osborne and Gaebler (1992:266) says these committees give managers and labour representatives a permanent forum in which to discuss their concerns, and aid in keeping lines of communication open between these two parties on broader issues.

Besides the area wide committees, there are joint management and union committees which involve top union and management leaders. Fossum (2006:393) states that these committees often deal with specific problems rather than address the entire scope of the bargaining process. Issues that can be dealt with include training, safety absenteeism, reduction in jurisdiction dispute, etc

- **Workplace Interventions**

Osborne and Gaebler (1992:266) mention quality circles which are voluntary teams consisting of workers and non-managerial staff who improve quality and work processes on the shop floor, and employee development programs which help employees develop their talents and capacities through training sessions and workshops as intrinsic workplace interventions. These authors also mention the importance of Invention and Innovation processes which encourage teams to be innovative and develop new processes. Fossum (2006:393) states that workplace interventions contribute by teams and cell manufacturing. Fossum divides the workplace interventions into gainsharing plans those that tie periodic bonuses to labour productivity improvements and non-gainsharing approaches – that may include a reward structure that is changed, primary non-monetary, in the intervention without a directed relationship between pay and productivity.

- **Creation of Societal Corporatist structures and processes**

Finnemore (2009:64) sees the creation of societal corporatist structures and processes as a vehicle for achieving ultimate management and union cooperation, according to Finnemore, in Societal Corporatism, the state becomes the partner of employers and unions and the three become partners in social dialogue. In this

regard, the state is in a continuous process of engagement with unions and employers to, *inter alia*:

- ✓ Establish appropriate policies to promote an active labour market which recognises employees as more than just factors of production;
- ✓ Encourage employee participation in decision making at the place of work;
- ✓ Seek consensus regarding labour legislation; and
- ✓ Promote bargaining forums and support agreements for the establishment of wages and conditions of work.

2.6.2 Strategies for the development of societal corporatist structures

Finnemore (2009:215) coins these strategies under employee involvement and participation. According to Finnemore, employee involvement and participation is a process which recognises the right of employees to individually and collectively be involved with management in areas of organisational decision making beyond those usually associated with collective bargaining.

Venter and Levy (2014:493) state that employee participation will be achieved if the following ingredients are present: -

- **Management Commitment**

Top management must full buy in and be seen to be leading the process and be committed to involving and motivating the workforce and creating a necessary supportive culture and enforce the necessary framework to enable effective participation.

- **Organisation Culture**

Management must foster good values, culture, norms and ethics so that these can permeate throughout the organisation. Venter and Levy (2014:493) assert that a good culture reflects the broader socio political imperative of democracy and encourages engagement by all, supports the empowerment of employees by allowing discretion and autonomy, inculcates the required values of commitment, tolerance, trust openness and cooperation.

- **Management Style**

Management must promote ideals of participative management which allows employees to participate in decision making.

- **Structure of the Organisation**

A good organisational structure leads to good interaction between and amongst departments and promotes participation. Flatter structures facilitate participation while management and workers and a bureaucracy which blocks the free flow of information and promotes a top down approach.

- **Ongoing assessment of the participative process**

Through strategies like internal perception surveys management can continually assess their stand point in the relationship and make amends where necessary.

- **Education and training**

This strategy increases commitment to participation and enables the organisation to overcome resistance (Venter and Levy (2014:495). According to these scholars this is achieved by:

- Providing management and its employees with the understanding of action and behaviours necessary to effective and succession participation.
- Creating an awareness training designed to sensitive management and employees to the necessity and importance of employee participation and decision making.
- Equipping employees with necessary tools to engage effectively in the decision-making process.

2.7 ELEMENTS OF EMPLOYEE PARTICIPATION

According to Nel et al. (2012:336) employee participation consists of 3 interrelated elements which manifest themselves in decision making processes in several ways, through Influence, Interaction and Information sharing.

- (a) Influence – The highest level of participation occurs when the employer and employees have an equal influence in decision making.
- (b) Interaction – This element refers to the manager and employee's attempts to reach agreement on how to achieve the objectives of the organisation

- (c) Information Sharing – management must be willing to share information with employees and must also consider information provided by the latter.

Fossum (2006:395) considers the 3 components of a successful employee involvement process to be (1) improving climate (2) generating commitment and (3) implementing change. Noe (2013:19) sees the element of commitment as the most crucial one in employee participation as he contends that the presence of commitment both on the side of employees and employers gives the company a competitive advantage, including better customer service, lower turnover, and higher productivity. Noe also maintains that organisations must maintain and sustain high participation levels by systematically gathering feedback from their employees, analyse their responses and implement requisite changes.

2.7.1 Collective Relationship

The discussion on management union relationship in the South African scenario cannot be concluded without touching upon the collective relationships as embodied in 2 entities established by law, which is the National Economic Development and Labour Council (NEDLAC) and the Workplace Forums.

Landis (2005:303) states the purpose of NEDLAC as follows: -

“To ensure the reaching of consensus and concluding agreements on labour matters, which are then forwarded to parliament for consideration as legislation”.

According to Landis (2005:303) regional bargaining at NEDLAC is centralised and occurs in the statutory forms of bargaining councils between registered trade unions and registered employers. Employers and trade unions may establish multi-plant negotiating forums in sectors. Plant/ company negotiating forums engage in localised bargaining, which may happen in a formalised forum or structure established by both parties.

2.7.2 Workplace Forums

Landis (2005:303) states that the intention of the workplace forums is to promote participation and joint problem solving amongst employees in the place of work, irrespective of whether they are trade union members. Their purpose is to separate

bargaining on wage and related issues from cooperative relations, and are therefore intended to be supplementary to collective bargaining processes. The non-wage matters that the workplace forum seek consultation on include restructuring of the organisation, education and training, mergers and transfers, and changes in work practices.

Nel et al. 92012:349) sees the creation of work place forums as an intention by legislators to promote a more cooperative spirit in the traditionally adversarial employment relationship by drawing clear lines of distinction between indirect employee participation through representation by co-employees, and collective bargaining. Excerpts from the 2003 Lexis Nexis Butterwoths edition of the Labour Relations Act (Act 66/1995:57-61) reflects the following with regards to workplace forums:

(a) Establishment of Workplace Forum

Section 80 (1) – may be established in any workplace in which an employer employs more than 100 employees.

(b) Specification matters for consultation

Section 84 (1) – a workplace forum is entitled to be consulted by the employer on any of the following:

- Restructuring of the workplace;
- Changes in work organisation;
- Plant closures (partial / total);
- Mergers and transfers of ownership;
- Dismissal of employees;
- Any exemptions from any collective agreement;
- Job regarding;
- Merit increases or payment of discretionary bonuses criteria;
- Education and training;
- Product development plans; and
- Export promotion.

An evaluation of workplace forums

Various case studies have been written on the extent to which workplace forums have been successful or not in bringing about the desired outcomes as enunciated in the legislation. In a research by Kirsten and Nel in 2000, cited in Nel et al. (2012:144) it is stated that the workplace forums have not been successful in many organisations, and the following recommendations have been made to ameliorate the situation:

- Workplace forums should be worker driven rather than trade union driven
- Organisations with less than 100 employees should be allowed to form a workplace forum.
- Strikes should not be used as a solution to problems
- Workplace forum members should receive special training so that they could function effectively.
- Employers, employees, and union should receive training to understand their roles perfectly.

This foregoing discussion of the Workplace Forums is valuable to this research as it offers good understanding of another body operating at the same level, albeit within the local government space, called the Local Labour Forum (LLF), which is discussed below.

Local Labour Forums (LLFs)

The South African Local Government Bargaining Council (SALGBC) constitute a foundation for the establishment of an interim structure called the National Labour Relations Forum (NLRFB) which was formed to ensure the participation of employer organisations and trade unions under one single entity and for promoting transformation of labour relations in local government. In terms of the Main Collective Agreement of the SALGBC (2015-2020) every employer must establish a LLF, which will be entrusted with a responsibility of dealing with matters at the workplace level (Main Collective Agreement 2015 to 2020:44). The LLF is composed of management, which comprises of Senior Management and Councillors, as well as Trade Unions whose representation should be divided in proportion to their respective membership.

Powers and functions of a LLF

According to the Main Collective Agreement (Section 2.8.2) the LLF shall have negotiating and/or consulting powers on the following:

- Matters referred to it by SALGBC
- Minimum service level agreements
- Matters of mutual concern pertaining to the municipality but which are not the subject matter of negotiations at the SALGBC
- Disputes over what is negotiable and what are matters of consultation and over whether a specific process constitutes sufficient consultation are to be resolved through the dispute resolution mechanism of the SALGBC.

Impact of LLFs in Municipalities

By design, LLFs are established to strengthen the relationships between management and organised labour in municipalities. They are supposed to buttress participative governance, mutuality of interest, facilitative communication, shared goals, reciprocity of support and all the ideals mirroring a good management. Union relationship however, as postulated in the state of Local Government Report compiled by the Corporate Governance and Traditional Affairs (CoGTA) (2009), LLFs have not been that resourceful because:

- They are generally dysfunctional;
- They do not adhere to labour policy;
- They have very limited powers to conclude or resolve on substantive matters. The Bargaining Council therefore impacts directly on the management union relationship at municipal level due to the long delay in concluding agreements; and
- There is a breakdown in the management-union interface

Structure of the eThekweni Municipality LLF

There are currently five (5) LLFs and eleven (11) Unit Labour Forums (ULFs) which are sub-committees of the LLFs, as agreed to by the Bargaining Council of eThekweni. There are four (4) Human Resources Development Sub Committees (HRDs) and two (2) Basic Conditions Sub Committees (BC's)

The Table below depicts the current LLFs Sub Committees in eThekwini Municipality

Table 2.1: LLFs Subcommittees in eThekwini Municipality

| LLFs | ULFs | HRD | BC |
|------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Treasury and Office of the City Manager | No | Yes | No |
| Economic Development and Planning | Development Planning Economic Dev & Investment Promotion Business Support & Durban Tourism | Yes | No |
| Governance and Corporate Human Resources | No | No | No |
| Human Settlements and Infrastructure | Electricity Engineering, Housing and ETA Water and Sanitation Cleansing and Solid Waste | No | No |
| Community and Emergency Services | Fire and Emergency Services Parks, Recreation and Culture Health Metro Police and Security Services | Yes Yes No No | Yes Yes No No |

Source: eThekwini Municipality Main Collective Agreement.

The LLFs in eThekwini Municipality have not been able to finalise the critical issue of Institutional Review (Restructuring) for the last 5 years, most of the time unions failing to agree with management during consultations.

Having studied the literature on the management and union relationship, it is opportune at this point to now turn attention to the other dimension which is important for this discourse- organisational development.

2.8 ORGANISATIONAL DEVELOPMENT (OD)

The next section discusses broadly organisational development.

2.8.1 Definitions of Organisational Development

Cummings and Worley (2005:2) have put together the following definitions of Organisational Development (OD) by various scholars:

Warner Burke defines OD as a planned process of change in an organisation's culture using behavioural science technology, research, and theory (Cummings and Worley 2005:2).

Wendel French defines OD as a long-range effort to improve an organisation's problem solving capabilities and its ability to cope with changes in its external environment with the help of its internal or external change agents (Cummings and Worley 2005:2).

Michael Beer sees OD as a system-wide process of data collection, diagnosis action planning, intervention and evaluation aimed at (1) enhancing congruence among organisational structure, process, strategy people and culture (2) developing new and creative organisational solutions and (3) developing the organisation's self-renewing capacity (Cummings and Worley 2005:2).

David Bradford sees it as (1) a set of values, largely humanistic (2) application of behavioural sciences (3) open systems theory (Cummings and Worley 2005:2).

According to the Journal of Southern African Institute of Management Services (SAIMAS, 2013:7) OD is **not**:

- A quick fix for people problem;
- A quick fix for management mistakes;
- A quick fix for consultant's incompetence;
- A quick fix for internal staff's incompetence who failed to drive the change process.

Having considered all the above definitions, and what OD is **not**, it can be concluded that:

OD is a system-wide application and transfer of behavioural science knowledge to the planned development, improvement and reinforcement of the strategies, processes structures that leads to organisation efficiency and effectiveness.

Analysis of the meanings deduced from the various definitions of OD

Cummings and Worley (2015:3) offer the following analysis of the various meanings of OD:

Firstly, OD should do with changes in the strategy, processes and structure of the organisation, a firm or multiplant firm, a department, a work group or individual role or job. The structure must be aligned to the processes and strategy and any changes in any of the 3 dimensions should be aligned with the rest of the dimensions.

Secondly, OD is based on the application and transfer of behavioural science practice and knowledge including concepts like group dynamics, leadership, work design. OD is distinguishable from such approaches as Operations Management, technological innovation or management consulting which emphasise on economic and financial aspects, while OD also takes cognisance of the personal and social aspects of the system.

Thirdly, OD concerns itself with planned change, but not in terms of project management or management consulting, but more on an adaptive level of planning and implementing change not in the form of some blueprint for how things should be done. It is involved with planning to diagnose and solve organisational problems in a flexible manner.

Fourthly, OD is involved with the designing, implementation, and ultimate reinforcement of change. It goes beyond the initial efforts to implement a change programme to a longer-term solution of making sure that the new activities are sustained within the organisation.

Finally, OD is geared towards improving organisational effectiveness in the first instance, it ensures that an effective organisation can solve its own problems while

continually improving itself, by ensuring that members gain the requisite skills and knowledge necessary to conduct these activities by getting them involved in the process of change. OD assists organisations achieve growth, profits, quality products and services and higher productivity by leveraging social science to lower costs, improve products and services and productivity.

2.8.2 The Historical Perspective of OD

Bendix (2010:733) traces the origins of OD to the work of FW Tylor in the early 1920's, referred to as Scientific Management. He suggested that, by employing sound principles, management might increase the amount of surplus available, which both parties may share as rewards. This led to the emergence of motion studies and eventually what is known today as Work Study. Work Study has two components, namely Method study (development of economical ways of doing work) and Work measurement (setting of standards of performance) (ILO, 1986:31).

The work of FW Taylor was followed by the works of theorist of the Human Relations school like Elton Mayo who saw industrial problems as human problems requiring human solutions (Bendix, 2010:735). From the 1950s onwards, organisations were overrun with various theories geared towards the improvement of work relations which flowed mainly from the Human Relations school. Bendix (2010:735) calls this era the Neo Humanism era, with an emphasis on interactions and needs of employees.

The Neo humanism era was marked by the development of the productivity and quality of work life (QWL) programmes. The QWL programmes generally involved joint participation by unions and management in work design (Cummings and Worley, 2015:11). The QWL involved techniques for improving work, but was also viewed to be synonymous with self-managed teams, labour-management committees, and job enrichment. Cummings and Worley (2015:12) state that QWL is today continuing under the banner of Employee Involvement (EI) and incorporates interventions like total quality management (TQM) and six sigma programmes. Strategic change programmes then arrived to influence OD's evolution. This involved improvement of the alignment among the organisations design, strategy,

and environment. These developments laid a foundation for the OD process as we know it today.

Cummings and Worley (2015:13) confirm the evolution from the earlier Scientific Management, era, through the QWL and EI programmes to the present OD process by stating that, current practice in OD is strongly influenced by laboratory training, action research and survey feedback, and the QWL roots of OD are evident in the strong humanistic focus thereof.

The historical perspective is therefore important to delineate the context within which this discourse is buttressed, i.e. how the management-union relationship influences OD.

2.8.3 OD Interventions

Blair et al. cited in Parumasur (2012:1) state that OD interventions play roles of great importance in dealing with a world that is changing in dramatic fashion characterised by trauma and turbulence, yet these interventions can still result in developments, organisational improvements, growth, and renewal. According to Hilliard and Kemp, cited in Parumasur (2012:1) an intervention refers to changes that are introduced to influence the performance of either individuals or the whole organisations.

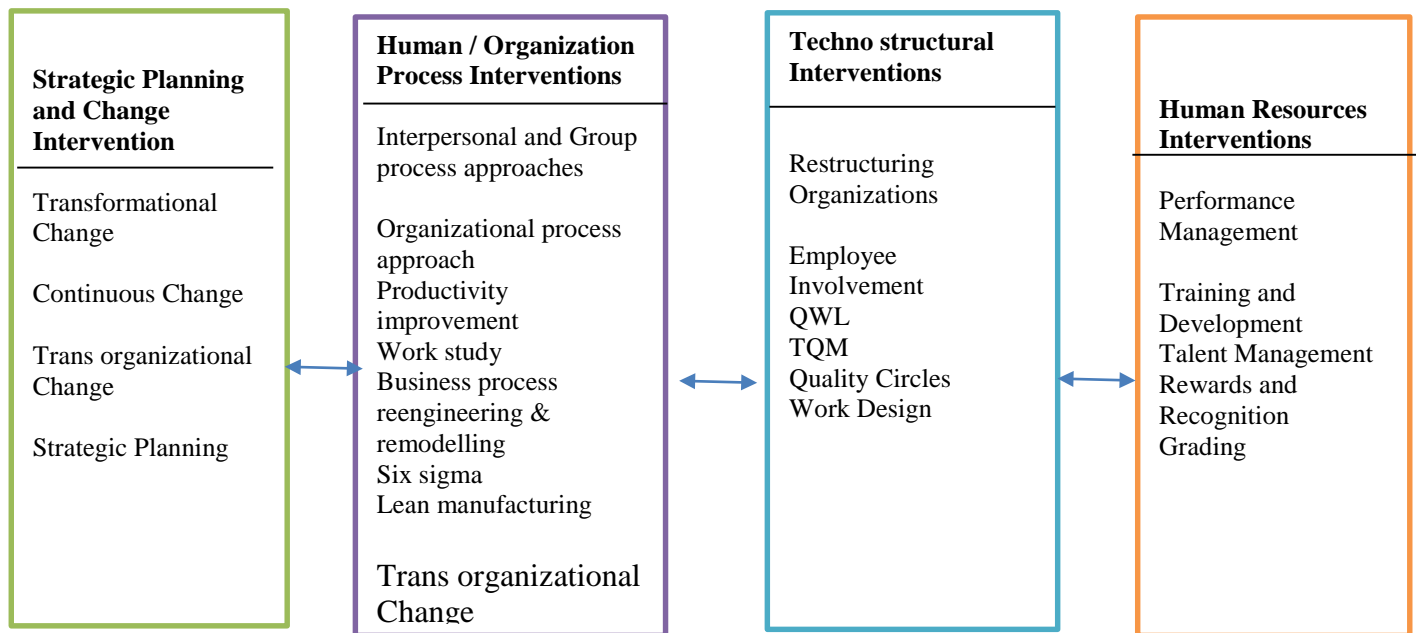
The following OD interventions will be discussed in this section, strategic planning and change interventions, human/organisation process approaches, Techno structural Interventions and Human Resource Interventions, as conceptualised by Cummings and Worley (2015:15).

Figure below delineate these interventions, which will include the contributions of various scholars within each block. There is an alignment among all the interventions from the strategic one to HR and there is interdependency among all of them. A deficiency in any one of them will result in an organisation not reaching its intended objectives.

The discourse on OD interventions will also show how the soft skills approaches, (change management, communication etc.) are integrated with hard skill approaches

(business process management, productivity measurement and improvement etc.) to produce outcomes of cutting edge level of service delivery commensurate with world class organisations.

Figure 2.3: OD Interventions



Source: Cummings and Worley (2015) and Researcher’s own reflections on the subject.

2.8.3.1 Strategic Planning and Change Interventions

In his article, titled strategy and Organisational Development, and obtainable in www.ralphlewis.co.uk, Ralph Lewis cites the importance of first developing a vision that is compatible with the organisation and gaining employees commitment to that vision as a key task for any organisation. Similarly, Rana et al. (2015:47) states that strategic interventions aim at bringing about an ideal fit among business strategy, structure, culture and the world-wide environment. Also, in an article he wrote for the SAIMAS journal (SAIMAS, 2004:5), Philip Atkinson acknowledges the importance of starting with strategic review and analysis, and also ensuring that the commitment and response of stakeholders in the organisation is canvassed. Cummings and Worley (2015:529) argue that strategic interventions are important as they are intended to alter the relationship between an organisation and its

environment and they tend to affect outcomes at the heart of an organisation, like profitability culture or sales.

Cummings and Worley (2015:530) states that strategic change intervention consists of transformational change, continuous change and trans-organisational change. Transformational change is described as interventions that go far beyond making existing organisation better or fine tuning it, but include fundamentally changing the prevailing assumptions about how the organisation functions and relates to its environment. Continuous change interventions are described as not creating and implementing a strategy and organisational design but addressing the underlying structures, processes and activities for generating new forms of competitive advantage, i.e. learning, changing and adapting (Cummings and Worley, 2015:569). Trans-organisational strategies are described in terms of the formation of mergers, acquisitions, alliances and the creation of multi-organisational linkages, thereby helping them to transcend the perspective of a single organisation to address the needs and concerns of all stakeholders involved (Cummings and Worley, 2015:606) Network organisations are an upshot of trans-organisational intervention.

2.8.3.2 Technostructural Interventions

Technostructural interventions is described by Cummings and Worley (2015:339) as programmes focussing on the strategy and structure of the organisation by restructuring themselves from rigid bureaucracies to leaner, more flexible designs. Accordingly, organisations have restructured themselves in terms of functional, divisional or matrix designs, but there is now a move towards creating flat, and non-hierarchical structures that Nel et al. (2004:381) refer to as organic structures. These structures are flexible and facilitate communication, decision making, creativity, problem solving and are more customer orientated.

Employee Involvement (EI)

Technostructural Interventions are more amenable to Employee Involvement (EI) which is intrinsic to OD. According to Cummings and Worley (2015:376) EI is a current label used to describe philosophies that embarked with the Quality of work life (QWL) movement which sought to stress the poor quality of life in the workplace. Total Quality Management (TQM) is one comprehensive approach to EI as it is a

management strategy aimed at embedding quality awareness in all organisational processes (SAIMAS, 2008:8). Sumanth (1998:299) states that the ingredients of TQM are Customer focus, Continuous improvement, and Employee Involvement (EI) which reinforced the relationship of EI to TQM.

Work Design

Cummings and Worley (2015:403) describe work design as a process for creating jobs and work groups that generate high levels of employee fulfilment and productivity, which has recently been combined by organisations with formal structure and supporting changes in goal setting, reward system, work environment and other practices of performance management. Cummings and Worley further state that there are 3 approaches to work design (2015:403)

Firstly, the engineering approach, which focusses on efficiency and simplification and results in traditional job and work group designs. Work study which consist of method study and work measurement (ILO 1998) is the most relevant tool in this regard.

Secondly, work design derives from theories of motivation which places job enrichment at the pinnacle as it involves designing jobs with high level of meaning, discretion and knowledge of results (Cummings and Worley 2015:403).

Lastly, work design derives from sociotechnical system and methods, thereby optimising social and technical aspects of work systems, thereby leading to the creation of self-managed teams which are composed of multiskilled workers performing tasks which are interrelated. The sociotechnical system (STS) with the social and technical parts embodies the self-managed work teams and produces two outcomes: products (Goods & Services) and social and psychological consequences such as job satisfaction and commitments (Cummings and Worley, 2015:415).

2.8.3.3 Human Organisational Process Interventions

The following section is a discussion of the human organisational process interventions.

Interpersonal and Group process approaches

Cummings and Worley (2015:265) describe interpersonal approaches as tools geared towards assisting group members assess their interventions and plan more effective ways to do work. These approaches, which include process consultation, third party interventions and team building, are the most important in OD as they, for instance through process consultation, assist group members understand, diagnose and improve the way they behave. Cummings and Worley (2015:270) mention a number of important interventions under these approaches.

- Process interventions – sensitise the group to its own internal processes and generate interest for their analysis.
- Content interventions – assist the group determine what needs to be worked on and includes comments, observations, and questions about issues like agenda setting, and group membership.
- Structural interventions – assist the group examine the stable and recurring methods it uses to implement tasks and deal with external issues, including questions or observations about resources, inputs, customers.

Organisational Process Interventions

Cummings and Worley (2015:298) states that organisation process interventions are driven by data collected at an organisational level and addresses problems, issues, and opportunities that take place between and among groups endeavouring to implement the organisation's strategy. Organisation process interventions also consist of large group interventions. According to Viljoen (2015:123) large group interventions are a way of ensuring that a message is simultaneously passed on to many employees. Cummings and Worley (2015:309) state that the purpose of large group interventions includes creating the plans and setting direction, redefining work, organisation structures and systems and planning and solving problems of the organisation.

The hard skills approach under organisation process organisations will include practical interventions that will be implemented to bring about a complete turnaround once the proverbial playing fields have been levelled by the softer skills approaches discussed above. There is a myriad of methodologies or tools that facilitate organisational development that are regarded as hard skills approaches, namely:

- Business process reengineering and modelling (BPR&BPM)
- Productivity measurement and improvement (Workstudy)
- Value chain competitiveness tools (Kaizen, Kaikaku, Workplace Challenge(WPC) programs, JIT)
- Performance enhancement process – (TQM, Lean manufacturing, Six sigma Continuous process improvement (CPI), Balanced scorecards (BSC), Common assessment framework (CAF) and Benchmarking).

Business Process Re-engineering (BPR) and Business Process Management (BPM)

Hammer (1997: xii) defines reengineering in BPR as the radical design of business processes for dramatic improvement. However, Hammer himself recognises the caveats of the BPR approach as he calls it “sort of throw-it all-out and –start-again approach” to business process improvement. Instead, he advocates a process centred approach to BPI which means that people, all people, in the company recognise and focus on their processes. A process perspective does not see an individual task in isolation, but the whole collection of tasks that contribute to the desired outcome (Hammer, 1997:11). The newer BPI process is called Business Process Modelling (BPM). The BPM mandates in the Public Sector include the White Paper on Transformation of the Public Service, the Vision of a single public service and the government's Strategic Framework Outcome 12. According to the SAIMAS journal (SAIMAS, 2013:11) BPM is a management approach for creating an agile organisation capable of transforming business processes in pursuit of extraordinary results, which consists of modelling standards that are interpreted by all stakeholders in the same way.

Productivity measurement and improvement using the Work Study Approach

The most enduring tool of productivity measurement and improvement is Work study, having been conceptualised in the 1920s during the Scientific Management era. According to ILO (1986:33) Work study consist of 2 elements, Method study – the systematic recording and critical examination of existing and proposed ways of doing work, and Work measurement- the application of techniques designed to establish the time for qualified worker to do a specific job at a defined level of performance. Method study generates the problem-solving techniques used in

operations management called the 5 W's which are used to question the process and develop functions which are used in the facilitation of organisational design.

Value Chain Competitiveness

SAIMAS (2008:7) describe value chain competitiveness as consisting of productivity, quality improvement, speed of delivery and customer focus. Kaikaku, Kaizen and WPS are productivity and quality improvement techniques described as follows: -

Kaikaku – consists of quantum jump improvements, which are normally drastic in nature, usually including considerable investments in, new products, improved technology, sophisticated equipment and sometimes a major change in existing process and,

Kaizen – consists of small step improvements involving all employees, requiring little or no investment and enhancing relationship between management and workers and requiring the empowerment of workers to make own improvements.

WPS Programmes – aims to improve workplace relations and consists of world class strategies to focus on simultaneous improvements on quality, speed, cost and morale, establishes close links with customers and suppliers, drives both linear and non-linear improvement initiatives and implements leadership practices that promotes teamwork, participation, continuous learning and flexibility.

JIT – Voss, cited in Kumar and Suresh (2008:188) views JIT as a production methodology aimed at improving overall productivity through elimination of waste and efficient production and delivery of only the necessary parts in the right quantity, at the right time and place, thereby improving quality.

PERFORMANCE ENHANCEMENT STRATEGIES

SAIMAS (2008:8) describe the performance enhancement strategies as a never-ending effort to discover and eliminate causes of problems, an incessant attempt to discover and remove the main causes of problems using small – steps improvements, rather than implementing one huge improvement. The tools of this strategy are described as follows: -

- **TQM** – management strategy aimed at embedding quality awareness in all organisational processes, and involves culture and attitude change in the organisation and strives to provide customers with products and services that satisfy their needs with an objective of “doing the right thing, the first time, every time. (SAIMAS, 2008:8).
- **Lean manufacturing** – consists of 5 lean principles which precisely specify value by a specific product; ensure value flow without interruptions, let the customer pull value from the producer, and pursue perfection. (SAIMAS, 2008:8).
- **Six sigma** – process which defines the project charter, customer requirements and governance and determines how to measure key capability metrics and descriptive stats, determines root causes, and validate root causes, generate improvement ideas and plan implementation and implement plan, close and Poka Yoke (improving product quality by preventing defects or mistake proofing). (SAIMAS, 2008:8).
- **Continuous Process Improvement (CPI)** – according to Thijs and Staes (2012:5) continuous improvement is as ongoing effort to improve products, services, processes, and policies in an incremental way.
- **Balanced Scorecard (BSC)** – developed by Kaplan and Norton in 1992, this is a management system that enables organisations to clarify their vision and strategy and translate them into action and suggests that organisation must be viewed from four perspectives, customers, finance, process, innovation, and learning (Thijs and Staes, 2012:7).
- **Common Assessment Framework (CAF)** – Engel, (2002:35) cited in Thijs and Staes (2012:9) describe CAF as a fairly simple, free and easy to use framework which is suitable for self-assessment and benchmarking of public sector organisations and which would also allow for the sharing of best practices and benchmarking activities. Benchmarking is an important OD tool, and CAF provides the criteria used by first world countries especially Europe.

2.8.3.4 Human Resources (HR) Interventions

Cummings and Worley (2015:439) state that there are HR interventions that fall within the realm of OD and vice versa. Most of these interventions converge upon goal setting which describes the interaction between managers and employees in jointly defining member work behaviours and outcomes. The orientation of employees to the work outcomes that are appropriate can support the work designs of OD and support the strategic objectives of an organisation. In performance management, the performance appraisal has a purpose of improving work outcomes and facilitating career counselling, provision of information about the strengths and weaknesses of human resources and also linking rewards to employee performance. Cummings and Worley (2015:440) reiterate the importance of goal setting of ODs in relation to the HR processes by stating that goal setting specifies the kinds of performances that are desired, performance appraisal assesses those outcomes, training and development processes build individual competencies, and rewards systems provide reinforcement so that the desired outcomes are repeated. Cummings and Worley (2015:400) further state that high levels of work performance will occur when goal setting, performance appraisal training and development and reward systems are aligned with 3 conventional factors critical in strategic planning and employment relations, namely, business strategy, workplace technology and employee involvement.

Reward Systems

Cummings and Worley (2015:452) state that organisational rewards are powerful incentives for improving employee and work group performance. Swanepoel (2014:615) takes the argument a step further by distinguishing between Intrinsic and Extrinsic Rewards. He contends that intrinsic rewards are those that are self-administered and associated with the job itself, for example, more responsibility, opportunities for personal growth, participation in decision making, etc., and extrinsic rewards include all those rewards an employee gets from sources other than the job itself, for example bonuses, basic salary (financial) and status and social rewards (non-financial). Cummings and Worley (2015:452) point out that although OD has traditionally relied on intrinsic rewards to motivate employee performance, it has more recently expanded its focus to include extrinsic rewards. OD has taken a lead in designing systems and has held that rewards should be congruent with other

organisational practices and systems, e.g. organisational structure, work designs and the entire top management's human relations philosophy.

Talent Management

According to SAIMAS (2008:10) talent management can be used to describe the identification, development, engagement/retention, and the deployment of talent within a specified organisational context. Cummings and Worley (2015:473) state that there are 3 interventions concerned with talent management and these are the following:

Coaching interventions – aimed at improving an individual's ability to set and meet goals, lead change, improve interpersonal relations handle conflict or address style matters (e.g. coaching and mentoring)

Management and leadership development programmes – include interventions for transferring knowledge and skills, including in-house training programmes, external educational opportunities, action – learning projects.

Career planning and development intervention – these address different professional needs and concerns as organisational members' progress through their work lives.

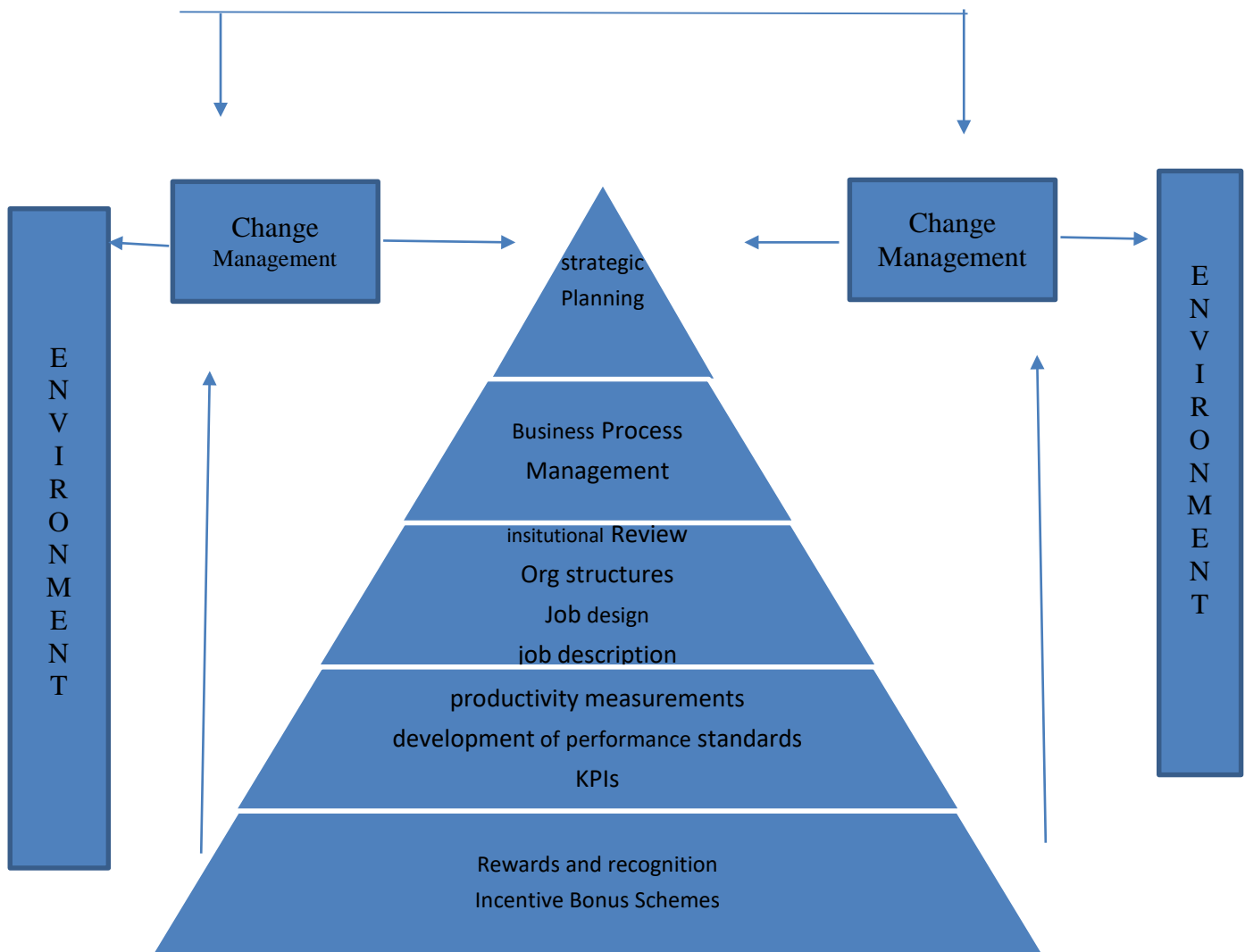
Boudreau cited in Cummings and Worley (2015:473) argue that HR and OD practitioners need to increase the rigor of decision making regarding talent management and suggest that investments therein are as critical to organisational effectiveness as finance and marketing investments and need a more reasoned decision science in HR thinking. He contends that, even in times of scarce investment resources organisations should determine which talent pools (e.g. engineering positions) are most pivotal, and those pools where improvements in skills, knowledge and competence are most likely to have the biggest impact on performance should get a disproportionate amount of investment.

Grading/Job evaluation and Compensation Management

Both OD and HR practitioners have a crucial role in the determination of job grades as well as the determination of equitable pay structures and other concomitant incentives. The work design stage will incorporate the job analysis process which as Nel (2004:272) puts it, includes the gathering, and organising of information concerning the tasks, duties and responsibilities of specific jobs. The product of this process, as Grobler et al. (2011:165) is a written summary of task requirements called the job description. Job descriptions are used for a variety of purposes including, employment programmes, evaluation programmes, job design programmes, training and development programmes and appraisal programmes.

Job descriptions, mostly drawn up by an OD practitioner or Job Analyst as Grobler et al. (2011:167) put it often specify comparable factors for the use in the process of job evaluation, which is that part of a compensation system in which a company determines the relative value of one job in relation to another. In this regard, Grobler et al. (2011:167) explain that job descriptions enable the OD/HR practitioner to estimate whether the wages to be paid for a job are equitable in relation to similar jobs in other organisations throughout the country. According to Nel et al. (2004:271) the next step is to conduct a compensation survey, which yields ranges of data for different salary grades. This step leads to the determination of the final pay policy. This process shows the importance of human resources interventions within the OD realm and does not only show the pervasiveness of OD, but the importance of managing the employer – employee – union relationship around these issues. The discussion of OD interventions has so far been pitched at a general level, and the next topic will narrow the discussion down to the situation prevailing in eThekweni Municipality.

Figure 2.4: The eThekwini Municipality's Approach to OD Interventions



Source: French, Bell (2005:79) and the Researcher's own packaging of interventions implementation in the eThekwini Municipality since 2007

The above figure depicts the various OD interventions that are undertaken in the municipality. Strategic planning is at the apex of the entire process with each of the interventions linked from the bottom to the top. The entire process is directed internally and externally by a change management process which attempts to deal with internal challenges as well as those brought about by forces in the environment (political, social, economic etc.)

The sound implementation of the above OD interventions in support of the national, provincial and local plans will depend on the support and buy in from the major stakeholders, most notably unions. According to Worku (2015) the implementation

of plans, like the South African National Development plan is dependent upon the presence of a working relationship that is smooth among all the stakeholders who are relevant in the relationship especially trade unions (2015:58). Khan, (2011) further stresses the importance of this relationship with particular reference to OD where he contends that in a lot of organisations where there is a strong union presence, productivity has appeared to improve than in those that do not have unions and moreover, in those organisations workers had chosen to stay in their jobs, and management was performing very well in the face of opposition from unions who were keeping them on their toes, and there was a marked labour – management cooperation and good employment relations (2011:58). A few OD approaches which are implemented in the eThekweni Municipality will be discussed and critically analysed with emphasis on how they have been rolled out in terms of stakeholder engagement. These interventions will include the BPR/BPM, Productivity Monitoring, Incentive Bonus Schemes, restructuring (Institutional Review), Productivity Measurement and Improvement using Work Study, Change Management, Cost Containment, and Office Automation. The Organisational Development and Change Management Unit of the Municipality run these interventions.

2.9 HISTORY OF OD IN ETHEKWINI

OD in the eThekweni Municipality had its humble beginnings in the then Durban City Council in 1955, and until the year 2000, was largely involved in productivity improvement initiatives mainly utilising the Work Study technology. The Work study process consisted of Organisation and Methods (O&M) of Method study as well as standards and Incentive Schemes based on Work measurement. In the year 2000 eThekweni Municipality embarked upon an organisational renewal exercise which culminated by 2002 in the implementation of an OD process which was implemented at a very large scale. This OD intervention was called the Competency Based Performance Management (CPM) process.

Notwithstanding the popularity of the CPM, this OD process hit a snag as municipal coffers to ensure its continued implementation dried up and it had to be discontinued by the year 2003. From the year 2003-2007 there was a return to productivity improvement interventions using Workstudy techniques. During this period,

Business Process Re-engineering (BPR) was also introduced, albeit at a very small scale. An attempt was also made to introduce Quality Circles intervention which was piloted in the Finance Cluster, but this did not materialise due to the intervention of unions.

From the year 2009, OD interventions, carried under the auspices of the Organisational Development and Change Management (ODCM) Unit of the Municipality were given an impetus with the introduction of the change management imperative. From 2011, the ODCM unit was entrusted with the restructuring of the entire eThekweni Municipality for the first time in its history. Today the eThekweni Municipality through its ODCM Unit implements the following OD interventions: -

- Productivity measurement and improvement;
- Productivity monitoring/Incentive Bonus Schemes;
- Business process management;
- Change management;
- Strategic planning;
- Cost containment and wastage elimination; and
- Office automation (Labour saving devices).

2.9.1 OD Interventions

Each intervention will be briefly discussed, followed by an evaluation in terms of acceptance by management, employees and unions.

Productivity measurement and improvement

Various scholars have pronounced on the importance of productivity measurement and improvement. Niebel and Freivalds (2004:1) say it is the only way to ensure profitability, while Pritchard (1990:6) believes it is a great tool of decision-making on whether to continue or discontinue the business. In the eThekweni, Municipality productivity measurement is undertaken throughout the municipality, targeting all operations. Successes have been recorded in operations like street sweeping, litter picking, mainlaying to mention but the few.

Productivity monitoring using incentive bonus schemes intervention

Nel et al. (2004:277) state that whether incentives are paid per individual or team, they are geared towards measurable performance results, such as units of production, sales volume, cost savings or profitability. Presently eThekwini runs 2 productivity incentive bonus schemes, one in the Electricity Unit and another in the Water and Sanitation Unit. The Incentive Bonus schemes are classified into 2 categories, namely, cost based schemes and Labour based schemes. Performance incurring costs less than the standard bonus job cost will attract a bonus payment, calculated in terms of work study standards.

Business Process Management (BPM) interventions

In terms of Council Resolution No. 85/2004, the ODCM unit of eThekwini Municipality was mandated to undertake business process re-engineering throughout the municipality. Due to the pervasiveness of the municipality, interventions were crafted along the lines of what Hammer (1997:9) calls Process-Centring which required all employees to recognise and focus on their processes, managing them incrementally, rather than doing the radical vicissitudes as advocated by the BPR technology. The interventions are therefore more like BPM rather than BPR.

Change Management Interventions

According to Viljoen (2015:1) focussed change management interventions can contribute significantly to enhancing individual dynamics, increasing the functionality in teams and rewiring organisational strategies, structures, and practices to ensure that there is congruence between what is happening inside the organisation and outside the system. It was for this importance that change management was introduced in eThekwini in 2009. Interventions that are undertaken include those that focus internally, for example, various leadership workshops, diversity management etc. and those that are focussed externally, for example workshops on land invasion. Strategic planning as well as the values and culture strategies are also being put together to ensure that, as Viljoen (2015:1) puts it, the doing (strategy) and the being (values) are translated in such a way that human energy to perform in the system is wired around these aspects.

Institutional Review (Restructuring) Interventions

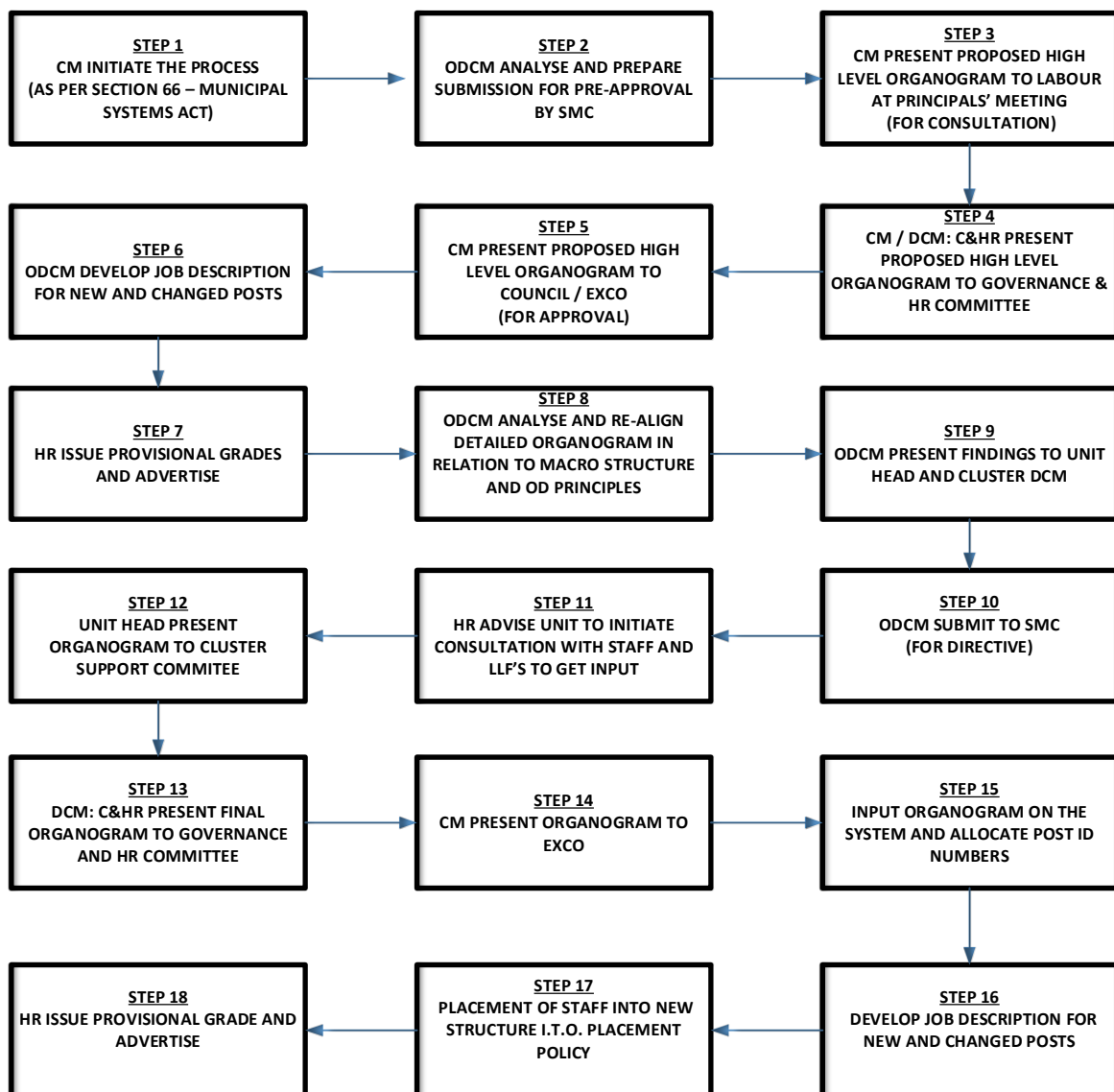
According to the Municipal Systems Act (MSA 32 of 2000 S.66), the Municipal Manager (MM) is within a policy framework determined by the Municipal Council, and subject to any applicable legislation, mandated to amongst others,

- develop a staff establishment for the municipality and submit to Municipal Council for approval
- provide a job description for each post on the establishment.

In eThekweni Municipality, ODCM is mandated to assist the MM with restructuring the organisation using OD techniques at its disposal. The strategy used in this regard is the Outcomes Based Methodology (OBM) which ODCM employs to develop flatter and more customer-centric organisational structures as recommended by a myriad of scholars like inter alia Nel et al. (2004) Swanepoel (2014) and Cummings and Worley (2015) who all stressed the importance of developing flatter, non-hierarchical structures.

In developing organisational structures, the ODCM unit utilises the following Institutional Review Process which has been approved by Council.

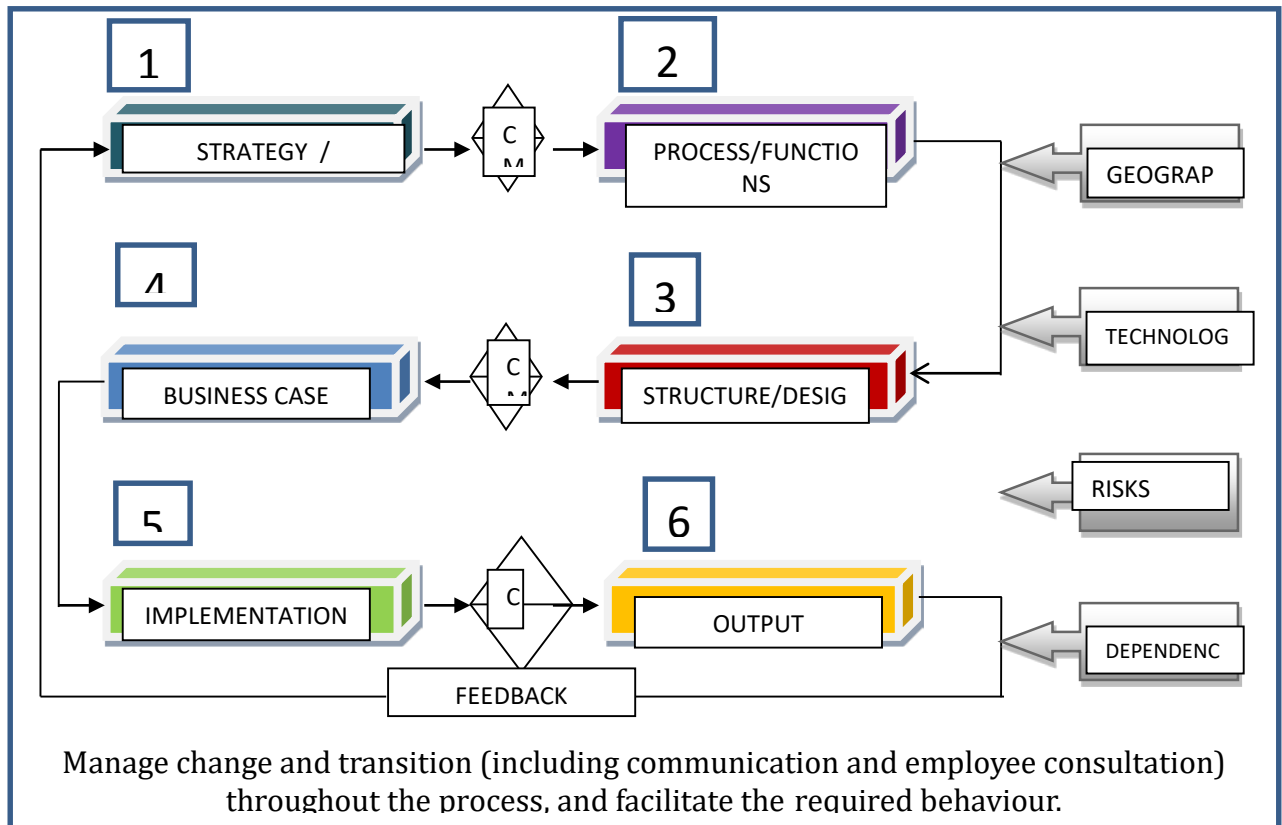
Figure 2.5: Institutional Review Process Map



Source: eThekweni Municipality’s OD Framework.

The following council approved Organisational design framework is used to develop the actual structure.

Figure 2.6: OD Framework



Source: eThekwini Municipality’s OD Framework.

Cost Containment and wastage elimination interventions

Section 62 (1) (a) of the Municipal Finance Management Act (MFMA) (Act No 56 of 2003) stipulates that the Accounting Officer (AO) of a municipality is responsible for managing the financial administration of a municipality and must take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically. The cost containment measures were further emphasised in the 2016 State of the Nation Address (SONA).

In this regard, National Treasury issued a directive in terms of cost containment measures that should be instituted in government including municipalities. ODCM has been charged with ensuring that some of these cost containment measures are upheld by the eThekwini Municipality, and has with effect from 2015/16 financial year recommended budget cuts in terms of consultants employed by Council as well as Events run by Council.

Office Automation Intervention

Office aligned with wastage elimination discussed above, the office automation intervention, as the name suggests, should do with eliminating wastage associated with office equipment like printers, faxes, photocopiers etc. The proliferation of these in council was such that it was considered inefficient and wasteful, culminating in a policy that a managed by ODCM being designed and implemented.

2.9.2 eThekwini Municipality's Stakeholders' (Management, Employees, Unions) response to OD interventions

Viljoen (2015:43) offers a good framework on how humans react to any change. According to this framework, a change archetype emerges – one where there is a process or journey with a beginning, a middle section, where transition happens, and an end. There are various theoretical approaches to human reactions to change as Swanepoel, Schenk, Van Wyk and Erasmus (2003) cited in Viljoen (2015:43) attest, but organisationally, issues like structural inertia, workshop inertia, cultural inertia and various threats, e.g. expertise threats, resources allocation threats and previous unsuccessful efforts are advanced as major aspects standing in the way of change.

These elements, mentioned by Viljoen, should be verified in the case of eThekwini Municipality via this research. For instance, the CPM intervention was successful up to a point when it had to be discontinued abruptly. But even at that point, some level of discomfort had begun to emerge between management and unions especially around the question of rewards for participation in the OD process by employees. Management thought these rewards were becoming too exorbitant and unaffordable.

The Quality Circles intervention, attempted in 2009, was stopped by the unions while it was being piloted in the Finance Cluster of the Municipality. The biggest and far reaching impact of the management – union conflict has been around the issue of restructuring where approximately 70% of the municipal organisational structures emanating from the previous restructure (2011-2016) have not gone past the consultation stage at the Local Labour Forums (LLFs). The newly elected Council now should decide how to proceed with this restructuring as it is paramount for service delivery.

This discourse will also look at other OD and HR interventions within the OD realm to establish how they have progressed and to what extent they have been influenced by the management-union relationship e.g. productivity measurement, grading, talent management and change management.

2.9.3 Becoming a World Class Organisation

To put this discourse into its proper perspective, which will also succour support the research questions, it is considered prudent to have some sort of a benchmark which we will use as a barometer for checking where we are and where we want to be. This will assist us with knowledge of how far eThekwini Municipality is from what we consider as an ideal situation which will assist steer the discussion in the right direction. Our barometer will therefore be a World Class Organisation. Various scholars have given their own perspectives of what a World Class Organisation is.

Khan (1996:1) defines a World Class Organisation as an organisation which has acquired the position of Best of the Bests in the world in its given business and continuously strives for beating its own standards to retain that position. Critically, he mentions characteristics like continuous improvements, customer satisfaction, quality management, professionalism, innovation, and leadership. An article by Transition Partnership (1996) available at <http://www.transitionpartnership.com> mentions characteristics like high performance measured improvements, high commitment, and continuous learning as essential for becoming a world class organisation. However, Finnemore (2013:147) is more pellucid and practical when he equates a World Class Manufacturing (WCM) organisation with world class, consisting of five building blocks: productivity measurement, flatter and non-hierarchical structures, continuous upgrading of education and skills of employees, union cooperation, and fewer grades in the grading system.

2.10 FIVE (5) BUILDING BLOCKS TOWARDS BECOMING A WORLD CLASS ORGANISATION

Finnemore's WCM theory of 5 building blocks will be used for purposes of this discourse as it is more mundane, in the sense that it does contain characteristics that eThekwini can associate with but the challenge is whether they (characteristics) exist at the right level – and this is what this discourse seeks to interrogate.

2.10.1 Flatter and Non-Hierarchical Structures

Nagy (2016:1) citing the works of the Business Excellence (2008) and the Bridgespan Groups (2009), states that the organisational structure is a framework around which the group is organised, the underpinnings of which keep the coalition functioning. Cummings and Worley (2015:339) describe the organisational structure as an indication of how the overall work of the organisation is divided into sub-units and how these sub units are co-ordinated in order to complete the task.

According to Cummings and Worley organisational structures should be designed to fit with at least four factors; technology, environment, organisation strategy and organisation size. There are five types of structures that can be identified (Cummings and Worley 2015:340), namely, the functional structure, the divisional structure, the matrix structure, the process structure, and the customer-centric structure. These types will be examined with a view to establish which one of them exhibits lean flat and non-hierarchical characteristics.

2.10.1.1 Mechanistic Structures

Mechanistic structures consist of structures which are hierarchical, including functional structures, divisional structures and matrix structures (Nel et al., 2004:380).

Functional Structure

In terms of the functional structure, the organisation is divided into functional areas / units such as research and development, marketing, human resources etc. Its basis is on specialisation, span of control, authority, responsibility, line and staff functions (Cummings and Worley, 2015:340). In this regard, specialists are grouped under one head which is considered easier to manage.

The major drawback of functional structures is that it promotes routine tasks with little creativity as people are boxed in their specialised spaces. Moreover, there tends to be conflict amongst the various units and lack of coordination as well as silo mentality as units are not seen as constituting the whole but as sub units themselves (Swanepoel 2014:247). Nel et al. (2004:380) call this type of structure a mechanistic

as an orderly, well-regulated process marks it, with clear career configurations. This type of structure tends to be inflexible and rigid.

Divisional Structure

This structuring method is because it groups organisational activities based on products, services, customers or geography. All or most of the resources are set up as a division with a product or Division manager as head. Swanepoel (2014:248) contends that these structures often go hand in hand with what is known as an organisational bureaucracy. This structure is also rigid and not amenable to speedy service delivery.

Matrix Structure

Cummings and Worley (2015:344) state that the matrix structure is aimed at maximising the strengths and minimising the weaknesses of both functional and divisional structures, by super imposing a lateral structure that focusses on product coordination on a vertical functional structure. However, conflicts between units is unavoidable and ends up overshadowing the good elements. The matrix structure is also not closer to the flat organisational structure that is required for the efficient, speedy service delivery of a world class nature.

2.10.1.2 Organic Structures (Flatter non-hierarchical structures)

Process Structure

Cummings and Worley (2015:346) state that process based structures emphasise lateral rather than vertical relationships. All activities are placed under what is termed a process owner. Process structures eliminate the hierarchical and departmental boundaries and, speeds up decision making and puts the focus more on customers. Swanepoel (2014:248) calls these type of structures 'organic designs' as they lead to more fluid and flatter organisations. In this type of organisation, there are few layers of management, less specialisation and standardisation and there is a marked delegation and decentralisation of authority.

Nel et al. (2004:321) concurs and states that organic structured organisations are flexible and change oriented and excel at fostering creativity. They state that in organic structures:

- Knowledge and ability determine participation in decision-making and problem solving and not titles of positions.
- There is decentralised decision-making and lower level functionaries are usually involved in decision-making.
- There are vertical and horizontal channels of communication, which makes information to be shared seamlessly throughout the organisation including across areas of expertise and status.

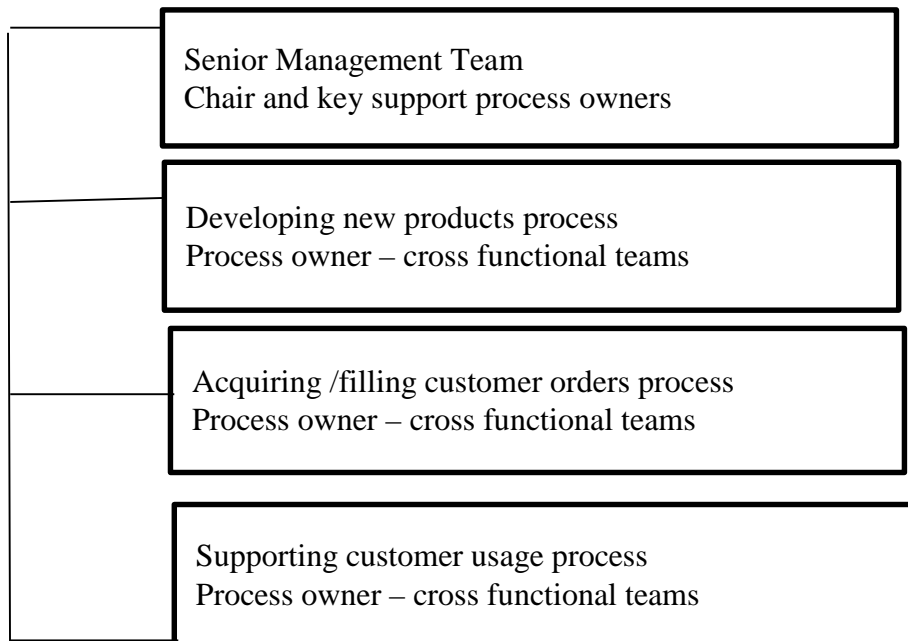
According to Cummings and Worley (2014:347) the organic structures based on process have the following characteristics:

- Process drive structure – defines the structure around processes with clear performance goals under the ‘process owner’ rather than products or functions
- Work adds value – non-essential, non-value adding processes are eliminated and work is simplified and enriched.
- Teams are fundamental – teams are the key as they manage everything from task execution to strategic planning and are self-managing and responsible for goal attainment.
- Customers define performance – everything is geared towards customer satisfaction and meeting customer expectations.
- Teams are rewarded for performance – All Measurements and key performance indicators (KPI's) are aimed at measuring the team against customers' satisfaction. Teams are rewarded on a team based approach.
- Teams are tightly linked to suppliers and customers. Direct relationships with vendors and customers are forged through designated members to understand and respond to their concerns promptly.
- Team members are well informed and trained. Team members are trained on a variety of courses to enhance their understanding of issues like financial management, human resource matters, customer services, policy matters, and problem-solving, to assist them be at the right level to implement solutions.

Figure 2.7 below denotes the modus operandi of the process structure under the process owners at various levels. The Senior Management Team consists of a core

of process owners from various 'processes' and is chaired by lead process owner (e.g. CEO). The rest of the processes down the line are managed by the process owners with the rest of the staff being organised into teams.

Figure 2.7: Process Structure



Source: Cummings and Worley 2015:243

From the above discussion, it is clear that process structures are more flatter and non-hierarchical as they remove the many layers of management and are thus more responsive to customer needs with their dramatic improvements in speed, efficiency and customer satisfaction elements.

Customer – Centric structure

According to Cummings and Worley (customer – centric structures offer the best solutions for the customer as they offer a customised bundle of services, products, education, and support. Their core structures focus resources and attention on customers with market-facing units organised around large individual customers or customer segment teams that attempt to maximise customer profit and loss (2015:349).

With their emphasis on the customer rather than the product or function, customer centric structures like process structures are therefore, part of the organic structures that are non-hierarchical and flat and geared towards speedy delivery to the customer.

The Network Structure

The network structure thrives on the management of the diverse, complex and dynamic relationships among multiple organisations or units each specialising in a particular business task or function. Nel et al. (2004) calls these shamrock organisations and virtual, modular, or cellular corporations, Cummings and Worley (2015:353) says less formally, these structures have been described as pizza structures, spider webs, starbursts and cluster organisations, that can be described by a typology into four basic types of networks:

- An internal market network – resulting from the establishment of a single organisation creating an independent profit centre that can trade in resources and services with each other as well as with external markets
- A vertical market network - comprising of multiple organisations linked to a focal organisation that coordinates the movement of resources from raw material to end consumer.
- An inter market network - represents alliances among a myriad of organisations in varying markets, e.g. the Japanese Keiretsu
- An opportunity network is the most advanced form of network structure, representing a constellation of organisations gathered to pursue a single purpose, which disintegrates once that purpose is fulfilled.

As delineated in Figure 2.8 below, the thrust of network structures is on its ability to redraw organisational boundaries and linking separate organisations or units to ensure the facilitation of task interaction, thereby ensuring that business units do the things that they do well.

Figure 2.8: Network Structure



Source: Cummings and Worley (2015:354)

As can be seen from figure 8 above, a constellation of companies or division operate coordinated with one another, all revolving around the Broker Organisation which is at the epicentre. The above arrangement is referred to as vertical disaggregation (Cummings and Worley, 2015:355).

- **Characteristics of Network Structures**

The following characteristics of network structures are cited by Cummings and Worley (2015:355):

- Vertical disaggregation – meaning the various business functions, e.g. manufacturing, supply, marketing break up into units performing specialised

work, but they all work together under a broker organisation, which coordinates all their efforts.

- Brokers – sometimes referred to as process orchestrators broker organisations manage network organisations and locate and assemble member organisations. The broker may subcontract for desired products and services or it may play a pivotal role in linking equal partners into a network.
- Co-ordinating mechanism - network structures are not controlled by hierarchical arrangements but are co-ordinated in terms of 3 categories, namely contracts, informal relationships and market mechanisms. Interpersonal relationships exist built on trust and conflict is resolved through reciprocity and compromise. Coordination can also be achieved through formal contract e.g. licencing arrangements, market mechanisms will include spot payments for example technology standards as a means of achieving co-ordination.

Network structures are highly flexible and adaptable to changing conditions. They exhibit synergistic cooperation whereby members build on each other's strengths and capabilities. They create best-of-the-best organisation focussing on customer needs and permit rapid global expansion by leveraging distinctive competency.

Flatter Non-Hierarchical Structure and World Class Manufacturing (WCM) Organisation

Swanepoel (2014:249) states that the idea of a boundary less-organisational design as offered by organic structures was introduced by JI Welch, CEO of General Electric who argued for the removal of 4 types of boundaries that were stifling organisations, i.e. vertical, horizontal external and geographic. By breaking down these boundaries, a removal of restrictions that formal structures can impose on people occurs, the flow of information across and beyond a single organisation facilitated, hierarchies flattened, functional silos broken down and interface between different organisational stakeholders and role players across the world are opened and improved.

Moreover, this type of design shares with flat organisational structures the notion that boundaries between various units should be broken down and they even go beyond by breaking boundaries between their customers, potential competitions,

and suppliers. The upshot of this relationship is that these organisations can pool and share critical resources such as employees, open joint venture, form cross organisational teams that work together and open information distribution channels. This arrangement mimics that of network designs where they arrange themselves into strategic alliances and joint ventures through agreements and drawing up commercial contracts.

Pursuit of world class manufacturing requires contracting and outsourcing of works and collaborating on various fronts with other businesses as Finnemore (2009:146) alludes to clearly in explaining the building blocks to a WCM organisation. The boundary-less networks are sometimes referred to as modular forms as storey quoted by Swanepoel (2014:250) stated that to increase flexibility, the semi-independent units resulting from these types of structures required contractual – like deals and the design of mutually beneficial relations.

Warner and Witzel quoted by Swanepoel (2014:250) contended that virtual organisation are versions of network designs as they are built around the extensive use of information and communication technologies whereby people working in the network of collaborating individual groups and organisations share information and knowledge regardless of their location within the globe.

The contribution of organic structures to WCM organisations it given more credence through the above discussion as it gives rise to high competitiveness by creating strategic alliances thereby dispersing capabilities across networks of different organisation, creating synergies, eliminating levels of management and non-value activities and bringing about cross organisational capabilities and competencies as Swanepoel (2014:151) puts it, the most important fact about restructuring and organisational structures is that it must not be seen to be a tool for effecting retrenchments as this will lead to mistrust from employees and resistance from unions. Therefore, the ‘downsizing’ as alluded to by Finnemore (2009:146) should rather be dominated by more of rightsizing which will give more confidence to the employee.

2.10.2 Productivity Measurement

Niebel and Freivalds (2004:1) contend that the only way a business or enterprise can grow and ensure that its profitability increases, is by increasing its productivity. Therefore, for any business or organisation to be on a competitive edge, productivity measurement and improvement is a *sine qua non*. To understand productivity measurement, it is necessary to first define the term 'productivity'

According to the International Labour Organisation (ILO 1997:4) productivity is defined simply as the ratio of output over input. This can be simplified to mean an arithmetical ratio between the amount produced and the amount of any resources used during producing commodities, and may include service, plant, machines and tools, land, and materials.

Importance of Productivity Measurement

Pritchard (1990:6-7) cites several reasons why measuring productivity is important and beneficial to the organisation and these *inter alia* are:

- Assist in the efficient conduct of operations
- Brings into the open issues that are central to the productivity of the organisation
- Identifies productivity improvement opportunities
- Gives feedback to employees
- Enhances professional pride and employee involvement
- Assists with decisions to continue or discontinue a business, organisation, a programme or function.
- Assists with resource allocation among competing businesses, functions, programmes or organisations.

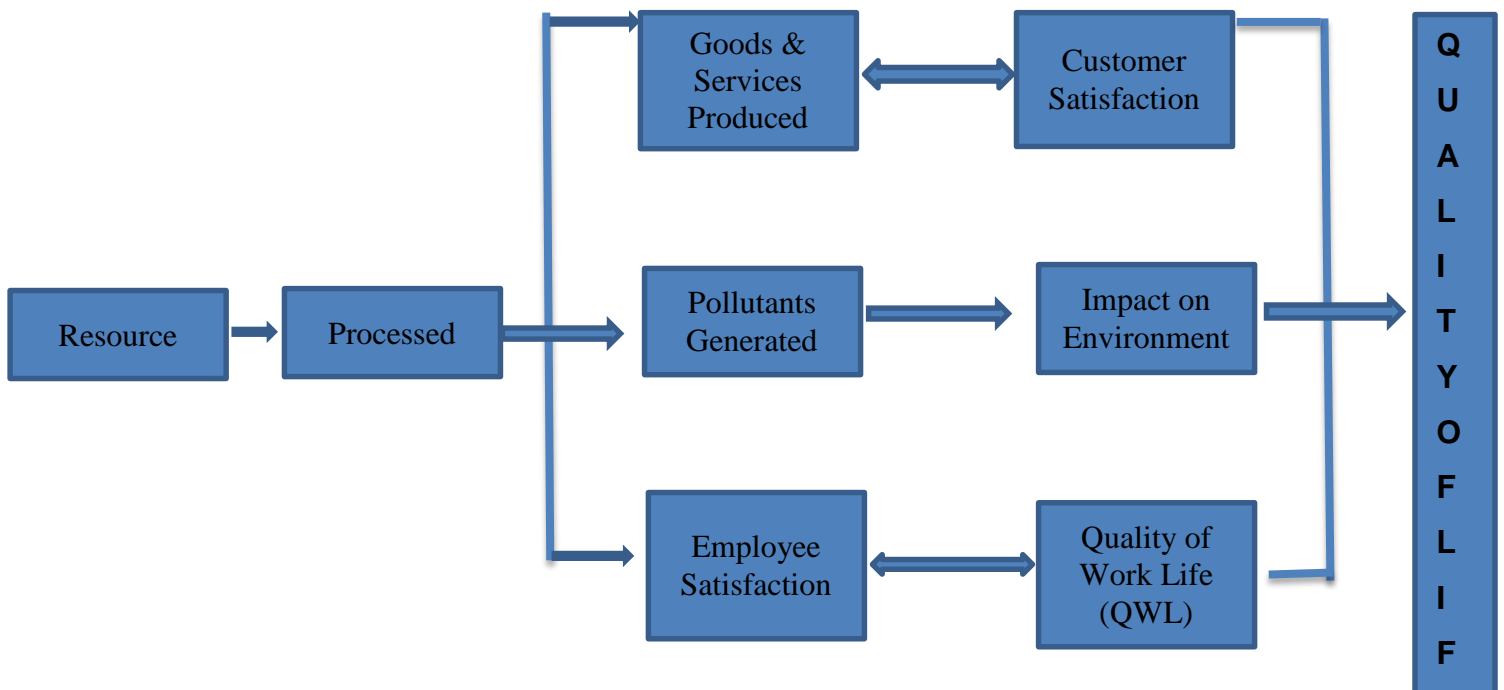
Sumanth (1998:22) further cites the following benefits of productivity measurements:

- Profit maximisation;
- Organisational growth;
- Organisation stability;
- Organisational efficiency;
- Employee welfare; and
- Increased market share.

The more modern importance of productivity measurement is contained in the so called Japanese Holistic view of productivity which encompasses all elements required to improve productivity/services which are geared towards providing people with material wealth as well as spiritual satisfaction (Shivalingaiah 1995:72). According to this view, all products design must be geared towards satisfying customer needs without generation of waste in the manufacturing process, the so called “green economy”. Productivity measurement in this context is therefore seen as promoting the green economy, while leading to customer satisfaction and better quality of life.

The Japanese Holistic view of Productivity is represented diagrammatically as follows:

Figure 2.9: Japanese Holistic View of Productivity



Source: Shivalingaiah (1995:72)

Techniques of Productivity Measurement

The international Labour Organisation (ILO 1986:4) lists the following multifactorious techniques that can be used to measure productivity:

- **Using productivity indices**

The productivity indices are used in measuring productivity of the following types:

- Labour productivity;
- Material productivity;
- Machine productivity; and
- Capital productivity.

Labour productivity depends upon the utilisation of labour and can be higher or lower depending on factors like workload availability, working tools, work efficiency, training level and working conditions. Labour productivity can be measured as follows:

$$\text{Labour productivity} = \frac{\text{Total output}}{\text{Labour input}}$$

Material productivity depends upon how effective the material is used in its conversion into a finished commodity, and is expressed as follows:

$$\text{Material productivity} = \frac{\text{Total output}}{\text{Material input}}$$

To increase material productivity, it is essential to use good product design, skilled workers, adequate machine tools.

Capital productivity depends upon the effective utilisation of assets and is expressed as follows:

$$\text{Capital} = \frac{\text{Total output}}{\text{Capital input}}$$

Japanese productivity measurement techniques

Jhamb (2006:595) cites several productivity measurement techniques utilised mainly by Japanese enterprises like Toyota. These techniques include, HeiJunka, Jidoka and Kaizen

- HEIJUNKA

This technique is described as the distribution of the production of different body types evenly in one day, and includes the balancing and equation of workloads and creating inventory buffers and replenishing those buffers. It reduces lead times by reducing loss of time due to frequent change overs in the process.

- JIDOKA

This technique hold the worker at the highest esteem and regards him/her as a thinker who has a right to even stop the line they are working on. It works on the principles of zero defects, non-passing on of defects and non-acceptance of defects.

- **Kaizen techniques**

Kaizen means continuous improvement and is supported by management and driven by employees. According to ILO, the techniques of Kaizen are as follows:

- ✓ 5 S's

This is derived from the Japanese words Seiri, Seiton, Seiso, Seiketsu and Shitsuke, meaning eliminating unnecessary items, systematic arrangement of items for ease of retrievability, keeping the workplace, spotlessly, clean, arranging regular cleaning / clearing out and operations and ensuring that the above tasks meet agreed standards, respectively.

- ✓ Poka-Yoke

Is a defect prevention, detection technique ensuring the elimination of errors and production of quality products and services?

- ✓ Kanban

Meaning 'card' is a manual productivity scheduling technique used by a machine operator by attaching it to a given number of parts/products, instructing that a given quality be delivered.

- ✓ Muda (waste) elimination technique

Meaning a systematic elimination of waste, either generated through redundant processes, non-value-adding activities, elaborate motion etc.

✓ Just-In- Time (JIT)

Meaning producing only what is needed, when it needed and at a needed quality. JIT is important for reducing lead times, inventory minimisation, zero defect rate accomplishment.

ILO recognises other productivity measurement techniques in addition to the above, which can be used, including Single Minutes Exchange of Die (SMED), Total Productivity Maintenance (TPM), Visual Management, and Process Oriented Management (POM), Statistical Process Control (SPC) and suggestion system. However, these techniques are not as popular as the previously discussed ones and will therefore be not elaborated upon in this discussion.

The contribution of Work Study in Productivity Measurement and Improvement

ILO (1986:29) defines work study as those techniques, particularly method study and work measurement which are used in the examination of human work in all its contexts, and which systematically lead to the investigation of all the factors which affect the efficiency and economy of the situation being reviewed, to effect improvement. Looking at this definition therefore, it is limpid that workstudy aims at increasing productivity through the systematic analysis of existing operations, work methods and processes to improve the efficiency thereof, which means that it contributes to increasing productivity with little or no extra capital expenditure. It is systematic both in the investigation of the problem being considered and in the development of its solution (ILO 1986:30).

Work study is the most direct means of raising productivity as it ensures elimination of ineffective time on the critical factors of production, capital, labour, material, machine, product, management, and technology. Work study ensures that it eliminates approaches which require a heavy capital outlay e.g. the development of a new process and installation of new plant or equipment. Work study improves the existing processes and methods and improves their efficiency with no further capital outlays. This is more illustrated in Table below where it is limpid that investment in, for example, higher capacity plant and machinery will cost more than when reduction

of work content of a product or the elimination of ineffective time using Work Measurement and Method Study is reflected in scenario 1 and 2 respectively.

Table 2.2: How work study improves existing processes

| Approach Type of improvement | | Means | Cost | How quickly can result be achieved | Extent of improvement in productivity | The role of work study |
|---------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Scenario 1 | Development of new basic process or fundamental improvement of existing ones | Basic research Applied research Pilot plant | High | Generally, year | No obvious limit | Method study to improve ease of operation and maintenance at design stage |
| | Install more modern or higher-capacity plant or equipment or modernise existing plant | Purchase process research | High | Immediately after installation | No obvious limit | |
| Scenario 2 | Reduce the work content of the product | Product research Product development Quality management Method study | Not high compare with 1 and 2 | Generally, months | Limited of the same order as that to be expected from 4 and 5. Should <i>precede</i> under those heads | Method study (and its extension, value analysis) to improve design for ease of production |
| | Reduce the work content of the process | Value analysis | Low | Immediate | | |
| Better management | | Process research Pilot plant Process planning Method study Operator training Value analysis | | | Limited, but often of a higher order | Method study to reduce wasted effort and time in operating the process by eliminating unnecessary movement |
| | Reduce ineffective time (whether due to management or to workers) | | low | May start slowly but effect | | |

| | | | | | | |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Work measurement Marketing policy Standardisation Product development Production planning and control Material control Planned maintenance Personnel policy Improved working conditions Operator training Incentive schemes | | grows quickly | Limited, but often of a higher order | Work measurement to investigate existing practice, locate ineffective time and set standards of performance as a basis for Planning and control Utilisation of plant Labour cost control Incentive schemes |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

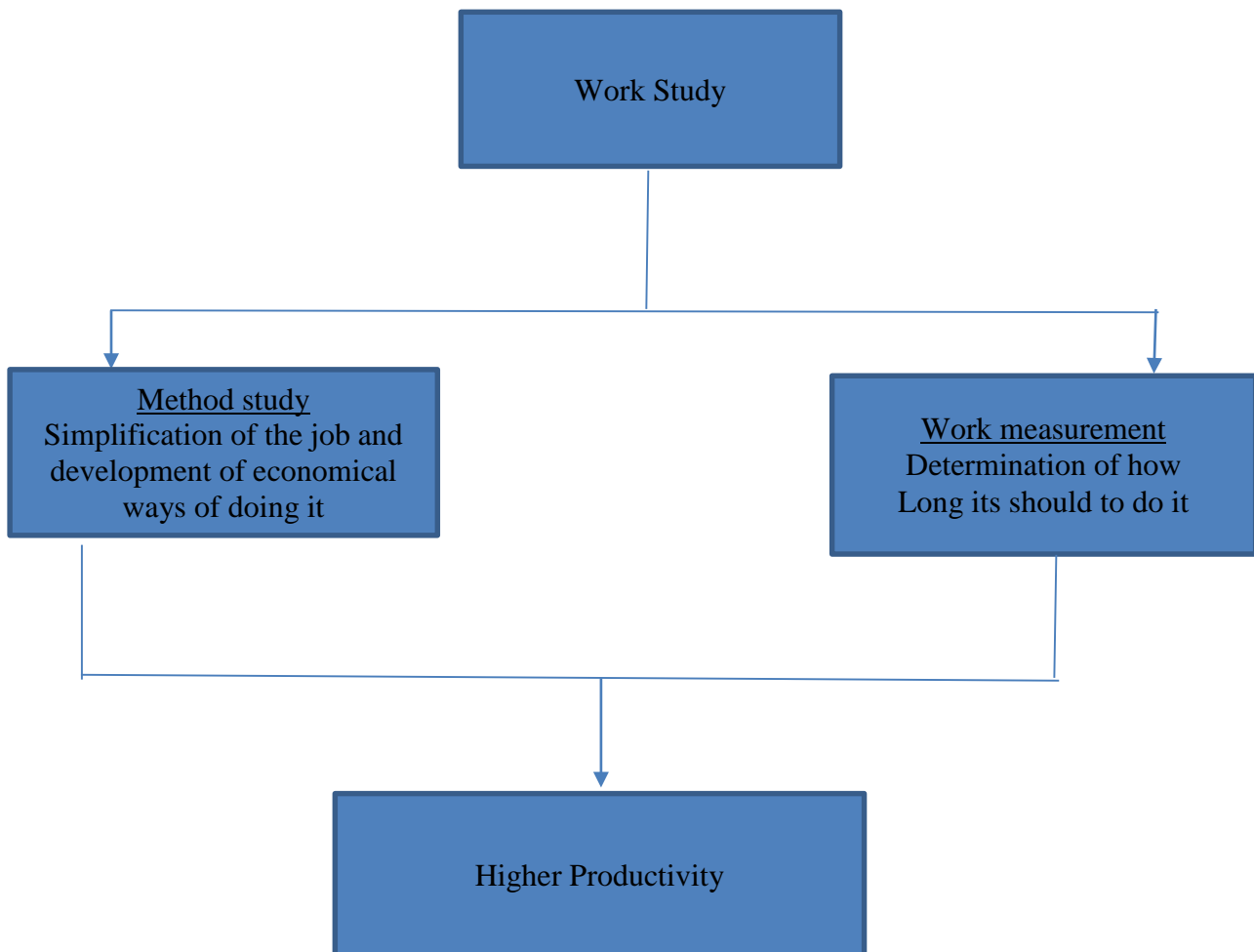
Source: ILO (1986:31)

Work Study Techniques which are key in productivity measurement improvement

Work study consists of 2 techniques which are key in productivity measurement and improvement, i.e. Method Study and Work Measurement. According to ILO (1986:33) Method Study is the systematic recording and critical examination of existing and proposed ways of doing work as a means of developing and applying easier and more effective methods and reducing costs, while Work Measurement is the application of techniques designed to establish the time for a qualified worker to carry out a specific job at a defined level of performance.

There is, therefore, a very close linkage between the 2 techniques because while methods study concerns itself with the reduction of work content of a job, work measurement is concerned with reducing any effecting time associated with work content. This can be represented diagrammatically as follows:

Figure 2.10: Work Study Techniques key to Productivity Measurement



Source: ILO (1986:34)

• **Method Study**

Method study essentially looks at the method or the way in which the work is performed. In the language that is now in vogue is referred to as the study of the process or process improvement. Methods study has the following objectives (ILO 1986:79):

- ✓ To improve processes, and procedures;
- ✓ To improve factory, shop and work layout and the design of equipment and plant;
- ✓ To achieve economy of human effort and reduce unnecessary fatigue;
- ✓ To improve the use of manpower, materials and machines; and
- ✓ To develop a better physical working environment.

To facilitate a high level of productivity measurement and to arrive at the best results, it is always advisable to start with method study before doing a work measurement intervention.

- **Work Measurement**

The usefulness of measurement in productivity measurement is colossal as it gives the organisation, or its management the means of measuring the time taken in the performance of a job or a series of operations in a way that clearly shows and separates ineffective time from effective time. Work measurement contributes directly to performance measurement and management by developing standards of performance for a job or an operation.

Work measurement consists of the following techniques (ILO, 1986:365)

- ✓ Time study – used to establish the time for a qualified worker to undertake a specified task under specific conditions and at a defined level of performance
- ✓ Work sampling – technique in which a statistically competent number of instantaneous observations are made over time of a group of workers, process or machines.
- ✓ Standard data – used when there are similar elements and jobs throughout the plant, where charts, curves and tables are used to set up output standards for new jobs in an organisation.
- ✓ Pre-determined motion time study (PMTs) – used where time established for basic human motions is utilised to building up time for an operation at a defined level of performance

The above discussion supports the earlier notion that Work Study, although it had been conceptualised as early, as the 1920s scientific management theorists like Fredrick Taylor and the Gilbreths, is still a viable instrument for productivity measurement and improvement.

Other Productivity Measurement Improvement Techniques

There is a myriad of techniques that organisations seeking to achieve greater levels of profitability and excellent services use, but one that is more akin to this discourse is the Business Process Re-engineering (BPR) techniques.

- **BPR as a Productivity Measurement and Improvement Technique**

Hammer (1997:12) defines BPR as a radical redesign of business processes for dramatic improvement. By 'process' is meant a complete end-to-end set of activities that together create value for the customer. By investigating and mapping each step of the business process, the BPR practitioner is able to identify processes that contribute to *muda* or waste, duplications, bottlenecks and other non-value adding activities that contribute to ineffective time. This map is called the 'As-Is' process map.

Once the As-Is process has been developed and all challenges and bottlenecks identified, solutions are then sought which may be the reduction of steps through streamlining, elimination of bottlenecks and non-value adding activities. The process which emerges out of this intervention is called the 'To Be' or the re-engineered process. The re-engineered process looks at improvements in terms of turnaround times for operations, quality services at a reduced cost. In this regard, therefore, BPR like Work-study looks at radical improvements in the methods/processes employed for the benefit of the entire organisation.

The Role of Other Stakeholders (Unions and Employees) in Productivity Measurement and Improvement Programmes

Niebel and Freivalds (2004:650) state that a worker is a member of individual groups in the organisation who respond to basic sociological laws. As members of these groups as well as union members, they tend to resist any contemplated changes resulting from productivity measurement and development of standards and methods of work. Niebel and Freivaldo further explain that it is important to consider the human element in productivity measurement procedures and therefore, sound labour relations must be put in place for it to be successful.

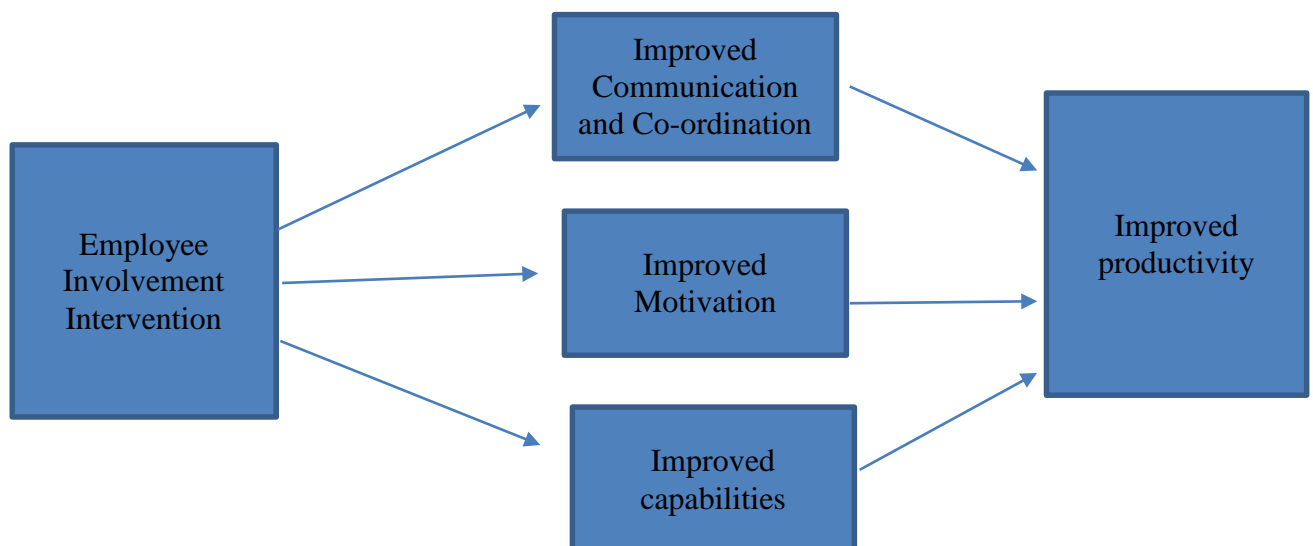
ILO (1986:188) confirms the assertions of these writes by stating that productivity measurement and especially time study, its principal technique, faced stiff resistance from the labour movement because it was considered to be geared towards ineffective time due to the workers only and ignored any other ineffective time from e.g. management. Unions and employees will therefore be pushing for ensuring that

the elimination of ineffective time due to management is also considered as an important element.

Niebel and Freivalds (2004:663) contend that unions today engage in a myriad of initiatives to ensure that they match management in terms of implementation of productivity improvement programmes by training their own work measurement personnel. However, these time study people are employed to check standard times and to further explain them to workers, but they do not partake in the development of those standard times. While this approach somewhat levels the playing fields it is important to note that union time study analysts training usually treats concepts, philosophies and techniques of methods and work measurement from a different paradigm than that of management's time study practitioners.

Cummings and Worley (2015:378) cite the importance of involving employees in productivity improvement initiatives in his employee involvement (EI) approach. They argue that EI interventions can improve communication and co-ordination, employee motivation and individual capabilities. The figure below demonstrates this relationship

Figure 2.11: Employee Involvement techniques key to productivity improvement



Source: Cummings and Worley (2015)

The above discussion puts the productivity measurement and improvement building blocks towards service excellence and world class functionality perspective, and has allowed this researcher to clearly discern the gaps obtainable in eThekweni Municipality in this regard.

2.10.3 Continuous Upgrading of Education and skills of Employees

Finnemore (2009:146) maintains that the development of human resources through the continuous upgrading of education and skills, including the multiskilling drawing up flexible job descriptions and career pathing will ensure that employees develop potential to full capacity, which is a requirement of WCM organisation. To get to that level, it is necessary to first understand this subject holistically and this will start by understanding the learning organisations.

2.10.3.1 The Learning Organisations

Erasmus et al. (2010:256) describe a learning organisation as a shift of mind, a place where people continually discover how they can create their reality and how they can change it. Senge cited by Erasmus et al. (2010:256) described this phenomenon as one where people continually expand their capacity to create results they desire truly, and where people are continually learning how to learn together.

The following are some of the dimensions of learning organisations as identified by Erasmus et al. (2010:256):

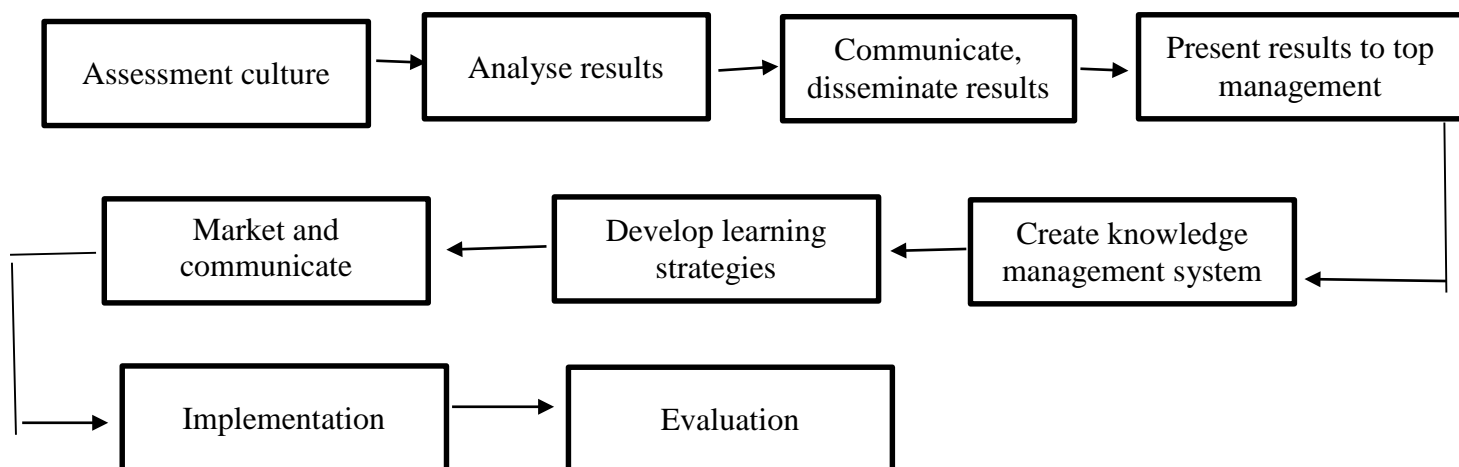
- It integrates work and learning seeking quality, continuous improvement and excellence;
- It empowers people;
- It invests in its future through education and training of its people;
- Systems thinking is fundamental; and
- They study their competitions and other business concerns to learn trends and developments of industry.

Meyer et al. (2012:97-100) gives a fuller list of characteristics which adds to the above:

- Flatter organisational structure – the bureaucratic structures and systems are eroded to the benefit of customers and employees.
- Open communication – learning organisations are marked by open door policies where there is a free flow of information
- Teamwork – teams, with individuals participating individually and collectively are intrinsic in learning organisations
- Inspired leadership – managers set the example by becoming learners themselves and inspiring others to learn.
- External focus – learning organisations are externally focussed and study their competitors both locally and abroad.
- Results focussed – learning organisations are proactive in ensuring that all employees are strictly focussed towards producing results.
- Customer focussed – proactively ensures that all employees are extremely customer orientated by learning more about customer needs and implementing ways to improve customer satisfaction.

Erasmus et al. (2010:257) suggests that learning organisations are fostered by devoting resources, energy, and time on a continuous basis to the training and development of people. To become a highly competitive learning organisation Meyer et al. (2012:102) suggests the following generic model of a learning organisation, and how it should be implemented.

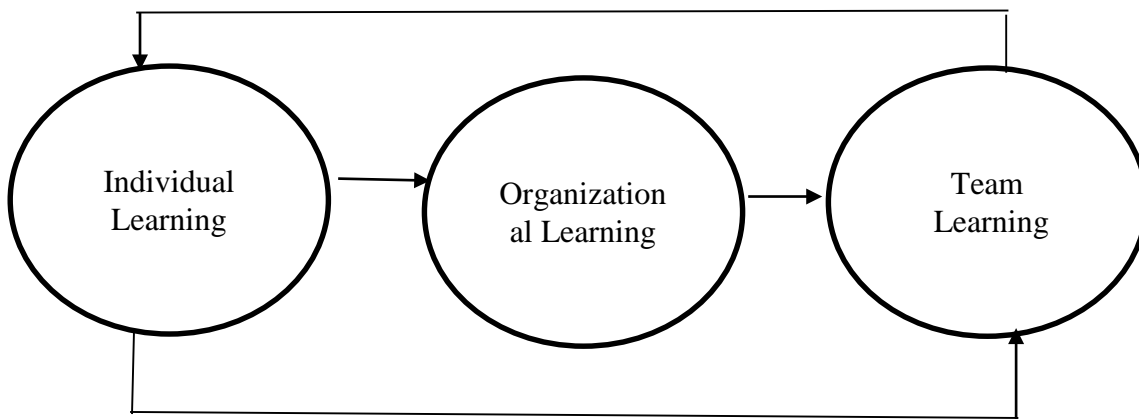
Figure 2.12: Generic Model of Learning Organisation Implementation



Source: Meyer (2012:102).

The above nine step process can be applied in developing and implementing a learning organisation. For purposes of this discussion, Step 6 'Develop learning strategies, will be focussed on. In this regard, a learning strategy must be developed which must ensure that a mechanism to ensure that the characteristics of the learning organisation are embedded in the organisational culture. The strategy should deal with the three levels of learning transformation as in the following figure:

Figure 2.13: Level of Learning Transformation



Source: Meyer (2012:106).

Individual Learning

Plans for individual learning are critical to ensure that individuals are skilled to contribute positively to the learning organisation. The skilled individuals will contribute initially to team learning and ultimately to organisational learning moving from. Moving from individual and team learning to organisational learning starts with education and skills development, multiskilling and career management.

Education and Skills Development

Education refers to activities directed at providing the knowledge, moral values, skills and understanding in the normal course of life, and the development of sound reasoning process to enhance one's ability to understand and interpret knowledge (Nel et al., 2004:426). While education is necessary for unlocking the doors of learning, it is necessary for organisations to support this with a sound skills development process to support lifelong learning to always remain competitive. Formal education and training therefore, needs to be built on to achieve broad individual and economic goals utilising lifelong learning. Continuous skills

development shifts the focus from education, training and development from a narrow skills-based training toward broad based development which enables managers to effectively deal with the pressures of work (Erasmus 2010:235).

Career Management

Career management is the responsibility of the individual but organisations should assist employees to make better career choices, and education and training is at the epicentre of career choices. Career management and career pathing empower employees to take more active roles in their careers (SAIMAS, 2012:7).

Erasmus et al. (2010:266) concur by considering career success to include a component of formal and non-formal education and training interventions. They make a distinction between individual, organisational and variable career management as follows:

- Individual career management – where an individual assesses his/her own strength and weaknesses, decides on a particular lifestyle and occupation, develops and devises strategies and career goals.
- Variable career management – where an individual not the organisation, takes charge of a career, by obtaining varied experiences by means of exposure to education and training, changes in occupation and work in diverse organisations.
- Organisational career management – where organisations place and guide individuals in accordance with their unique educational, training and attributes in positions in organisations to achieve organisational goals.

Erasmus et al. (2010:267) cites the following methods that can be used to support career development in organisations:

- Career centres – provide employees or interested individuals with materials to assist in career planning.
- Career discussion – is a planned exercise between manager and employee on career related matters which could include feedback from a performance appraisal.
- Planned and funded workshops – organisation may plan and fund individuals to make a career change.

Career management is a necessary step in a learning organisation and responds to globalisation and creation of competitive organisations. Training and development are essential parts of career success as lifelong learning is intrinsic for a person to remain up to date with one's profession. Kaye and Smith quoted by Meyer (2012:403) contends that career development is not a programme but a process that integrates and supports ongoing activities, maximising the value of on the job experiences with training and development opportunities. They further state that it expands career options through challenging job assignments combined with education and training of employees.

Meyer gives example of a South African company, South African Breweries (SAB-Miller) which has a strong reputation for human capital competitiveness and high performance culture. SAB has globalised on people by ensuring that people are high powered, talented, and skilled.

Team Learning

In addition to individual learning, learning organisation have embarked on progressive team learning initiative which have sought to raise the standard of employees to competitive advantage level, multiskilling is one of such team learning initiatives which deserve some exploration.

Multiskilling

Meyer (2012:377) contends that to become and remain competitive, workers need to change their mind-sets from thinking, about their jobs in a narrowly defined 'job' to a 'dejobbed' situation. Erasmus et al. (2010:259) states that to adapt to changes in the environment, markets, mergers, take overs, global challenges and new competitors, individuals must be trained to be multi-dimensional. Erasmus et al. define multiskilling as a way organising work so that people can acquire and use a greater range of skills (2010:260).

Dimensions of Multiskilling

Meyer et al. (2012:379) identifies four dimensions of multiskilling:

- Horizontal multiskilling – considers the complexity of the current jobs or skill level, extending the skills base thus allowing for a wider range of tasks to be performed.
- Vertical multiskilling – the depth of the learner’s skills and its complexity is extended to include skills a higher level.
- Cross skilling – provides skill of a similar level of complexity as horizontal skilling allowing for skills development beyond the boundary of the original job
- Generic working – involves creation of new roles that did not exist before and developing people for those roles.

FACTORS SUPPORTING MULTISKILLING

According to Meyer et al., factors that support multiskilling can be discussed from an organisation’s as well as the individual’s perspective (2012:379).

- **Factors from an Organisation’s Perspective**

Veldsman (1995) quoted by Meyer et al. (2012:379) sees multiskilling as part of a strategy to develop a flexible organisation. In this regard, the organisation must be so designed as to ensure competitive edge in the future, which can be attained if it is designed on outcomes-based strategy i.e. with the customer in mind. To achieve that the organisation must undergo a business re-engineering route, which will enhance the capability to enable and empower learners in their new roles.

In this regard, Joubert (1992) quoted by Meyer et al. (2012:380) regards multiskilling as having an ability to stimulate or reduce the need for the skill, for instance when workers are multiskilled, communication between members of the team is enhanced as they can contribute to the learning environment from different fields. He further suggests that this enhances innovation as different ideas from different fields are shared.

- **Factors from an Individual Perspective**

Carnival et al. (1990) quoted by Meyer et al. (2012:380) states that to be competitive, learners must possess a broad range of skills which would underpin the acquisition of other skills. These skills will succour learners to be more equipped to deal with the world in which they live, function and cope, enabling them to make

valuable contributions to meaningful life. Furthermore, multiskilling allows learners to deal more effectively with change and take charge of their own career and move to areas that present to them more opportunity.

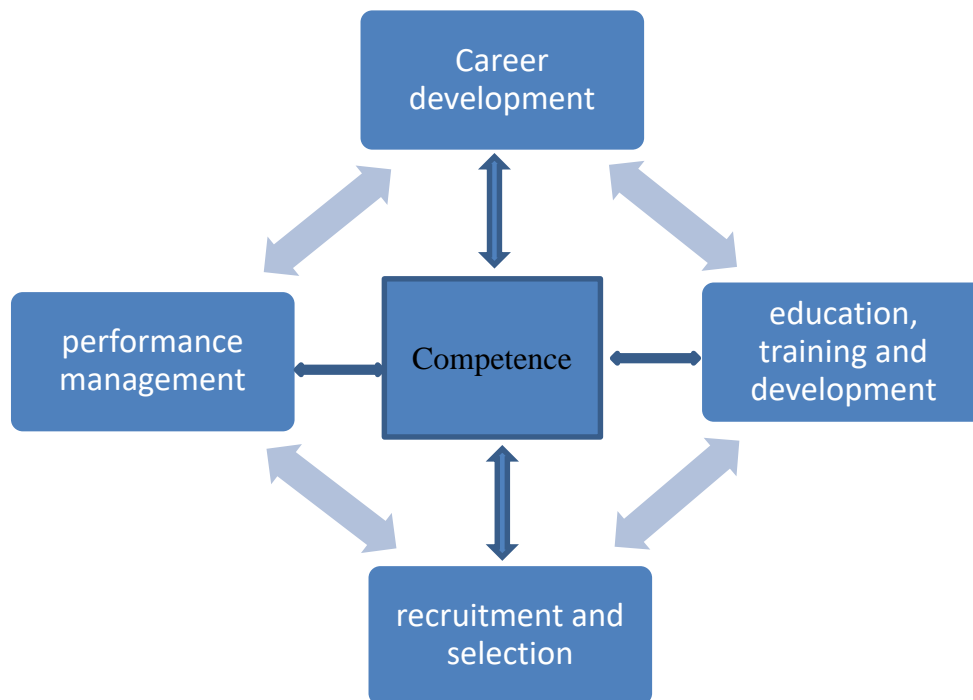
The development of virtual organisations will require learners to acquire a cluster of skills to operate in different places and communicate with others elsewhere in other organisations working on similar assignments. Learners need to engage in lifelong learning and recognise that doing that is the only way of ensuring that they interact meaningfully in the demanding and changing world (Meyer et al., 2012:380).

- **Strategies to promote multiskilling**

Erasmus et al., (2010:260) lists the following ways in which multiskilling can be promoted:

- Job rotation – the rotation of learners among a variety of jobs
- Job enlargement – increasing the number of tasks a learner can do in a particular job
- Job enrichment – autonomy and authority granted to a learner over the execution of activities he/she is involved in
- Alternative work arrangements – the offering of flexible working hours (flexitime) to workers so that they can control the scheduling of their work, including working from home
- Career development – career opportunities and programmes to prepare workers for multiskilling. Schein (1978) quoted by Meyer (1997:329) states that there are 2 mechanisms within the realm of career development to support multiskilling, namely, the total systems approach to human resources management which supports the strategy of Education, Training and Development practices and the need to multiskill learners who are part of the system as a second mechanism. This can be represented diagrammatically as in figure 2.14.

Figure 2.14: Total HR Systems Approach Supporting Education, Training and Development



Source: Meyer (1999:329).

Benefits of multiskilling

Erasmus et al. (2010:260) notes the following benefits of multiskilling:

- It improves the response time to reduce machine downtime and increase machine availability;
- Provides the organisation with a flexible workforce;
- Improves employability of people;
- Improves job and career prospects of learners involved; and
- Equips learners to deal with change.

Implementation of multiskilling

Meyer et al. (2012:385) notes the following elements regarding the practical implementation of multiskilling:

- Strategy – which must take cognisance of environmental factors, political, economic, legal (Pestel);
- Well-constructed process- should include all stakeholders, including unions;
- Self assessment by organisation through skills audit;

- Access of all potential learners who should gain from the process;
- Regular monitoring of the effectiveness of implementation; and
- Alignment of the process with skills needs as those needs change.

The foregoing discussion reflects on the importance of continuous upgrading of Education and Skills of employees and shows why this building block is intrinsic for the attainment of world class status. It also reflects data that will be used to compare the level at which eThekweni operates vis-a-vis what can be considered as an ideal situation.

2.10.4 Union Co-operation

Union co-operation in pursuit of competitive edge in a world class organisation encapsulates a good working relationship between employers and employees as well as unions representing them. In WCM, worker participation and information sharing are intrinsic to minimise strikes, work stoppages, etc. There must be good dispute resolution procedures to ensure greater participation and the relationship must be marked by full disclosures of information and joint decision making. Finnemore (2009:147) concurs and puts these elements which are reflected below as effective building blocks to a successful WCM organisation:

- Communication;
- Involvement in decisions; and
- Disclosure of information.

Communication

Nel et al. (2004:136) state that communication is indispensable in organisations. They contend that communication is intrinsic in any organisation to reduce conflict to a minimum and increase the effectiveness of employees in doing their work. There is a correlation between effective communication and higher productivity, as people can do their best if they understand what they should do, why they have to do it and to what extent their targets are achieved. Bendix (1996:324) agrees with Nel et al. by stating that communication in the labour relationship is platitudinal and no relationship (platitudinal) can be conducted without effective communication. When communication is spoken about in the labour relationship, the creation of greater understanding between the parties leading to the consideration of position of the

other party thereby leading to a two-way communication is important. In view of the afore going, Bendix (1996:325) describes communication as the flow of material information, understanding and perception between individuals and between different groups.

Methods for promoting communication

There are numerous methods by which interactive communication can be promoted. Bendix (1996:332) alludes to the following methods:

- Structures such as work groups and quality circles.
- Explanations by management of behaviours e.g. when employees are disciplined.
- Employee initiated grievance channelled through the grievance process
- Management initiated information about the organisation, organisational structures, employee career prospect, working conditions, etc.
- Systems encouraging employee initiatives and suggestions e.g. suggestion boxes.
- Systems aimed at measuring employee perspectives, e.g. questionnaires.
- Committees such as health and safety, productivity committees, other than shop stewards or worker committees.
- Company functions and sporting and other activities aimed at improving informal communication.

Guidelines on what should be communicated to employees

Nel et al. (2004:138) points out the following guidelines on what should be communicated to employees:

- Progress of the organisation, branch, or section – employees are keen on their progress in the organisation and will constantly need feedback on their performance, and promotion prospects.
- Movements of people – workers are keen to know if people they work with are transferred, if people they report to move as they form groups with these people
- Policy or procedure decision affecting employees – all new, and revised procedures and policies should be communicated to employees, including employment relations decisions agreed between management and unions e.g. bargaining council decisions.

Establishing Communication structures and processes

Bendix (2010:221) laments the dearth of bottom up or even horizontal communication in most organisations and notes that most of them are still marked by the traditional top down communication. To remedy this situation, Bendix suggests the communication structures and processes which are discussed below.

(a) Regular meetings with employees, and employee representatives held by managers or employers, although shop stewards and managers will from time to time engage in collective bargaining, which is a communication process, there should be a greater number of meetings in the form of consultation or information sharing. As Bendix suggests, these meetings should normally be formal, with a set agenda, formulated jointly by shop stewards and management. In the case where no union exists, it may be advisable to establish a liaison committee or a workers' council for the promotion of interaction and communication between management and employee representatives. In eThekweni Municipality, the Local Labour forums are established for this purpose.

(b) Training of employee representations in effective communication techniques and meeting procedures. Employee representatives need to be trained to be able to participate in various interactive committees with management. In this regard, they should engage with management without being intimidated so it is important to bring the level of employee representatives on par with management in terms of information and knowledge they process.

(c) Opportunities for communication between employer and employee representatives are created by engagements in various forums, e.g. workplace Forums, Committees, and Local Labour Forums (in the case of eThekweni Municipality). Bendix (2010:222) mentions the myriad of committees in the workplace that both the management and employee representatives should communicate on, including aspects of productivity, provision of social benefits, equity, health and safety and social responsibility.

(d) Explore all possible methods of disseminating information. These methods of information dissemination include memos, posters, letters, reports, articles, briefing notes, policy, and procedural documents.

(e) Individual employees must have channels of communication with management without any fear of victimisation. Information must be disseminated freely, honestly, and openly to avoid information being accessed through informal means, e.g. the grapevine. An overactive grapevine is clear proof that the communication process within the organisation is not functioning effectively (Bendix, 2010:222)

From the foregoing, effective communication is key in ensuring that the relationship between management and employee representatives (shop stewards) is fostered in an organisation. Venter and Levy (2011:20) confirm this assertion by stating that fostering more open bottom-up channels of communication where workers feel comfortable expressing their opinions to top management reduces the prosperity for conflict and forges new working relationship based on trust.

Involvement in Decisions

Employee involvement in decisions regarding an enterprise can occur through joint decision making. Bendix (1996:556) states that joint decision making can happen by practising a principle of placing employees on supervisory boards or board of directors. These boards, as they occur in the Western European countries decide on general policy for the enterprise and its management team, but do not function on an executive capacity.

Finnemore (2009:201) sees involvement in decisions as joint decision making which he says means that the employer must consult and reach consensus with a Workplace Forum on any of the following:

- Any proposed about disciplinary procedures and codes.
- Measures designed to advance and protect person's disadvantages by unfair discrimination.
- Rules relating to the proper regulation of the workplace to the extent that it applies to conduct not related to the work performance of workers.

- Any changes by the employer or his appointed representative on trusts or employer schemes controlled by boards.

Furthermore, an employer and representative union may conclude an agreement conferring on the forum the right to joint decision making on a range of other matters e.g. if employer does not reach consensus with a Workplace Forum, the former may refer dispute to arbitration or to the CCMA. Nel et al. (2004:150) add conciliation as an important step to be invoked before the matter is referred to arbitration.

Techniques of worker involvement and participation

Nel et al. (2008:325) delineate the following worker involvement and participation techniques which they call direct worker participation in decision making.

- **Participation by suggestion**

This technique offers the worker an opportunity to make suggestions, for instance, about technological improvement, use of materials, cost savings, efficient use of materials, plant buildings, land etc., which are part of productivity improvements, suggestions could also relate to improvement of administrative procedures regarding methods for doing work, the allocation and scheduling of duties and tasks. In the work situation, committees may be set up to review suggestions initiated by both shop stewards and management in respect of any matter.

- **Participation through Quality Circles**

Nel et al. (2008:325) describe quality circles as a technique designed to get lower – level staff (workers or non-managers) involved in some form of upwards problem solving and hence decision making. These discussion groups usually consisting of 6 to 10 workers from the same division or department, meet regularly to identify, investigate, analyse evaluate and consider problems which are work or production related and hence quality related. Proposals to change, work are made by the Quality Circle (QC) but final decisions are often made by the departmental manager. QC are expected to enhance the quality of productivity and foster a sense of participation in work related decisions among workers, leading to increased job satisfaction and better employment relations (Nel et al., 2008:326).

- **Participation through teams**

Participation through teams is another important technique of worker involvement and participation. Nel et al. (2008:326) define team as a small number of people with complementary skills, committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable. The creation of teams is frequently accompanied by significant changes in the role of first line supervisors and tends to be more responsible for advising team members for both vertical and horizontal communication while losing their role as supervisors.

- **Participation through consultation**

Nel et al. (2008:327) describe participation by consultation as a technique whereby workers particularly through their representatives, confer periodically with their supervisors or other senior employer representatives. This is usually done through committees which comprise several experienced members and workers elected on merit to represent other workers. These committees are involved with the employer through consultation with a view of influencing the employer's decision making about matters under discussion. The major characteristic of this technique is based on management's sincerity in considering criticisms and proposals of workers and genuinely consider their own proposal before implementing or finalising decisions. Workers can influence the decisions by being able to convey their opinions, ideas and desires as well as criticism (Nel et al., 2008:327).

- **Participation through co-determination**

Nel et al. (2008:326) states that the major characteristic distinguishing participation through codetermination from others is that workers, through their representatives, and the employer, represented by management, are held jointly responsible by the owner of the business (shareholders) for results of decisions arrived at. It may take place at plant level or at the higher levels e.g. bargaining council or at a national level e.g. NEDLAC. Codetermination as a far-reaching form of worker participation may imply that worker representatives sit in the board of directors and enjoy sharing fully in decision making. At a lower level, codetermination may exist where worker representative partakes in decisions relating to for instance, affirmative action measures, social benefit schemes or the determination of disciplinary codes and procedures.

- **Participation by self-governance**

This form of participation in its extreme form entails the overthrow of the capitalist system in favour of elected members of the workforce. Nel et al. (2008:329) suggest that although this form is not popular in capitalist systems, there has been some clear propagation of worker controlled organisations in a mixed economy, for instance, when considering the worker cooperatives where workers own the enterprise or cooperative and share the profits arising from there.

Disclosure of Information

Landis and Grosse (2005:331) state that there is a constitutional right to privacy and disclosure in the context of workplace relations must be balanced with the right to disclosure of information. Venter and Levy (2011:215) state that an employer must disclose to the committee or workplace forum all relevant information enabling it to effectively engage in consultation and joint decision making. However, there is information that is not required to be disclosed and this includes the following:

- Information which is legally privileged;
- Information which is restricted by any law or order of court;
- Confidential information, which if disclosed may cause substantial damage or harm to employer or employee; and
- Private, personal information about the employer unless if he/she has consented to such a disclosure.

In view of the foregoing, it is therefore, limpid that for Union cooperation to exist, communication, involvement in decision making and disclosure of information are necessary and should be implemented by organisation pursuing world class status.

2.10.5 Fewer Grades in the Grading System

Finnemore (2009:146) regards fewer grades in the grading system as an important building block towards creating a world class organisation. He contends that when pay and job grading policies are changed in line with altered structures, fewer job grades which are skill based rather than task based with multiskilling implemented and team based performance systems with incentive schemes built there in created, global competitiveness will result. Nel et al. (2004:272) state that the tasks,

responsibilities of jobs will determine the compensation that should be accorded to them and calls this the job based compensation system.

Job based Compensation System

Nel et al. (2004:272) contend that in the job based compensation system as the initial step of conducting a job analysis produces job descriptions and job specifications for specific jobs undertaken in the organisation. Nel et al. (2004:271) suggest the following plan for the job based compensation process: -

Figure 2.15: Job based compensation system



Source: Nel et al. (2004:271).

- **Conducting Job analysis**

Job analysis is a process of determining what the job entails, i.e. the knowledge, skills, tasks, and responsibilities associated with a position. There are different methods to conduct job analysis including observation, questionnaires, and interviews (<http://www.beyondconsulting.co.za>). Schultz and Schultz (1994:80) cited in Nel et al. (2004:195) state that there are two approaches to job analysis, namely job oriented approach and the worker oriented approach. The former approach concentrates on the specific tasks and outcomes or level of productivity required for the job while the latter approach concentrates on worker behaviours in the form of specific abilities, skills and personal traits required to perform the job.

- **Identify Compensable Factors**

Nel et al. (2004:272) state that the practice of identifying compensable factors, which could encapsulate some mental processes, e.g. decision making, planning and reasoning, knowledge, skills is referred to as job evaluation. Job evaluation / grading is the classification of jobs according to a job grading system such a Paterson, Peromnes, Hay, Castellion or Sematic scale describing occupational level (e.g. top management, senior management, mid management, junior management) (<http://www.beyondconsulting.co.za>). Nel et al. (2004:272) identify ranking, classification methods, factor comparison and point method as popular job evaluation methods.

The classification and job ranking methods do not require much training on the part of the implementer, due to their simplicity. On the other hand, the points and the factor comparison methods require comprehensive knowledge of a myriad of jobs in organisations and therefore training is a necessity. In South Africa, popular forms of factor comparison and points methods are the Patterson method (decision making), Hay method (know-how, problem solving, accountability) and the Peromnes method, (based on 8 factors – problem solving, pressure of work, consequences of judgment, knowledge required, job impact training, qualification and experience).

Grobler et al. (2011:407) agree with the above methods but crucially add to the above list the TASK (Tuned Assessment of Skills and Knowledge) method which measures changes in the level of skills and / or knowledge needed or used in the job. The TASK job evaluation system is crucial because it is the system that is used in the eThekweni Municipality.

Grobler et al. (2011:407) further suggests that with the advent of the digital era, as well as the movement from the traditional pyramid hierarchies to competitive networks, new approaches to job evaluation have evolved, for example the Job Appreciation System (JAS). This system is based on 7 basic levels or broad bands that delineate real changes in the complexity, level and type of contribution required in the work role. Using the JAS, the organisation conducts appreciations of the strategic role and type of contribution that can be made on the job.

- **Developing a Job Hierarchy**

Once the jobs have been graded in terms of any of the above approaches the value established for each job allows it to be slotted in the hierarchy depicting the importance of each job. In this manner, the value of certain jobs can be compared to the value of other jobs in an enterprise. A typical job hierarchy will include positions from the top to bottom e.g. City Manager (1), Deputy City Managers (4), Heads (40), Senior Managers, and Managers. In flatter hierarchies, there will be fewer grades.

- **Constructing Job Grades**

A job hierarchy allows an enterprise to classify jobs into grades (Nel et al., 2004:273). All jobs are given grades which are taken to be intrinsically the same in terms of importance and therefore, logically all jobs in a specific grade will be compensated relative to each other, and to other jobs in the organisation.

- **Carrying out Compensation Survey**

Surveys are important to determine data for creating, adjusting, or updating an enterprise's pay system. Nel et al. (2004:273) state that compensation surveys generally yield ranges of data for different salary grades. This information should refer to the value of the job to the specific organisation and not the value of the person performing the job.

- **Establishing Final Pay Policy**

It is crucial that a decision be made whether to take the lead, lag or pay the same as the majority of competitors in the industry. A pay policy for the organisation is therefore, an absolute necessity as it determines how the organisation positions itself to achieve competitive advantage. The final pay policy should specify how the organisation wants to attract, retain staff through the competitive salaries and wages it pays to avoid mediocrity creeping in.

Broad banding

The other effective grading system which responds favourably to fewer levels in the organisational structure is broad banding. Broad banding is a sub system of the Patterson job grading (<http://www.beyondconsulting.co.za>). Nel et al. (2004:278)

states that the vertical system of grading is out of synch with the flatter, flexible and team oriented structures of newer, progressive organisations and most are adopting the broad banding strategy in which a few relatively broad bands take the place of numerous grades. Broad banding is therefore a new pay platform on which a strategy for pay, e.g. competency or skills based pay can be built on and operated.

According to Nel et al. (2004:278) rather than employees climbing up through some services of grades, they will spend most of their careers, if not all moving laterally and getting more pay as they gain new competencies, skills responsibilities or as they improve their performance. Broad banding is more akin to boundary less and team based organisations where there is less emphasis on specialised jobs and more emphasis on team based processes.

As Finnemore (2009:146) puts it, world class organisations with fewer grades, flatter organisational structures, will use the broad banding process under the Patterson grading system to ensure that they reach their objectives of competitive pay advantages, which will result in satisfied employees and, high productivity.

2.11 CONCLUSION

This foregoing chapter has succoured bring the entire discussion into perspective by bringing together all the writings of scholars which has not only brought more understanding of the phenomenon under discussion in this research, but also pointed out the gaps that are there that may still need to be filled. This literature review has also included the legislative framework applicable to this discourse and also introduced the theoretical framework which in totality are designed to support the aim of the study and the research questions. The next chapter will deal with the theoretical framework applicable to this study.

CHAPTER THREE

THEORETICAL FRAMEWORK UNDERPINNING THE STUDY

3.1 INTRODUCTION

This chapter deals with the theoretical framework applicable to this discourse. The Societal Corporatism component of the Corporatism theory will be used to explore and explain the influence of the relationship between management and unions on Organisational Development in eThekweni Municipality. According to Finnemore (2009:140) Societal Corporatism emphasises a social dialogue between employers, employees, and unions, and will thus be the most ideal approach to use in this study.

The Societal Corporatism structures and processes will be discussed and expanded upon with a view to establish how the theory works and how the state operates as a partner of unions and employees. Societal Corporatism is also related to leadership and leadership styles and it will be explained how pluralism could be applied to give effect to consultative and participative styles of leadership. Van der Walt (1997:3) calls this kind of leadership style accountable leadership. The fact that Societal Corporatism emphasises on aspects like productivity improvement, methods of production, and efficiency to bring about highly competitive organisation, means it is related to Organisational Development (OD). OD processes like organisational structure, productivity measurement, training and development of staff and grading of posts are also found in highly progressive societal corporatist organisations which are pursuing world class status in prosperity, innovative services and profits which Finnemore (2009:146) calls World Class Manufacturing (WCM).

The explanation of this WCM gives credence to the viability of this theory in exploring and explaining this phenomenon – its five areas namely, organisational structures, productivity measurement, education and skills development of employees, union cooperation and grading issues are key areas on which questions and objectives of this discourse have been formulated and answers thereto will point the direction of this discourse.

3.2 CORPORATISM THEORY

Karl von Holdt quoted by Bendix (1996:241) describes Corporatism as an institutional framework which incorporates the labour movement in the economic and societal decision making of society. He further contends that at a general level, Corporatism introduces a more cooperative relationship between the three parties, which include capital, labour and the state as well as the capacity to negotiate goals which are common. Although corporatist policies are introduced by organisations/businesses/governments which have the support of labour, unions usually opt for a more form of bargained corporatism where the business and labour resolve issues by negotiation and agreement (Bendix, 1996:242). Lind (2004:3) supported this view where he aptly refers to Corporatism as a centralised collective bargaining among employers and organised labour.

Schmitter quoted by Maree (1993:25) advances a number of criteria for a better understanding of corporatism and its applicability to social theory by stating that organisations conforming to it should be limited in number of component units, compulsory in membership, non-competitive between compartmentalised units, structured hierarchically, certified in some *de jure* or *de facto* way by the state, successful in exercising a monopoly that is representative within functionally determined categories and subject to formal and informal leadership selection controls and manner in which they articulate interests.

The relevance of this theory to this discourse is exposed by Maree when he states that Corporatism is needed in South Africa to amongst other things, increase productivity and the country's poor performance (1993:29). This is further reinforced by Van der Walt (1997:5) when he points out that Corporatism in our country is in response to *inter alia*, endemic skills shortage, lowered productivity, and efficiency. These areas (productivity, efficiency, and skills development) fall within the Organisational Development realm which is at the epicentre of this study.

3.2.1 Corporatism Approaches

According to Finnemore (2009:140) two approaches are distinguishable, i.e. Societal Corporatism and State Corporatism. State Corporatism is marked by an authoritarian, paternalistic approach to labour mobilisation and emphasises

repression of trade unions. This approach will not be used in this discourse as it advocates non-acceptance of unions in an organisation. The theory to be used in this study is embedded on the Societal Corporatism aspect of the Corporatism theory as the employee relations in eThekweni is marked by a vibrant union activity, fully engaged in bargaining with management over a myriad of issues in the labour relationship.

3.2.2 Societal Corporatism

This approach emphasises social dialogue between employers, employees, and unions all unified under what Finnemore (2009:140) refers to as “Tripartite Cooperation”. The relationship between the state, employee and labour is institutionalised and a strong interdependence among the 3 parties is upheld. Consensus – building as opposed to an adversarial relationship is encouraged. Moreover, conflicts in the workplace are brought to an absolute minimum as there is centralised negotiation on intrinsic issues and there is generally agreement on issues not only affecting their immediate constituencies but those which consider the requirements of the broader society. Concisely, therefore Societal Corporatism promotes a culture of participation, negotiation, social dialogue, and coordination, transparency, and openness among stakeholders.

According to Finnemore (2009:9) Societal Corporatism consists of the following fundamental values:

- Conflict between employer and employee is regarded as a natural phenomenon and can best be managed through negotiation between the state, unions, and employer organisations.
- The relationship between the state, employees and labour is institutionalised in structures which are tripartite marked by an acknowledgment of a strong interdependence among all the parties.
- A relationship based on consensus building rather than an adversarial one is valued.
- There is a centralised negotiation on issues of a basic nature e.g. wages and working conditions marked by a removal of the potential for destructive conflicts in the place of work.
- Societal Corporatism is perceived to produce a society that is less strike-prone.

- The parties may reach consensus on issues that not only satisfy their immediate constituencies but focus on the broader good. Short term gains that benefit a few are often sacrificed for long term economic outcomes benefiting the entire industry or society.
- The leaders' roles are geared towards carrying their members with them after striking deals with other power brokers rather than present their members' views before decisions are reached.

3.2.3 Societal Corporatist Structures and Processes

Finnemore (2009:164) delineates the societal corporatist structures and processes as follows: -

- The state is a partner of unions and employees;
- The state takes full part in institutions of social dialogue; and
- The state is in a continuous process of engagement with labour and employers to:
 - ✓ Establish policies which are appropriate in the promotion of an active labour market that recognises employees as living being rather than merely factors of production;
 - ✓ Encourage employee participation in making decisions at the place of work;
 - ✓ Promote bargaining forums around issues of interest e.g. wages and working conditions; and
 - ✓ Seek consensus on legislation affecting labour.

An example of an organisation in South Africa created along the societal corporatist theory model is the National Economic Development and Labour Council (NEDLAC).

3.2.4 Effects of Societal Corporatism on Leadership and Leadership Styles

Societal Corporatism finds application on various aspects of a developmental organisation. Finnemore (2009:41) distinguishes among several leadership styles that can be applied in managing modern corporatist and purely societal corporatist organisations, namely pluralism (adversarial and procedural), as well as consultative and participative styles. While those in the adversarial and procedural do accept

unions, and engage in more formal relationship, this is based on rules and structures.

On the other hand of the continuum, is consultative pluralism which means that while groups in the organisation may have different interests, they may pursue their common interest in the organisation's survival more effectively and efficiently through processes of consultation and decision-making. Van der Walt (1997:3) equates this kind of leadership to social contracts where parties should be informed by social perspective, democratic practice, and accountability of leadership.

Both forms of pluralism have one superordinate goal of promotion and maintenance of a profitable organisation which can be attained if commitment and satisfaction of employees are assured and if the business operation environment is supported and stable. In most organisations employees see the participation of employees and union/employer cooperation as more likely to create this stable environment rather than an adversarial one solely based on collective bargaining (Finnemore, 2009:145). Based on this, therefore, it can be surmised that the Societal Corporatist theory based on consultative pluralism will be more amenable to the discussion of the management and union relationship which this study seeks to explore. This study will therefore be based on the Societal Corporatist theory, using the consultative pluralist approach.

3.2.5 Societal Corporatism and Organisational Development

Maree (1993:29) better conceptualises the relationship between Societal Corporatism and Organisational Development (OD) when he cites uncompetitive productivity levels and the need for constant improvement in the quality of products and services provided, as well as in the methods for producing them, as important ingredients for a successful, progressive societal corporatist organisation. The discussion on Organisational Development (OD) below will bring this relationship into more focus.

Emanating from the definitions of OD by Cummings and Worley discussed in the previous chapter, the importance of OD in the improvement of organisational effectiveness is clearly discernible. Expatiating further on this point, Cummings and

Worley (2005:4) state that an effective organisation has high financial and technical performance, including quality products, acceptable profits and sales growth and high productivity. Therefore, OD assists organisations to achieve all this by leveraging social science practices to lower costs, improving products and services and increasing productivity (Cummings and Worley, 2005:4)

In an article shared by Vicky (2016:1) the top 9 techniques of OD are mentioned, namely survey feedback, teambuilding, sensitivity training, managerial grid, management by objectives (MBO), brainstorming, process consultation, quality circles, and transactional analysis.

These techniques are briefly being described by Vicky (2016:1) as follows:

- Survey feedback

Data collection method used by managers to collect information on working conditions, quality of work, wages and salaries, employee attitudes etc. It is then analysed and proper interventions implemented by managers.

- Teambuilding

Technique designed to encourage participation and working together among employees.

- Sensitivity Training

Technique designed to encourage interaction, reducing/resolving conflicts among employees.

- Managerial Grid

Designed by Blake and Mouton, the technique looks at management styles and how management exhibiting different styles behave in different situations.

- Management by Objectives (MBO)

Management development tool designed for the evaluation and review of performance.

- Brainstorming

Where a group of managers (5-8) come together to discuss and find a solution to a problem through creative thinking.

- Process consultation

Technique of improving organisational effectiveness through a consultative process involving various stakeholders in the organisation.

- Quality Circles

A group of employees come together to discuss work related problems and propose solutions to management.

- Transactional Analysis

Techniques used for people to understand each other better, and can be used in process consultation and teambuilding.

The techniques discussed above are also very important in showing the relationship between Societal Corporatism and OD. The 9 OD techniques can be organised into two broad categories (1) consultation, involvement, participation (teambuilding, sensitivity training, process consultation, quality circles and transactional analysis), (2) management processes and styles (managerial grid, MBO, brainstorming, survey feedback). These 2 aspects are the fundamental ingredients of Societal Corporatism, as delineated previously that it is based in the first instance on tripartite cooperation (management, unions and state), social dialogue, participation, and continuous involvement of all stakeholders. Secondly, Societal Corporatist organisations utilise various management styles as mentioned earlier on, to manage these developmental organisations, namely pluralism (adversarial and procedural as well as consultative and participative styles (consultative pluralism). This is akin to the OD techniques mentioned above.

The above discussion drawn from the works of various authors mentioned previously is *prima facie* proof of the assumption made in this discourse that there is a relationship between Societal Corporatism and OD. This puts more credence to this theory as the most appropriate to use in this study.

3.2.6 Societal Corporatism and World Class Organisation

Molina and Rhodes (2002:325) made a case that, lean or supply side corporatism built on social pacts lead to a successful organisation with high productivity goals, distributional package deals, institutional integration which culminates in to prosperity.

Finnemore (2009:146) extends the argument by contending that societal corporatist organisations with strict observance of tripartite cooperation regarding issues which he calls 'building blocks', can lead to world class organisations. These issues incorporate those which fall within the realm of Organisational Development (organisational structure, productivity measurement, human resource development, grading) as well as those falling within Employment Relations realm (union cooperation). Cummings and Worley (2015:4) confirm this when they state that the behavioural science foundation of OD supports values of development, human potential, participation on top of performance to achieve competitive advantage. These issues form a basis of enquiry for this study as the research questions and objectives are based on them.

Each of the five building blocks which make up the world class organisation are discussed in detail in the previous chapter. In this chapter, the researcher will demonstrate how the various concepts (building blocks) are interrelated and how they construct into a world class organisation and hence the theory itself.

Figure 3.1 below delineates the interrelatedness of concepts which emanates from strategic planning as a foundation for the transformation of a work place for the achievement of its goals as the provider of customer service and goods at a price and quality that are competitive on global markets (Finnemore, 2009:146). The strategic plan emphasises on efficiency and leads to fundamental changes in the organisational structure, work organisation and productivity measurement, employer-employee and union relations, training and education of employees (human resource development) as well as job grading policies incorporating pay structures.

The organisational structure becomes flatter and non-hierarchical as business processes are streamlined resulting in the removal of supervisory levels and other

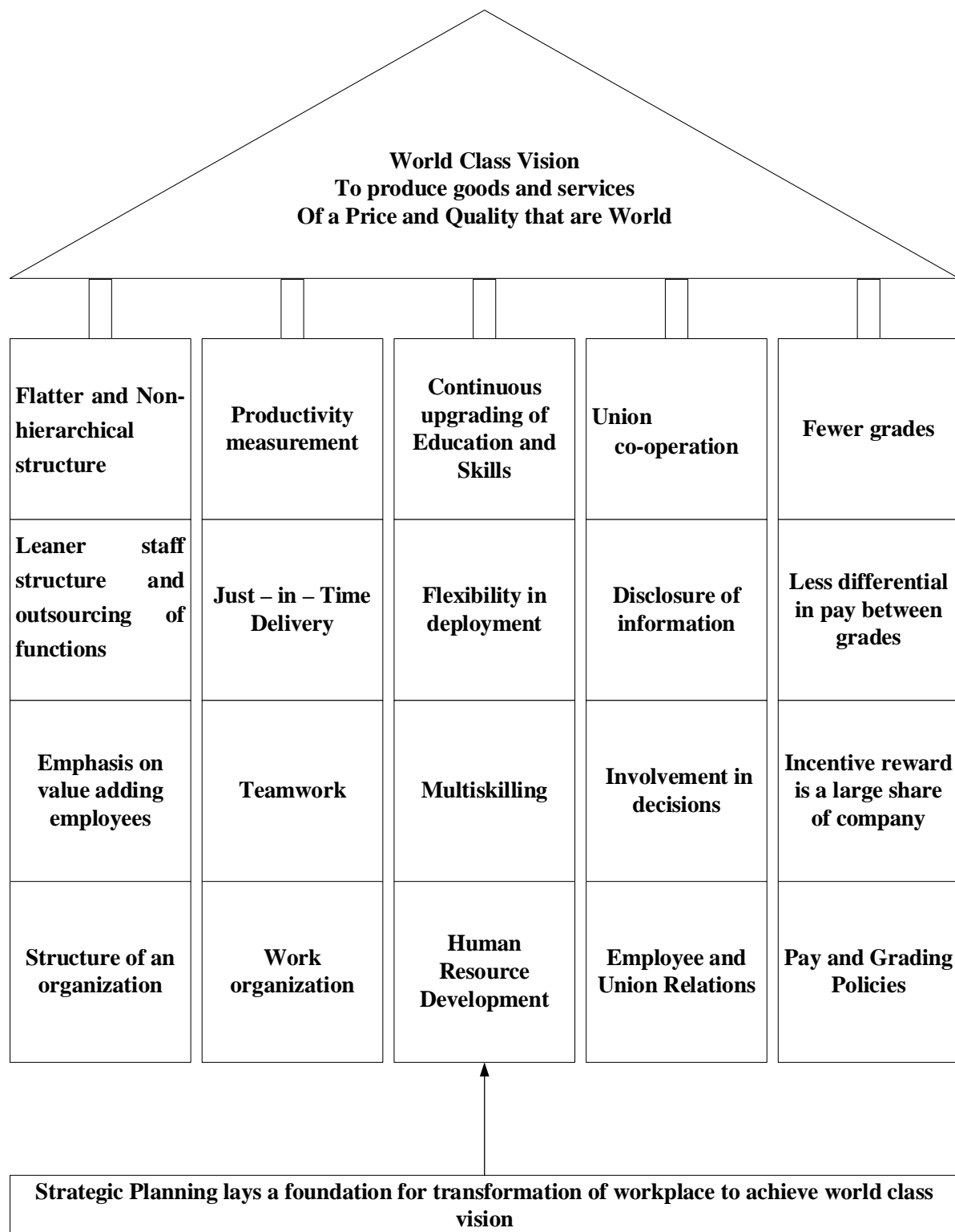
non-value adding activities. Employees become more accountable for their own performance as techno structural approaches and quality of work life (QWL) programs are implemented. As this happens, the organisation becomes leaner as it shrinks due to rightsizing and placing of emphasis on those jobs where value is added. An integration of human and technical aspects of the production system via the work organisation is achieved through productivity measurement which results in dramatic productivity improvement.

Processes like Just-In-Time (JIT) are implemented to ensure that goods and components are on site as they are required resulting in reduction in lead times and inventory. Decisions on the shop floor are made by multi –teams and they supervise themselves. Resource persons and facilitators with specialised experience and teams become responsible for their own quality control. Human resources are developed through continuous upgrading and educations and skills, multi-skilling, and career pathing for the development of staff to full capacity.

Regarding employment relations there is a good working relationship between employers and employees as well as union representatives to foster worker and union commitment. Worker participation and information dissemination become intrinsic to minimise work stoppages. There is an existence of good dispute resolution procedures and greater participation of line and technical management in areas traditionally handled by labour relations specialists. There is a full information disclosure and joint decision making with union representatives.

Regarding grading, the policies for job grading and pay are changed to fit with changed structures. There are fewer grades based on skill and not based on task and old job evaluation systems become obsolete in the light of multi skilled and flexible work force. Incentive schemes based on performance are implemented to ensure that performance management demonstrates the standard and quality of global competitiveness.

Figure 3.1: WCM Organisation



Source: Finnemore (2009:147).

The world class organisation discussed above delineates an organisation that has transcended from a societal corporatist concern that has proven that forming a good nexus between good employment relations and OD imperatives can result in excellence. The Societal Corporatism approach is therefore a viable theory to test and dissect the situation at eThekweni Municipality, and will contribute immensely to this study.

3.3 CONCLUSION

The five areas raised in Finnemore's WCM aggregate to questions and objectives of this study, and these include, organisational structures (flatter and non-hierarchical), productivity measurement, continuous upgrading of education and skills development of employees, union, and management cooperation as well as the grading system (fewer grades). The Societal Corporatism theory therefore, as used in this study to explain the world organisation seen through Finnemore's WCM, is considered a viable lens for further diagnosing this discourse. This chapter has discussed the theoretical framework underpinning this study. The next chapter discusses the research methodology used in this study.

CHAPTER FOUR

RESEARCH METHODOLOGY AND DESIGN

4.1 INTRODUCTION

This chapter dealt with the discussion of what philosophical assumptions and what strategies for the design of the research will be applied. It will deal with research approaches/paradigms research design, sampling strategies and data collection strategies.

Although according to Creswell (2014:12) there are three types of research designs, namely the quantitative, the qualitative and the mixed methods designs, this study is based upon the qualitative research design. The research strategy which includes narrative, phenomenological and grounded theory, using the face to face interviews as an instrument for data collection, set in eThekweni Municipality as a site for the study, will be elaborated upon in this chapter, as well as the purposive sampling method that has been used. This chapter will end with data quality measures employed to ensure reliability, validity, and trustworthiness of data, as well as ethical considerations.

4.2 RESEARCH PARADIGM

This study is about examining the influence of the relationship between management and union on OD in eThekweni Municipality and, therefore, will be seeking to explore how employees understand and interpret the world they live and work in. According to Creswell (2014:8) such an approach belongs to social constructivists whereby individuals develop subjective meaning of their experiences – meanings directed towards certain objects or things. Such worldview is called the constructivist world view. Du Plooy-Cilliers et al (2014:27) contend that people do not live in laboratories and are always influenced by things that are happening in their environments, therefore, their interpretation of the world they live in will be influenced by hermeneutics (theory for the interpretation of human action and phenomenology (how they make sense of the world around them). Du Plooy-Cilliers et al. (2014:28) call this interpretivism.

There is a close relationship between constructivism and interpretivism as the former is concerned with knowledge as gathered and interpreted and the latter addresses intrinsic features of shared understanding and meaning. Looking this study, therefore this researcher positions himself within the confines of a constructivist epistemological stance.

4.3 RESEARCH METHODOLOGY

The research methodology will consist of the research design, strategy, data collection, sampling, and data quality control.

4.3.1 Research Design

The research design employed in this study is the qualitative design as the study involved the explanation and understanding of the meaning by individuals or groups of a social or human problem, (management and union relationship). Creswell (2014:4) states that such a design should be guided by a process involving emerging questions and procedures, wherein data is collected in the participant's setting and analysed inductively, building from to generated themes.

4.3.2 Research Strategy

The research strategy that will be used in this study is structured-face-to-face interviews which will be based on individuals providing stories about their lives (narrative), lived experiences about the management and union relationship on OD described by participants (phenomenology) as well as the derivation of a general abstract theory of an action, process or interaction grounded in the views of participants (grounded theory). Du Plooy-Cilliers et al. (2014:174) confirm that when data is collected using face to face interviews, the depth and richness of the data obtained from multifaceted and complex objects of a research in a defined social context, becomes real.

4.3.3 Study Population and Site

The study site will be eThekweni Municipality, which is situated in the KwaZulu-Natal province. According to the Integrated Development Plan (IDP) 2013/14, it covers a geographical area of 2279 square kilometres stretching from Umkomaas in the South, up to Cato Ridge in the West, and Tongaat in the North. EThekweni consists

of 7 clusters under the Deputy City Managers, 1 component under the City Manager and 42 units under Unit Heads. The total staff complement during the time of the study was 23500. According to the IDP 2013/14 the two (2) recognised unions, IMATU and SAMWU claim to have 13 000 and 9000 members, respectively. The total number of shop stewards in eThekweni is 280 and the OD unit of the municipality consist of 40 practitioners.

4.3.4 Sampling

Since eThekweni Municipality is too big and access cannot readily be gained to the entire population, a representative sample has had to be selected, using non-probability sampling methods. According to Du Plooy-Cilliers et al. (2014:175), there several sampling methods falling under the non-probability approach namely, accidental sampling, convenience sampling, purposive sampling, quota sampling, snowball, and volunteer sampling. In this research, the researcher used purposive sampling as he sought a certain set of characteristics from the respondents.

4.3.5 Sample Size

From the target population, the researcher selected three Senior Managers from the three service delivery Clusters with a total number of 30 Senior Managers and 5000 employees, 2 full time shop stewards from the LLFs of these Clusters, 2 members of union management and three (3) OD Practitioners.

The distribution was as follows:

- 1 Senior Manager from the Trading Services Cluster
- 1 Senior Manager from the Human Settlements, Engineering and eThekweni Transport Authority (HSE&ETA) Cluster
- 1 Senior Manager from Corporate and Human Resources (C&HR) Cluster
- 2 Full time shop stewards from cluster LLFs (1 from IMATU, 1 from SAMWU)
- 2 Full time members from Union Management (1 from IMATU, 1 from SAMWU)
- 3 OD Practitioners

In total, 10 sampling units were engaged from whom data was collected for analysis and report writing.

4.4 DATA COLLECTION METHODS

Yin (2012:42) mentions six common sources of evidence, namely interviews, participant observation, documents, direct observation, physical artefacts and archival records. Watkins (2012:154) mentions trials/dyads, focus groups, in depth interviews, uninterrupted observation, and ethnographic observation / participation. This study is based on structured in depth face to face, one on one interviews as a primary data collection method.

As Creswell (2014:194) suggests, an interview protocol was used for asking questions and recording answers. During the interview data was recorded using hand written notes.

Secondary data in the form of documents like minutes of the LLF meetings was also collected to support information collected from the interviews.

4.5 DATA QUALITY CONTROL

Creswell (2014:201) mentions two elements of data quality control, namely qualitative validity (the checking of findings for accuracy by employing certain procedures) and qualitative reliability (the research's consistency across different researchers and different projects). Du Plooy-Cilliers et al. (2014:258) point out that the newer terminology for indicating validity and reliability in qualitative research is trustworthiness of data.

4.6 QUALITATIVE RELIABILITY, VALIDITY, AND TRUSTWORTHINESS OF DATA

To ensure qualitative reliability and validity of data, Creswell (2014:20) mentions several strategies that can be employed *inter alia*, peer debriefing, presentation of negative or discrepant information, bias clarification, and member checking. In this study, the researcher used two strategies, namely member checking, which involved the referring of the themes that had been selected for final analysis and report writing, back to the participants for verification of accuracy, as well as bias clarification. The participants were taken through a process of verification and confirmation of responses per each of the 5 main themes identified in this research, namely, flatter, and non-hierarchical structures, productivity measurement,

continuous upgrading of education and training, union cooperation and fewer grades.

While the participants were going through the data collected, the researcher was noting any discrepant information and simultaneously ensuring that there was no bias in the way the data was being presented and reduced to writing. The researcher checked his own reflections on the data for any biasness.

To ensure trustworthiness of data the researcher used some of the strategies mentioned by Du Plooy-Cilliers et al. (2014:258), who mentioned the importance of credibility, transferability, dependability, and conformability for ensuring trustworthiness of data. Through the re-checking of questions and responses of the respondents, the researcher achieved accuracy in the way data was interpreted (credibility) and through the linking of research objectives and questions with the theoretical framework of Societal Corporatism, the interview questions leading to the 5 themes and the analysis according to those themes, the researcher achieved dependability of the data collected. The researcher also did full analysis of content, conversations, and the discourse itself in terms of how the collected data supported the findings and the research interpretation thereof to achieve conformability. The checking and re-checking of the findings and results also made the researcher confident that if the study were to be replicated by other researchers, it would yield similar results.

4.7 DATA ANALYSIS

The goal of qualitative data analysis is to discover patterns in the data, establish themes and concepts and meanings attached thereto. Creswell (2014:195) advocates the simultaneous implementation of data analysis processes with data collection and write up of findings while interviews are in progress, winnowing the data, using a detailed description, then analysing data for themes or using multiple levels of analysis, as some of the methods that can be used, Watkins (2012:155) suggests a seven step process of data analysis which are based on coding the data from the start and ending with the interpretation of the meaning of themes.

In this study, data was analysed using various themes that had evolved from the research questions, the theoretical framework, and the interviews schedule. The raw data was obtained from the 10 respondents that were interviewed as per interview schedule reflected in Annexure B. This was followed by the organising of data which was done via the reading of all data, what the respondent said, their tone and overall impression. Themes were then developed using questions as well as the sayings of Senior Managers, unions, and OD Practitioners. The interrelating themes were then established and the last step was the interpretation of the meaning of themes using the literature review as well as this researcher own interpretation.

4.8 PRESENTATION OF DATA

Data collected from the respondents was transformed from raw data into findings for the study that can be presented. The findings are presented in the form of themes which are transformed into recommendations for practice, as well as recommendations for further study in the final Chapter (Chapter 6) of this dissertation.

4.9 ETHICAL CONSIDERATIONS

According to Du Plooy-Cilliers et al. (2014:262) ethics is a matter of integrity to all stakeholders involved in the study. This research was conducted with the highest degree of integrity, professionalism, responsibility, and trustworthiness. From the onset, respondents were informed of the nature and purpose of the research and it was emphasised that they were participating voluntarily and it was emphasised that are data will be treated with utmost confidentiality and avoidance of any impropriety that may reflect on them and the institutions they work for. In this regard, they were not required to disclose their names. Respondents were also advised of their right to withdraw from the study at any time if they felt uncomfortable and that there were no risks whatsoever attached with participating in this study.

4.10 CONCLUSION

The use of the qualitative methods as a design method and its concomitant strategies, and use of interventions as a data collection method are best suited for the discourse of this nature, this methodology allows for more evidence based data to be obtained as it is based on people narrating their stories and experiences as

well as sharing theories that have evolved overtime with their knowledge of the job. This is more evident in the next chapter (Chapter 5) which deals with the presentation and interpretation of results.

CHAPTER FIVE

DATA PRESENTATION AND INTERPRETATION OF RESULTS

5.1 INTRODUCTION

This chapter presents the data obtained from the population of the study as well as interpretation of the results obtained regarding the research questions set out in Chapter 1.

The presentation of results will portray the transformation of the data into information. All the data presented in this chapter was from an interview schedule as set out in Annexure B. As Du Plooy-Cillers et al. (2014:305) suggest the data in this study, since it is a qualitative one, will be presented in the form of a narrative, interspersed with some verbatim quotes as a way of supporting the points being raised, as well as ensuring that the qualitative data is efficaciously evidenced.

5.2 PRESENTATION OF RESULTS

The results presented in this report are organised in terms of themes obtained in the data after discovering patterns in it. The implementation of data analysis processes was done simultaneously with data collection and write up of findings while interviews were in progress, as suggested by Creswell (2014:195). The themes are in accordance with the research questions raised in Chapter 1.

As much as possible, the number or percentage of respondents to a question will be presented, which will aid in analysis.

5.2.1 Respondent's general view of the management and union relationship regarding OD in eThekweni Municipality

From the interview schedule, respondents were requested to give a general view of the relationship between management and unions regarding OD in the municipality. While all the respondents were unified in saying that the relationship between these stakeholders regarding OD was as they put it: "bad", "unacceptable", "all time low", "porous", there were some interesting findings when a little follow-up question of "why was that?", was posed to them. Union management and shopstewards (40%) on one hand were unified in saying that management were the cause, treating them

“lackadaisically” or as “nonentities”. On the other hand, while most of management and OD Practitioners predictably blamed unions’ non-cooperation, two Senior Managers and at least one OD Practitioner exercised more self-introspection by putting the blame on management for the uncondusive state of the relationship. This latter response was very interesting, and confirmed what Osborne and Gaebler (1992:263) said when they contended that “most entrepreneurial managers tell us that unions have not been their primary obstacle, the real issue, is the quality of management.

5.2.2 The influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality

The respondents were requested to be more specific in this question regarding the influence of the management-union relationship on the most important OD function, restructuring. In this regard, all the respondent (100%) were unified in saying that eThekwini Municipality was still not transformed in terms of its organisational structures as these could still be classified as bureaucratic, marked by what Nel et al. (2004:380) calls an orderly, well-regulated process, with clear career configurations. The respondents pointed to the six management positions in the structure representing top, senior, and middle management levels being City Manager, Deputy City Manager, Head of unit, Deputy Head, Senior Manager and Manager as evidence of the tall structure still existing in the municipality.

A follow up question was posed to the respondents as to what it would take to implement a lateral process structure of the ilk envisioned by Cummings and Worley (2015:346) that would eliminate hierarchical and development boundaries and facilitate quicker decision making and focus and more on customers, or look at organic designs referred to by Swanepoel (2014:248) which would lead to more fluid and flatter organisational structures, half the respondents (50%) were sceptical in this regard, pointing to many factors that militate against that in the municipality, namely, lack of top management seriousness and buy-in, self-interest and being input based, lack of leadership, political interference, lack of training on both management, OD practitioners and unions, leading to delays in implementing restructuring and ineffective LLFs. It was established that although change management had been introduced in the municipality, buy in at the top was still a

challenge. One very senior union representative even said that he had seen about four restructures in his life time in municipality but all had not been transformational, due to the abovementioned factors. The other half (50%) of respondents representing all categories recommended the restructuring and retraining of the LLFs to respond to the challenges of restructuring.

5.2.3 The extent to which the relationship between management and unions affect productivity measurement and improvement

The respondents were requested in this regard to, in their own way, gauge the extent to which the relationship between management and unions affect the other important OD function of productivity measurement and improvement. The three (3) Senior Managers (30%) responded by saying that although there was value in the productivity measurement and improvement programmes run by the OD Unit, they felt that these programmes were too fragmented and were ineffective as far as the entire municipality was concerned. As such these programmes were not on the LLFs agenda. On the other hand, the shopstewards and union management (40%) felt that these programmes needed to be given impetus and be driven holistically throughout the municipality. One IMATU shopsteward said: “we need on OD process that will be driven at the level of the CPM (Competency based Performance Management process undertaken in 2001-2003). The failure of programmes like Quality Circles was due to lack of consultation and strategic planning with various unions by management. The OD Practitioners (30%) felt that a holistic productivity measurement and improvement strategy and policy was absent due to other previous initiatives not being supported by both management and unions and this had impeded productivity measurement and improvement in the municipality. They put the productivity level in the Units already assessed to be around 65% on average, which was a rather mediocre productivity level as according to ILO the acceptable productivity level should be 75% and above

5.2.4 The influence of the relationship between management and unions on the continuous upgrading of education and skills of employees

In this regard, the respondents were requested to respond on the way they thought of the influence that the relationship between management and unions exacted on the continuous upgrading of education and skills of employees.

The response of Senior Management (30%) to this issue was that unions are stifling training programmes especially those in the legislated Workplace Skills Plan (WSP) and that had culminated in the skills levy not being claimed in time to secure and enhance further training and development. The unions (40%) responded to this question by stating that management put in similar, non-value adding courses on the WSP year in and year out and this was not benefiting employees.

The researcher took some time to explain to respondents the concept of “learning organisation” as explained by scholars like Erasmus (2010:257), Meyer (2012:102), with its characteristics of transformational learning namely, leadership, multiskilling career development, knowledge management etc. Respondents had to respond in terms of the gap as a follow – up question. OD Practitioners (30%) allude that change management was not yet able to deal with its aspects to the fullest as it was still in its humble beginnings. There was agreement among all respondents (100%), that the municipality was not yet at a stage where all learning organisation characteristics were accounted for, but with the establishment of the eThekweni Municipal Academy (EMA) great strides will be taken towards becoming a fully-fledged learning organisation.

There was also a concern around the general training of management and shop stewards. It transpired that shop stewards were merely given induction once elected, but were expected to interact with Heads, Deputy City Managers, and the City Manager at the highest level. Unions felt that the shop stewards should be trained in management through courses like Management Development Program (MDP) and others irrespective of their level when they get elected. This will also augment their academic training which they get through NEDLAC to do university degrees. Regarding the training of management, respondents also suggested training which they get through NEDLAC to do University Degrees. Regarding the training of management, respondents also suggested training in labour relations once a person was promoted to manager level so that they learn the rules and also learn how to engage with labour. The main challenge, alluded to by all the respondents, was the budget as EMA always complained about insufficient budget to implement required

training and requested Clusters / Units to provide own budget, which is not readily available.

5.2.5 The extent to which union co-operation with management will contribute to a world class organisation

The respondents were asked to relate the extent to which they thought union co-operation would contribute to the creation of a world class organisation. For clarity purposes, the researcher took some time during the interviews to explain the concept “world class organisation”, and used the definitions offered by scholars like Khan (1996:1) who equated world class organisations with “best of the bests” in continuous improvement, quality management and customer satisfaction, and Finnemore (2013:147) who resolved after intense research that there must be 5 building blocks for the creation of a World Class Organisation, explained through a WCM organisation: flatter and non-hierarchical structures, productivity measurement, continuous upgrading of education and skills, union cooperation and fewer grades.

All 10 respondents, after fully understanding the phenomenon, responded with great vehemence that 100% union cooperation is a prerequisite for a world class organisation to be realised. Upon asking a follow up question of “how do we achieve that, then?” multifarious responses were found. Unions (40% of respondents) felt that things like “honest negotiation”, “consultation, not telling”, “listening, not arrogance”, “total paradigm shift in employment relations”, “more and more communication”, were all necessary to raise cooperation levels to the desired standard. One IMATU Shop steward even said in addition: “we need what I call ultimate consultation, which will involve conducting strategic planning together (unions and management) discussing action plans, programmes and projects at their inception, then undertaking those projects, e.g. productivity or restructuring projects together so that our members will be at ease, of course we will require training in specialised field like OD”.

The 3 Senior Managers and 3 OD Practitioners (60% of respondents) felt that labour had certain obvious deficiencies that hamper management-union cooperation, namely:

- Non-adherence to labour policy by labour;
- LLFs are dysfunctional due to labour ineptitude and incompetence;
- Shop stewards not adequately trained; and
- Unions see themselves as politicians.

One Senior Manager from Trading Services also added that consultation with unions however, was not prioritised by management always and he felt that there should be frequent interaction with unions at least monthly, at levels lower down the hierarchy so as to “remove the fear factor on issues like restructuring”. Schuster (1984:2) made the same statement that “in-plant labour-management committees and programs to improve union-management relations, which have applied a variety of OD and other process change activities to reduce problems normally outside the scope of traditional collective bargaining, were necessary to enhance cooperation”.

5.2.6 The influence of the relationship between management and unions on fewer grades in the municipality’s grading system

All the respondents (100%) agree that due to the adversarial relationship between management and unions, the concept of fewer grades in the municipality remains a distant phenomenon. Finnemore (2009:146) is pellucid on what fewer grades do to raise the level of an organisation to a world class standard when he says “when pay and job grading policies are changed in line with altered structures, fewer job grades which are skill based rather than task based... will result”.

The respondents (100%) agreed that 2 factors stood in the way for fewer grades to be implemented in the municipality, namely:

- The Task Grading system, which had messed up grading with numerous final outcomes reports (FORs) which have been appealed against on multiple occasions due to inconsistencies. The job evaluation process itself has been on ice since 2007 until 2016 due to disagreements on its implementation.
- The fact that the municipality still had hierarchical and non-flatter organisational structures can be solved by the City Manager restructuring the 1st page of the organogram and reducing levels of management and lines of authority. This has not been done by the City Manager and levels and grades are on the increase.

5.2.7 The respondents' own recommendations for the improvement of the relationship between management and union that can influence OD positively

The respondents were asked to advance their own recommendations for the improvement of the relationship between management and unions that can positively influence OD. Since most responses tended to be similar and repetitive they will be consolidated and presented in terms of categories as follows: (a) Union Management (b) Union Shop stewards (c) Senior Managers and (d) OD Practitioners.

(a) Union management recommendations

SAMWU

- Consultation on OD processes like restructuring to be started at draft level
- Create a further forum other than LLFs to deal with issues on an ongoing process. To meet monthly.

IMATU

- Unions need to be “engaged”, not “told” and all engagements be done honestly, avoid any element of mistrust.
- Top management (City Manager, DCMs, Heads) to engage with union principals frequently on restructuring to get buy-in from the top and also ensure transparency, full participation and communication.

(b) Shop stewards' recommendations

SAMWU

- Look at the training and empowerment of shop stewards.
- Training to include “how we use language” improper language, like swearing is rife on both sides, management, and unions.
- SAMWU should be strengthened at management level.

IMATU

- For all restructuring and Work-Study projects, “we must have a team comprising of OD staff and selected shop stewards who will partake jointly in investigations and implementing the projects. In this way, there will be cross pollination and easy buy-in of all OD projects.”

(c) Senior Management recommendations

- Create more consultative forums, apart from LLFs, Unit Labour Forums (ULFs) and separate issues of restricting from other Bargaining issues. The LLFs are bogged down by other HR issues, and this delays issues of Restructuring.
- De-politicise LLFs.
- Labour is mostly operating above powers conferred, thereby flouting the LRA, policies and guidelines in the SALGBC Collective Agreement.
- Train management as well. Not all management have skills to talk with labour.

(d) OD Practitioners recommendations

- Make OD part of the LLF, so that OD issues get the prominence they deserve in this forum.
- OD programmes should be driven from the top (City Manager's office) to be effective. The OD unit to be located in the City Manager's office.
- The change management component should be bolstered as it could be the vehicle for bringing the entire Employment Relations scenario together through a vibrant stakeholder engagement strategy and policy that they must craft (given the opportunity, of course). This policy will bring labour unions, management, politicians, and communities together by prescribing how they should engage with one another.

5.3 INTERPRETATION OF RESULTS

This phase will involve the discussion of main trends and patterns with reference to the research questions and objectives of the study, as reflected in Chapter 1, as well as in terms of the theoretical framework discussed in Chapter 3.

5.3.1 Respondents' general view of the management and union relationship regarding OD in eThekweni Municipality

The 100% response from all the respondents to this question which point to the serious damage to the relationship between these stakeholders supports the research problem and the need to undertake this study to endeavour mend this rift which has led to OD programmes not progressing effectively.

The response to the follow-up question by 2 Senior Managers and 1 OD Practitioner of putting the blame on management, threw in an interesting dimension, as it pointed to the fact that sometimes management stops initiatives by one of their own. This is a serious matter, which needs to be highlighted to the City Manager for his intervention and for him/her to probably re-train managers and if the practice continues, disciplinary process should be invoked.

5.3.2 The influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality

It is clear from the responses reviewed from the respondents that OD is negatively influenced by the management and union relationship as LLFs, who are supposed to offer keep management in check, were regarded as ineffective. The issue of ineffective leadership also surfaced which calls for the training of both top management and members of LLFs (which includes unions, management and councillors) on issues like restructuring. The re-training of OD practitioners was also raised so that they could participate effectively during consultations on restructuring.

5.3.3 The extent to which the relationship between management and unions effect productivity measurement and improvement

The respondents in this regard pointed to 3 important caveats in the make-up of the productivity measurement and improvement programmes: -

- Lack of a holistic, integrated productivity measurement and improvement process.
- There is no approved productivity, measurement and improvement policy or strategy. OD projects to be undertaken conjunctively with unions to enhance buy-in. Unions to be given OD training.

The effect of the above caveats was the non-prioritisation of OD in the most important structure where restructuring is discussed and consulted – the LLF. The other effect is that OD is not taken seriously throughout the municipality.

5.3.4 The influence of the relationship between management and unions on the continuous upgrading of education and training of employees

The analysis and interpretation of the respondents' responses regarding this issue gleaned that there were challenges with the way the WSP was structured in the

municipality in that there was evidence that the course structure was outmoded, and was bringing in little value to the employees. Furthermore, the newly established EMA Unit must work with the change management component to develop and implement leadership development programmes to support the “learning organisation” concept.

The other information that became glaringly clear was:

- Training of shop stewards in management techniques, and rolling out high level management courses, like management development programmes
- Training of managers in labour relations
- Provide more budget for the EMA Unit to render training of the highest pedigree for the ultimate realisation of a learning organisation.

5.3.5 The extent to which union cooperation with management will contribute to a world class organisation

From the findings, it can be gleaned that all respondents realised that 100% union co-operation was an indispensable condition in pursuance of a world class organisation. The concept of “ultimate consultation” as explained by one respondent involving strategic planning conducted with labour, came out strongly and is deemed to be a powerful statement which needs to be affirmed. Although this will be difficult to implement due to the prerogative of management, management will be encouraged gradually to work on it. Furthermore, this is in line with Societal Corporatism which is the theory supporting this study. According to Finnemore (2009:164) Societal Structures “encourage employee participation in decision making and state, employers and union become partners in social dialogue”.

The other data that was gleaned in this regard involved issues against unions that were raised by management, including OD practitioners. This includes a worrying phenomenon that labour is flouting the Labour Legislation and Policies agreed in the Collective Agreement of the SALGBC, and that labour saw themselves as politicians. These issues, although they sound as perceptions, provide a heuristic value to this study and will need further investigation.

The last point raised by the Trading Services Senior Manager in terms of creating more consultative forums down the hierarchy to shop floor level other than LLFs and ULFs, which will meet as frequently as possible to endeavour deal with issues before they become real issues is profound and needs to be given more attention.

5.3.6 The influence of the relationship between management and unions on fewer grades in the municipality's grading system

Two critical factors were raised by the respondents in this regard, firstly, the inadequacy of the Task Grading System being implemented by the municipality, that it is contributing to the tall hierarchical structures and is not amenable to fewer grades as conceptualised by scholars like Finne more, and secondly, the fact that change must be driven from the top, from the City Manager's Office to be effective.

The first finding, the inadequacy of the Task Grading System, was a limitation to this study as it would be difficult to pronounce on the adequacy or lack thereof of the Task Grading System without properly investigating it. Again, this point reflects the heuristic value of this study. The second finding, however has been evidenced, by the structure itself, the many levels of management and a recommendation for practice can be made on it. In terms of section 32 of MSA, the Municipal Manager is charged with restructuring the organisation and he/she can restructure in such a way that he/she drastically reduces the levels of management, which will then assist whatever grading system is selected with focussing on a few levels for grading purposes. Again, there will have to be consultation with all stakeholders, including unions which can be finalised at the principal's level (labour leadership, the council and top management), only, without cascading to the LLFs, since this will be the first page of the organogram, legislation provides for consultation at that level by the Municipal Manager.

5.4 THE RESPONDENTS' RECOMMENDATIONS

An analysis and interpretation of the respondents' recommendations revealed that nearly all of recommendations made had already been discussed under each of the above themes and therefore this section will only deal with the residue that had not been dealt with, namely, the recommendation by Senior Managers involving "Depolitisation of LLFs".

This point arises from the feeling that the LLFs have been turned into a political battlefield, where IMATU and SAMWU on one hand and Councillors and management on the other hand, want to display their political influence to the detriment of the administrative processes and issues on the plate, that need an administrative solution rather than a political one.

While this is a very powerful recommendation, the researcher feels he will be doing injustice on such a profound matter as the study was not about the LLFs per se and although the management and union relationship cannot be discussed without reference to LLFs the issue of how to depoliticise them is a subject of a different discourse altogether.

5.5 CONCLUSION

This chapter dealt with the presentation of findings as well as the interpretation thereof in terms of the information gathered from the respondents. The data was collected using the interview schedule reflected in Annexure B which was designed in terms of the research questions linked to the theoretical framework and this was transformed into themes from which respondents were requested to respond. The analysis of the responses elicited useful data that could be evidenced from which recommendations for practice can be formulated. However, the results of the study also proved the heuristic value of this study as it resulted in a few recommendations for further study. The next Chapter will outline the summary of findings, conclusions and recommendations based on the findings as presented and interpreted in this Chapter.

CHAPTER SIX

GENERAL CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The presentation and interpretation of results in the previous chapter resulted in profound data from which recommendations for practice as well as recommendations for further study can be formulated. This chapter summarises the findings in terms of the various themes which are based on the research questions and aligned to the theoretical framework. The findings will be referred to succinctly and the major thrust will be on recommendations that emerged from them. The review of the study will again bring the aim of the study into focus, showing the alignment among the various chapters of the dissertation.

6.2 REVIEW OF THE STUDY

The aim of the study was to explore the influence of the relationship between management and unions on OD in the eThekweni Municipality. The objectives were guided by the five research questions which were also aligned to the theoretical framework as set out in Chapters 1, 2 and 3 of this dissertation and supported by the literature review on the subject.

The entire dissertation is structured into 6 chapters which are related to one another, and briefly outlined as follows

Chapter 1 – dealt with the introduction, setting out the *raison d'etre* of the study as well as the background outline of the research problem, research objectives and research questions.

Chapter 2 – dealt with the literature review supporting the research objectives and questions. The literature review covered a range of topics which were drawn from the Societal Corporatism theory and refined by Finnemore in his conceptualisation of a world class organisation. These topics were; flatter and non-hierarchical structure, productivity measurement, continuous upgrading of education and training of employees, union cooperation and fewer grades. The research objectives and questions which guided the research were formulated along these topics.

Chapter 3 – dealt with the theoretical framework on which the research is based, namely the Societal Corporatism theory. This theory assisted the researcher by identifying and selecting what concepts and key areas of this phenomenon to study.

Chapter 4 – described the research strategy and data collection methods and instructions used. This chapter also discussed issues of data validity, reliability and trustworthiness.

Chapter 5 – presented the results of the study as well as the analysis and interpretation of the results. This was integrated with research objectives and questions as a build-up towards recommendations.

Chapter 6 – is the final Chapter, concluding the study, and presents the recommendations and make suggestions for further research. This Chapter also demonstrates that the study has fulfilled its objectives and answered the research question: ‘what is the influence of the relationship between management and unions on Organisational Development in eThekweni Municipality?’

6.3 SUMMARY OF THE FINDINGS

This section presents the summary of the findings of the study in relation to the study objectives research questions and the theoretical framework that guided the study.

6.3.1 General view regarding the relationship between management and unions regarding OD in eThekweni Municipality

The finding is that 100% of respondents generally agreed that the relationship between management and unions was very bad, which supported the need for this study.

The other interesting finding was that not only unions but management was the problem, in the sense that sometimes management will stand in the way of management initiatives towards transformation, creating a management versus management scenario. This was viewed in a serious light, as it amounted to sabotage, and will need serious intervention by the City Manager.

6.3.2 The influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality

The finding in this regard was that eThekweni structures were very tall, hierarchical, and bureaucratic. A need exists to revisit the OD framework used for restructuring. Also, the City Manager was not using the opportunity afforded by S.22 of the MSA to do the restructuring as he deems fit to improve service delivery. A taller structure delays decision making and hence impacts service delivery negatively.

The other finding was the ineffectiveness of the LLFs who are supposed to be vehicles for OD processes like restructuring. An impasse at this level means structures will not be transformed and the municipality will drift further and further away from flatter structures, quick decision making and effective service delivery.

6.3.3 The extent to which the relationship between management and unions affect productivity measurement and improvement

The findings in this regard were as follows:

- Lack of a holistic, integrated productivity measurement and improvement process in the municipality.
- No approved productivity measurement and improvement strategy and or policy.
- Lack of joint ventures with unions regarding OD initiatives.
- Non-prioritisation of OD initiatives in the LLF.

6.3.4 The influence of the relationship between management and unions on the continuous upgrading of education and training of employees

The findings in this regard were that eThekweni is not yet at the level of a 'learning' organisation due to the management and unions not agreeing on issues in the LLF that could influence training in the right direction. The following challenges existed:

- The WSP contained courses that were outdated.
- Need for training of shop stewards in management techniques including OD
- Need for the training of Managers in labour relations.
- No budget for the Training Unit (EMA) to do holistic training.

6.3.5 The extent to which union cooperation with management will contribute to a world class organisation

The overarching finding is that 100% union cooperation is needed for an organisation to reach world class status. It was established that union cooperation will be at its best if the municipality implemented “climate consultation” where the municipality management did joint strategic planning with unions. This finding, though *prima facie*, which sounds like a foreign terrain especially in eThekweni, is supported by our theory of Society Corporatism (Finnemore 2009:164) and will have to be implemented.

The other finding was that unions were flouting legislation as set out in the LRA, the policies and rules set out in the SALGBC Collective Agreement and saw themselves as politicians

The researcher felt that the above finding was above the present study and has a heuristic value and needs further study.

6.3.6 The influence of the relationship between management and unions on fewer grades in the municipality’s grading system

The first finding in this regard was the inadequacy of the Task Grading System implemented by the municipality. However, Task is based on the present posts approved by the municipality and therefore, it was felt that addressing Task now is tantamount to putting the cart before the horse. The real issue was the need to address the tall structures, culminating in a myriad of posts and levels throughout the establishment therefore, dealing with hierarchical structures as mentioned above, will take care of this finding. Regarding the inadequacy of the Task grading system, again this finding can be the subject of future research.

6.4 RESPONDENTS’ GENERAL COMMENTS/RECOMMENDATIONS

Looking at the respondent’s responses throughout the interview it was limpid that the general comments included issues that had been raised in the previous questions. However, one finding seemed to be different and that concerned the issue of Depolitisation of LLFs. This issue was viewed by this researcher in the same light as issues of policies and rules of LLFs that were claimed to be flouted as the reason

for doing that was said to be because they saw themselves as politicians. Again, this issue should do with revisiting the Politics-Administration dichotomy of Public Administration and was therefore, considered an issue of future research by this researcher.

6.5 CONCLUSION

Having thoroughly examined through a fully-fledged research study, the influence of the relationship between management and unions on Organisational Development (OD) in the eThekweni Municipality, and managed to get full cooperation from the respondents, which culminated in more findings on which recommendations will be formulated, the study achieved its purpose of exposing this influence and show the kind of benefit the municipality can eke out of OD if it manages the management-union relationship appropriately.

Pitching the study at the highest level, using Finnemore's model of a world class organisation flowing from the Societal Corporatism theory, the gap between where the municipality is and where it needs to be was clearly exposed which made a lot of profound and useful data to be gathered. From the analysis of findings, both management and unions are determined to bring about changes in the way they reviewed each other. There is also a realisation that OD can make a difference in improving service delivery in the municipality. Lastly, the study roused a lot of interest in other areas beyond its scope, which proved that it had a heuristic value.

6.6 RECOMMENDATIONS OF THE STUDY

The recommendations will be given in terms of each of the themes which flow from the research questions as well as the interview schedule reflected in Annexure B.

6.6.1 Recommendation on the general view on the management and union relationship regarding OD

The City Manager should take charge and prioritise the process of ameliorating the management and union relationship and the employment relations climate in the municipality. Further, the City Manager should hold regular meetings with the principals and deal with issues of restructuring and other issues openly and on an ongoing basis.

The issue of management sabotage should also be put top of the City Managers' agenda and in this regard, implement corrective measures including re-training of managers and instituting disciplinary procedures if such practices persist.

6.6.2 The influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality

The recommendations in this regard are as follows:

The City Manager needs to revisit the existing OD framework to allow for the effective restructuring of the municipality. The OD framework must not only address sections of the structure like the 2nd page of the Organogram, but must be used by the City Manager as a vehicle for holistic restructuring from the top most levels to the lowest levels. This process must be owned and driven by the City manager as S.22 of the MSA dictates.

It is however felt that, notwithstanding the above recommendation, a proper model of restructuring for a world class organisation is a massive issue that will require proper investigation using appropriate benchmarks and best practices which are not readily available. It is recommended that this part is beyond the scope of this study and should form part of future research.

The City manager must also convene an Employment Relations Indaba where all issues affecting the management-union relationship, ineffective LLFs, etc. can be addressed. This will provide a smooth passage of organisational structures during consultations at the LLF level, and open doors for more effective and successful restructuring.

6.6.3 The extent to which the management and union relationship affects productivity measurement and improvement

The recommendations in this regard are as follows:

The productivity measurement and improvement strategy and policy should be crafted, approved and implemented as an instrument to enforce the measurement and monitoring of productivity in the municipality.

The unions must be trained in OD methodologies and tools, especially when massive OD programmes like Quality Circles, BPR are implemented. This will facilitate buy-in and quicker and effective implementation of OD programmes aimed at improving productivity and service delivery.

6.6.4 The influence of the relationship between management and unions on the continuous upgrading of education and training of employees

The following recommendations are made in this regard:

The municipality through its Training Unit (EMA) should upgrade the courses on the WSP as a matter of priority to enhance the development of municipal employees.

The training of shop stewards in the management techniques through the rolling out of management courses like MDP to labour should be implemented without delay as this will enhance labour's understanding of critical management issues thereby allowing labour to operate at the same level as management.

The training of managers in labour relations is also critical and should be implemented as a matter of urgency to enhance management's understanding of labour legislation which will enable them to deal effectively with their counterparts in LLF meetings.

The Training Unit (EMA) should be provided with an adequate budget to implement training in the municipality.

6.6.5 The extent to which union cooperation with management will contribute to a world class organisation

In this regard, the recommendation is as follows:

eThekwini must create a societal corporatist structure where it is in partnership with unions where they will become partners in social dialogue enabling them to be partners in decision making meaning they should also be involved in strategic planning jointly. It is accepted that this cannot be done overnight but as our theory has proven, it can be done albeit as a phased in processes. The employment relations Indaba recommended above can be a good starting point.

6.6.6 The influence of the relationship between management and unions on fewer grades in the municipality's grading system

The recommendation in this regard is as follows:

The Task Grading System is based on the existing restructuring processes and models. The existing OD restructuring framework has been declared inadequate for delivering the flatter, non-hierarchical structures required by world class organisations. Notwithstanding other recommendations made above in terms of the City Manager taking charge and drawing the restructuring in terms of S. 22 of the MSA, the issue of a restructuring model for a world class organisation has been recommended above by this researcher as a subject of further research. Concomitantly, as grading follows restructuring, the issue of inadequacy of the Task Grading System will be recommended as a subject for further research.

6.7 RECOMMENDATION ON THE RESPONDENTS OWN RECOMMENDATIONS

The recommendation in this regard involved the issue 'Depolitisation of LLFs' which has been found by this researcher to be a recommendation for further study rather than a recommendation for practice. As such, this recommendation is dealt with below.

6.8 RECOMMENDATIONS FOR FURTHER RESEARCH

This study was limited to exploring the influence of the management and union relationship regarding OD in eThekweni Municipality. Upon investigation, some issues were found to be too massive and beyond the scope of the present study and hence recommended for further research.

The following issues are recommended for further research:

- Model of restructuring for a world class organisation.

The Societal Corporatist theory employed in this study and supported by streams of literature has demonstrated what a world class organisation is, and how it defines flatter and non-hierarchical structures thereof. A model of restructuring for such an organisation still needs to be investigated as it has been proven to be a requisite for our municipality

- Linked to the above, is the issue of inadequacy of the Task Grading System

A cursory look at this subject has revealed that some municipalities have implemented Task but are experiencing problems along the way. eThekweni itself has had its fair share of challenges, to the extent that there are numerous, ongoing appeals against the final outcomes report (FOR) issued by SALGA regarding how posts have finally been graded where those grades have not been accepted by incumbents and their union representatives.

- Depoliticisation of LLFs

This was also viewed as a serious issue that emanated from this study. While there was no doubt about its relevance, it was however, deemed to be far above the scope of this research as the researcher is not sure if the same situation exists in other municipalities. This very interesting subject is therefore, recommended for further study.

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ANNEXURES

ANNEXURE A: Research Instrument

INTERVIEW GUIDE

Degree: Master of Administration
Researcher Name: Dennis Maqhawe Mthembu (083 381 3427)
Supervisor Name: Prof TI Nzimakwe (031 260 2606)

Introduction

The introduction will entail the explanation by the researcher of the purpose of the study and the role of the respondents. It will be an initial session to set the scene and also explain some critical aspects of confidentiality.

Section A Organizational Profile

1. Status within the organization

| | | | | | | | |
|-------------------|--|------------------|--|---------------------------------------|--|-------------|--|
| Senior Management | | Union Management | | Organizational Development Specialist | | Shopsteward | |
|-------------------|--|------------------|--|---------------------------------------|--|-------------|--|

2. Length of service in the municipality

| | | | | | | | | | |
|------------------|--|-------------|--|-------------|--|--------------|--|--------------------|--|
| Less than 1 year | | 1 – 3 years | | 4 – 6 years | | 7 – 10 years | | More than 10 years | |
|------------------|--|-------------|--|-------------|--|--------------|--|--------------------|--|

Section B: (Management – Union relationship in your organization)

3. What is your general view of the management and union relationship regarding OD in eThekweni Municipality?
4. What is the influence of the relationship between management and unions on flatter and non-hierarchical structures in the municipality?
5. How does the relationship between management and unions influence productivity measurement?
6. What is the influence of the relationship between management and unions on the continuous upgrading of education and skills of employees?
7. How does union co-operation with management contribute to a world class organisation?
8. What is the influence of the relationship between management and unions on fewer grades in the municipality's grading system?
9. What are your own recommendations for improvement of the relationship between management and unions that can influence OD positively?

Conclusion

The researcher will conclude by thanking the respondents for their participation in the research and re-affirming issues of confidentiality. University processes will be explained in terms of how results will be obtained.

ANNEXURE B: Letter of Informed Consent

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Dear Respondent,

D Admin Research Project
Researcher: M Mthembu (083 381 3427)
Supervisor: Prof TI Nzimakwe (031 260 2606)
Research Office: Ms M Snyman (031 260 8350)

I, Maqhawe MTHEMBU (213553252), am a Master of Administration (Public Administration) student in the School of Management, IT and Governance, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled “*The Influence of the Relationship between Management and Unions on Organisational Development in eThekwini Municipality*”.

The aim of this study is explore the influence of the relationship between management and unions on fewer grades in the municipality’s grading system and its impact on productivity measurement in eThekwini Municipality.

Through your participation I hope to determine the extent to which union co-operation with management will contribute to eThekwini Municipality being a world class organisation.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of MIG, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

This interview should take about 20-30 minutes to complete. I hope you will take the time to participate in the interview.

Sincerely

Investigator’s signature _____ Date _____

This page is to be retained by participant

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

D Admin Research Project

Researcher: M Mthembu (083 381 3427)

Supervisor: Prof TI Nzimakwe (031 260 2606)

Research Office: Ms M Snyman (031 260 8350)

CONSENT

I _____ (full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

I hereby consent / do not consent to have this interview recorded

Signature of Participant

Date

This page is to be retained by researcher

ANNEXURE C: Permission from the Municipality



OFFICE OF THE DEPUTY CITY MANAGER Corporate & Human Resources

13th Floor, Shell House
221 Anton Lembede Street, Durban, 4001
P O Box 5892, Durban, 4000
Tel: 031 311 3819, Fax: 031 311 3292
Email: dumisile.nene@durban.gov.za
www.durban.gov.za

The Municipal Manager
eThekweni Municipality
City Hall, West Street
P.O Box 1014, Durban, 4000



Mr S Sithole

RE: Permission to Conduct Research within eThekweni Municipality

My name is Dennis Maghawe Mthembu (Student No: 213553252). I am a Master of Administration student at the University of KwaZulu Natal (UKZN), in the School of Management, IT and Governance (SMIG) within the College of Law Management Studies. As part of the requirements of my degree, I am currently engaged in a research investigation entitled "The influence of the Relationship between management and unions on organisational development in eThekweni Municipality" under the guidance of Prof. T. Nzimakwe

The main objectives of this study are as follows;

- To explore and explain the characteristics of the management- union relationship that facilitate or hinder organisational development in the eThekweni Municipality
- To determine the extent to which the management- union relationship affect organisational development
- To determine and suggest recommendations on how the management- union relationship should be managed to advance organisational development

In order to complete this investigation and meet the objectives of the study, I need to interview the senior managers located within Trading Services and HR Clusters, OD practitioners, shop

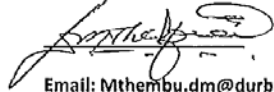
stewards and union management. As a result, this letter serves to request permission to undertake this research among the above mentioned stakeholders.

I will ensure that the identification of respondents will remain anonymous, and that this study will be conducted with adherence to the Ethical standards for research as outlined by the University which bind me to the highest standards of research integrity. The study will be conducted outside working hours and no council material will be used. I further commit myself to providing a copy of the study to the municipality and that the details of the study will be published only after opportunity for comment by the municipality has been provided for.

Your assistance and favourable response will be appreciated. Should you require any further information, you may contact me, or my supervisor.

Yours Sincerely

Mr DM Mthembu



Email: Mthembu.dm@durban.gov.za

Cell: 083 381 3427

Supervisor: Prof. T. Nzimakwe

Email: nzimakweth@ukzn.ac.za

Tel: 082 959 2635

Approved/ not Approved



S. Sithole: City Manager

ANNEXURE D: Language Editor's Report



Dear Sir/madam

Re: Confirmation of thesis editing and proofreading

This letter serves to inform the responsible authorities that the work done by **Dennis Maqhawe Mthembu**, has been edited and proofread by our team to the best of our ability. Our editing involves spelling check, plagiarism check, formatting and no technical alterations have been made.

For more information, please do not hesitate to contact me on the details provided below.

Yours,

A handwritten signature in blue ink that appears to read "B. Mutsvene".

B. Mutsvene (Coordinator)

(sowcor@assignpros.com or 074 610 7416 or 06 022 3162)

Website: www.assignpros.com

ANNEXURE E: Ethical Clearance