ADVANCED INDUSTRIAL RELATIONS
VACATION SCHOOL – DAY 2
April 2016

1. International Reflections on Labour Related Aspects
2. Participants in Namibia’s Labour Relation System
3. Contemporary Issues in the Namibian Labour Market
4. Ethics in Labour Relations
INTERNATIONAL REFLECTIONS ON LABOUR-RELATED ASPECTS

i. Namibia part of international community
ii. Namibia directly influenced by globalisation
iii. Globalisation forces Namibia to increase its competitiveness to obtain world-class status
iv. The challenge to most countries is to understand various employment relations processes and business systems at international level rather than at organisational level.
v. Comparative analysis offers theoretical development in field of employment relations
vi. The above helps in understanding the impact of globalisation on national patterns of employment relations
Other reasons for studying of international comparative employment relations

• Provide greater perspectives and insight into national issues in one’s country (compares different labour relations practices with that of other countries)
• Contributes to knowledge about IR in other countries
• Offers sources of new models for policy development
• Offers insight for theoretical development in ILR
• Contributes to construction of useful theories
• Illustrates forces with an effect on other employment systems and our own
• Understanding these forces allows for scenario settings regarding one’s own system and
• Provides for establishment of foundations for predictions of future events
NB!!!

Employment relations structures, systems and processes of one country cannot merely be copied and used by another country because of different cultures, traditions, and values (Bendix, 2010, p.751)
Globalisation

• Increasing ease with which people all over the world connect with each other as if, metaphorically speaking, the world is shrinking!!!

• “Globalisation is a multidimensional set of social processes that create, multiply, stretch and intensify worldwide social interdependencies and exchanges while at the same time fostering in people a growing awareness of deepening connections between the local and distant.” (Seger, 2003) in Dibben et al., (2011: 106-7)

• Definition emphasises the idea of interconnectedness and interdependency among nations
Effects of globalisation

- Integration of economic activities
- Rising competitiveness
- Relocation of business activities
- Innovations and rapid technological developments
- Rise of atypical employment forms
- Changes in work content and working conditions
- Need for life-long learning and multi-skill acquisition
- An increase in labour migration
Advantages and disadvantages of Globalisation

• Businesses can relocate operations with fewer labour and business restrictions (A)
• Economic interdependence encourages similar business approaches and processes leading to some convergence of in employment relations worldwide (A)
• Brings the greatest benefits to the greatest number – because market is a self-regulating mechanism which tends towards equilibrium of supply and demand (A)
• Leads to a loss of national self-determination (A)
• Brings about economic efficiency, competitiveness (A)
• Employers and unions are forced to expand their agendas, networking and alliance building (A)
• Many businesses relocating operations to countries where employees are least protected and where working conditions and wages are low (AD)
• Has negative effect on environment, fair trade, labour rights, women’s issues and human rights (D)
International and regional bodies

- **International Labour Organisation (ILO)**
  - Focuses on quality of employment relations world-wide
  - Has adopted more than 180 conventions (check for these on the internet)
  - Has more than 190 recommendations to member states
  - Namibia member of ILO
  - ILO-a specialised agency of UN dealing with labour issues ([www.iolo.org](http://www.iolo.org))
  - Headquarters in Switzerland in Geneva
  - At conferences conventions and recommendations are crafted and adopted by majority decision
  - Global body is responsible for formulation and supervision of international labour standards of basic labour rights
ILO Supervises...

- Freedom of association, The right to organise
- Collective bargaining, Abolition of forced labour
- Equality of opportunity and treatment etc.

Working with its members ILO seeks to ensure that labour standards are respected in practice as well as in principle; it is essential for countries to comply with the ILO’s minimum labour standards

- Promote opportunities for women and man to obtain decent and productive work, in conditions of freedom, equity, security and human dignity

- ILO Strategic objectives to obtain the above:
  - Promote and realise standards and fundamental principles and rights at work
  - Create opportunities for women and men to decent employment and income;
  - Enhance the coverage and effectiveness of social protection for all;
  - Strengthen tripartism and social dialogue
The New Partnership for Africa’s Development (NEPAD)

- Programme of African Union (AU)
- Adopted in Zambia in 2001
- Spearheaded by African leaders
- Vision and mission of NEPAD is the socio-economic development of the African continent
- Strives to redress the social, economic and political imbalances of the past
- Strives to speed up Africa’s integration into international arena
Goals and programs of NEPAD

• To promote accelerated growth and sustainable development
• To eradicate widespread and severe poverty
• To halt the marginalisation of Africa in the globalisation process

• Human development
• Economic and corporate governance
• Some cross-cutting issues, including gender equity and capacity building
• NEPAD identifies up-liftment of continent’s human resources as critical to achievement of its stated goals
• Job-creation, education and skills development considered as driving forces in this regard.
General global employment trends

- ILO report in 2010 show that worldwide many employment challenges are unresolved
- Pertinent issues still unresolved:
  - Increasing unemployment levels (esp. among the youths)
  - Vulnerable employment increasing (e.g. Labour brokers)
  - Increasing poverty
  - ILO says only 20% of the world population has sufficient social security coverage
  - More than 50% lack any kind of social security protection
  - It is against this background that ILO is focusing many of its endeavours on the creation of the decent work agenda
- Developments discussed so far impact on certain labour relations trends
- A significant number of multinational and multi-sector changes are evident both in conduct of collective bargaining and on strength of role players
Trade Unions

- There is a decline in trade union membership and power
  - Trade union membership declining since 1980s (ILO Report-2000)
  - Decentralisation policies now order of the day
  - In EU, use of trade unions for negotiations decreased by 17% in 1999 alone, UK decreased from 45% in 1985 to 29% in 2000 (Bamber et al., 2004:344-345)
  - Australian union density declined from 51% in 1976 to 25% in 2000 (The reason in Australia was legislation change in 2010, and this made it more difficult to join trade unions, and employers more hostile to trade union members)
- In Japan union membership declined from 34% in 1976 to less than 20% in 2003. Reason was changes to industrial structure, growth of service industry, increase in number of part-time workers (only 3% of p/t workers are union members)
- Delays in unionising service industry and part-time workers is other reason.
Trade Unions

• Globalisation – increases in power inequality between multi-national employers and employees
  - Limits ability of trade unions to organise employees
  - Increase in atypical work (temporary or fixed term/ seasonal work)-vulnerable employment
  - Growth of informal sector (SMEs)
• Still influential in collective bargaining although there is decline in membership
• In SA COSATU is very powerful
• In France in non-agricultural sector, Low membership of unions (approximately 6% in the private sector) coexists with collective bargaining of almost 90%
Changes in union membership make up

- More and more women joining
- In UK, Canada, Australia, Japan etc. number of women union members equal to men
- In Sweden, Norway and Finland women union members are more than men
- Above indicates greater participation of women in formal labour and adoption of equal opportunity policies
- Research shows decline in youth membership – causes to be still researched
- Membership low among workers in atypical employment
- Also membership low in private sector
- Membership has either remained the same or decreased in public sector
- In SA decrease in 2003 due to DOL deregistering of 150 union
Employers’ organisations

• Membership also declining (Weiss, 2004:5)
• This is due to globalisation challenges
• Industries need to be restructured due to increased competition – this discourages unionisation
• Because of these international pressures companies opting for decentralised collective bargaining as way of adapting to changing labour and product market needs
• Employers moving away from centralised collective bargaining
Collective Bargaining

- Globally, the dominant level of collective bargaining is at plant level
- The above is true for Asia-Pacific region, Eastern Europe, Africa and Americas (Holtzhausen, 2011)
- USA mainly supports decentralised collective bargaining
- However, there are examples of sectoral or national bargaining in some parts of the economy especially in the public sector
- Centralised bargaining is practised in the EU, Argentina, Brazil, Uruguay and SA
- Level of detail contained in agreements at national level is decreasing
- Agreements increasing reflecting minimum standards and policy frameworks or objectives
- The above allows for greater operational flexibility
- Union-negotiated agreements/contracts in Eastern Europe are often-less detailed
- In Spain or France with low union density, in outside large organisations and the public sector, employers have the latitude to disregard the letter if not the spirit of the contract.
Collective Bargaining

- CB remains integral part of constructive labour relations.
- CB fundamental in inculcating a culture and spirit of participation, cooperation and compromise, thus helping in the generation of economic growth.
- A close examination of LA provides a comprehensive framework for the facilitation of collective bargaining:
  - The notion of the duty to bargain is explored. Although there is no legislated duty to bargain, a number of organisational rights are extended by the LA, particularly to unions as a precursor to CB. These various rights are introduced.
  - Good faith bargaining is encouraged through the institutional framework for bargaining contained in the LA. This framework provides for the establishment of bargaining structures such as bargaining and statutory councils and workplace forums as well as for the conclusion of CAs.
Organisational rights of a Trade Union

• Access to the workplace
• The deduction of trade union subscriptions or levies
• Leave for trade union activities (the above rights are afforded a sufficiently representative trade union)
• Election of trade union reps (shop stewards)
• The right to demand relevant information from the employer (disclosure)
• The conclusion of agency and closed shop agreements
Registration of a trade union

- Adopt a name (Not the same as other union)
- Adopted a constitution-meeting requirements like membership, fees; procedures, officials and trade union reps.
- Has address in the republic
- Independent.
Freedom of association

• Freedom to participate in forming a trade union or employers’ organisation
• To join a trade union, subject to its constitution
• To participate in lawful activities of a trade union
• To participate in the election of any of its office bearers, officials or trade union reps.
• To stand for election and be eligible for appointment as a trade union office bearer or official and, if elected or appointed, to hold office, and
• To stand for election and be eligible for appointment as a trade union representative and, if elected or appointed, to carry out the functions of trade union representative in terms of the Labour Act or any collective agreement
• The net effect of freedom of association is to protect the rights of employees to belong to and participate in the affairs of a trade union
• Accordingly, dismissal or victimisation of an employee for belonging to a trade union, or for participating in lawful trade union activities is an offence
Closed shop agreements

• Closed shop agreements infringe on the right of non-association!!
• Closed shop agreements make membership of a particular trade union compulsory and a condition to gain employment
• Closed shop agreement is an agreement between an employer and a majority trade union requiring all employees covered by the agreement to become members of the majority union
• Closed shop agreements can be pre-entry or post-entry
• Pre-entry closed shop agreement, makes a job offer on condition of the job applicant being a member of the trade union
• Post-entry closed shop agreement requires the job applicant to join the trade union within a certain period after starting working for employer where the union is majority representative
Closed shop agreements

- Binding only when:
  - A ballot has been held of employees to be covered by agreement
  - Two thirds of employees voted in favour of agreement
  - There is no provision in the agreements requiring membership of a representative trade union before employment commences, and
- It provides that no part of the amount deducted may be;
  - Paid to a political party as affiliation fees
  - Contributed in cash and in kind to a political party or a person standing for election to any political office, or
  - Used for any expenditure that does not advance or protect the socio-economic interests of employees
Advantages of a closed shop agreement to the parties

• There will be no allegations of discrimination-by making members of same union a condition of employment
• No inter-union rivalry or disputes over recognition
• Union covered by collective agreement considered sole bargaining agent
• No issue surrounding the payment of non-unionised employees who cannot be gainfully employed during industrial action
• Problem of free-riding effectively eliminated; employees who were not members of trade union forced to join and be paid up members
• Employees protected from anti-union victimisation
• Unions now have consolidated power without worrying about rival unions moving in and poaching members
Employers’ and Employees’ organisations

• Hirers and providers of employment in the labour relationship
• Employers can be individuals, groups of individuals, companies (juristic persons)
• State is also an employer
• State to separate itself from its role as facilitator and regulator of the employment relationship?
• Since employees are economically dependent on employers, the balance of power in the employment relationship often tilted in favour of the employer
• For this reason employees form collectives to represent the voice of labour
• With this voice employees counter the threat of exploitation or force employers to accede to their demands at the bargaining table
Employers’ and Employees’ organisations

- Unions are effective at garnering support and mobilising the workforce to threaten the existence and sustainability of organisations.
- This sufficiently outweighs any power an employer may hold over the employee through the withholding of wages.
- Additionally, unions form allegiances with political parties which they influence to their benefit, and which they may help to bring to power; this dramatically influences the way labour policy is shaped; swings the balance of power in favour of employee.
- Employers’ also combine to form collectives.
- This is done with the express intention of countering the power of trade unions/trade union federations.
- This allows them to bring pressure to bear on not only trade unions, but also on the government; thus representing their members’ interests.
Factors hampering Employer federations

- Competitive Federations find it difficult to built coalition.
- Generally, organisations are dominated by bigger employers who seek concessions and settlements which may not be viable for small companies.
- Marginal employers may find it difficult to support concessions sought by bigger employers.
- Differences in principle on labour relations strategies to be negotiated.
- Obtaining mandate from all members of the employers’ organisation may be time consuming; in practice a few hands of leaders at a centralised level end up making decisions.
- Interpersonal rivalries between managers of various organisations may not only hamper the growth of the employers’ organisation, but may also result in difficulties in unswerving and principled negotiation positions- The inability to reach consensus works in favour of the unions who takes advantage of a weakened bargaining position.
Important Abbreviations/Acronyms

• ITUC – International Trade Union Confederation – for Building Construction Workers
• OATUU – Organisation of African Trade Union Unity (1973) 73 Members
• WFTU – World Federation of Trade Unions
• NUNW – National Union of Namibia Workers
• TUCNA – TRADE UNION CONGRESS OF NAMIBIA
  – Formed as a merger between Namibia Federation of Trade Unions (NAFTU) and the Namibian People’s Social Movement (NPSM) in May 2002
  – TUCNA was created by unions which rejected the political linkages between the ruling SWAPO and the National Union of Namibian Workers (NUNW) formed in April 1971 by SWAPO while in exile and still closely linked to the party.
UNIT 2
Participants in Namibia’s Labour Relations System

The Tripartite Relationship
Tripartite Relationship

• Three major role players are:
  - Employers
  - Employees, and
  - The state (Government)
• Two types of relationships found in tripartite relationship; Primary and Secondary
  – Primary relationship – focuses on relationship between employer and employee
  – Secondary relationship focuses on interactions between the state, employers and employees
Roles of each of the tripartite partners

• **Employees’**
  - Provide their labour to employer
  - Labour provided in exchange for wages (because of economic dependence, employees are vulnerable and open to exploitation)

• **Employer:**
  - Provide work
  - Purchases labour (Can be individuals, groups or companies)
  - State also an employer
  - Plays a secondary role as a regulator and facilitator of the employment relationship
  - Can form employers’ organisations?
Roles of each of the tripartite partners

• The state:
  - Provides the regulatory framework
  - The state affects nature of the employment relationship???
  - Before independence the nature of employment relationship arranged along racial lines
  - Nature of labour relations reflected in political dispensation currently ruling the country
• Made up of the executive, the legislature and the judiciary
• Executive includes the political leadership
• Political leadership is responsible for formulating and executing labour policies and strategies
• Legislature shapes the labour legislative framework that governs the labour relationship
Roles of each of the tripartite partners

- The judiciary, in particularly the labour and constitutional courts, interpret laws developed by the legislature
- The state may act in a conciliatory role
- State provides mediation, conciliation and arbitration through legislation
- State further acts as an overseer of the industrial relations arena
- State may set up various bodies to monitor developments, and may produce guideline on the conduct of the labour relationship, e.g. Various codes of conduct.
- Together the organs of the state regulate the relationship between employers, employees’ and their elected representatives
- The extent of regulation depends on the system of political governance
Roles of each of the tripartite partners

- Between the two variations lies state intervention which shapes the labour relationship
- Most countries regulate the labour relationship through legislative frameworks
- For example state protect employees against unfair work practices, promote collective bargaining, protect strike action, and facilitate trade unionism
- Labour rights are protected by the constitution for example
- The state can either be pro-capital or pro-labour orientation biased
- The bias determines the degree of state interference in the conduct of the labour relationship
Trade Union Recognition

- Union to have a distinguishing name
- Adopt a constitution
- Have an address in Namibia
- Independent
  - A union with significant membership is representative
  - Majority is 50% + 1
  - At least 30% of total workforce (bargaining unit)
  - The above ensures that one employer is not over burdened with many trade unions claiming representation
  - Inter-union rivalry also avoided
  - To prove representativeness to employer union present credible evidence of signed membership forms.
Types of trade unions

- Trade unions classified according to nature of organisation;
  - Craft
  - Industrial
  - General unions
  - White-collar
  - Unions better classified as open and closed
    - Open – no restrictions on membership
    - Closed – restricts membership
Craft unions

- Workers have specific skills
- Workers perform defined types of work
- Have common interest in forming craft union
- Formed across several industries or geographical areas
- Historically trade specific; e.g. electricians, plumbers, carpenters etc.
- Eliminate barriers restricting entry to specific trade; maintain control number of apprentices on training; become monopolistic job supplier; raise wages by so doing; prevent job dilution; regulate entry through closed shops
- Ensure high standards of training; resist changes in work practices
- Resist any fragmentation of jobs-prevent employment of less skilled people at lower rates of pay to compete with them for jobs.
- Craft unions weakened by technological development
Industrial unions

- Sometimes referred to as sectoral
- Focuses on organising employees in a single, well defined industry irrespective of jobs being performed
- Across industries; mining, metal, chemical, automotive, and construction
- Membership across industry; hence have to recruit more members
- Power of union augmented can launch industrial action at a number of different companies simultaneously; this increases pressure on employers to resolve disputes in favour of employees
- Inter-union rivalry is reduced - Smaller unions tend to disappear and employers negotiate with dominant unions
- Communication between union and employer more effective - better coordinated industrial planning results
- Because of its huge union membership, the union becomes the voice of workers in the industry; can effectively lobby government on political and social issues
Disadvantages of industrial union

• Dominant union may be extremely weak; this leads to inter-union rivalry and harsh competition for members

• Union may find it far more difficult to implement a concerted and protracted strike action because of the enormous costs involved in keeping all members out on a strike

• Allegations of poaching may arise from competitive unions in other industries because it is difficult to clearly delineate industry boundaries
Other Unions

GENERAL UNIONS

• Recruit from all possible sectors
• Organise workers regardless of sector, area or occupation
• All workers need only share common interest
• Workers also only need to share identity as workers
• Have potential to be largest unions because they recruit from all sectors
• Broad and all encompassing membership dilutes the power base at industry level; union’s ability to effectively organise is inhibited

WHITE COLLAR UNIONS

• Seek to organise non-manual workers
• Often call themselves associations (to distinguish themselves for hourly paid counterparts)
• Seen as superior to trade unions
TRADE UNION FEDERATIONS

• Individual can combine resources with other unions to form a federation

• This is done to enhance their power through obtaining bigger and stronger voice

• Forming a federation enhances the union’s power and status

• Unions are able negotiate more effectively and have a better chance of achieving more broadly based political and economic goals

• Union federation can exercise considerable power in social and political affairs; e.g. COSATU in SA
Why workers join trade unions

1. Protection from exploitation
   – Protecting the work and non-work related interests of members (economic, social, political or environmental)
   – Actively seek to influence members working conditions
   – Closely monitor safety, health and welfare of members in the workplace
   – They lobby government to come up with legislation to regulate the above mentioned issues
   – Unions ensures that dismissals, discipline and grievance handling is fair and procedural

2. Economic and welfare needs

3. Job security issues
   – Maintenance of job security for members considered a high priority
   – Sometimes union benefits waived to ensure members remain employed
   – Due to above unions are highly involved in retrenchments and rationalisation initiatives.
Why workers join trade unions

5. Socialisation and self-fulfilment
   – Promote growth and development of their members
   – Create opportunities for socialisation, promote education and training
   – Members meet regularly to interact and develop relationships
   – Unions provide training schemes and financial assistance to improve members qualifications and skills

6. Political issues
   – Unions help in bringing about fundamental political change; e.g. SA, Zimbabwe, Zambia
   – Through stay-aways, boycotts, strikes etc. unions have forced governments to change. (Less need for this these days, but provision is there in the Labour Act, for socio-economic protest)

7. Protection of a particular trade

8. Psychological needs
Various methods used by trade unions to achieve objectives

- Collective bargaining
- Collective action
- Representation at company level
- Affiliation
- Political engagement
- Benefit funds
- Education and social programmes lobbying and representation on various bodies
PART OF UNIT 1
The BRICS countries

Brief overview of labour related aspects
BRICS Countries

- BRICS – Brazil, Russia, India, China and SA
- BRICS account for 42% of world population
- Account for 18% of global GDP (Golly and Song, 2011)
- Overarching objective of BRICS – creating peace, security, development and co-operation to bring together these five emerging economies
- To contribute extensively to development of humanity
- To establish a more equitable and fair world
- Five countries see BRICS serving as a major platform for dialogue and cooperation in a world they acknowledge is undergoing sweeping, multifaceted, profound changes, marked by an increase in multi-polarity, economic globalisation, and increasing interdependency.
- Their declaration states that, “We underscore our firm commitment to strengthen dialogue and cooperation in the fields of social protection, decent work, gender equality, youth, and public health, including the fight against HIV / AIDS.”
Challenges the five countries still face

• Economic growth is creating approx. 22 million new jobs each year, in BRICS
• But significant underemployment still exists
• 45% of jobs in Brazil, 53% in China, 90% in India are in low productivity informal sector
• Between 2001 – 2008 trade between BRICS grew by 28%
• Russia and Brazil introduced restrictive measures against Chinese imports because of China’s threat to local industries and employment through imports of cheap Chinese goods
• Also as a result of harsh working conditions and low wages paid to employees in China.
• In SA same conditions exist in the textile industry
• SA 2006, introduced quotas on importation of certain clothing lines
General labour related challenges facing the African continent

- Endemic unemployment and underemployment
- Political instability
- Large scale movements create social problems like urban drift, informal settlements and xenophobic violence
- Discrimination in the workplace
  - Gender inequality
  - Migrant workers – Low pay levels
  - Racial / Ethnical/ Social Standing Segregation
  - Lifestyle
  - Religion
  - HIV/Aids
  - Violence
  - Harassment & Abuse
- Child Labour
- Skills Gap
- Labour Migration
Quest for decent work opportunities

- The biggest challenges in Africa are:
  - To improve growth and quality in employment
  - Achievement of appropriate minimum wage levels still a problem
- Various macro-economic policies emphasize the goal of generating decent work; also stressed in various international and regional policy frameworks such as NEPAD.
- Africa’s economic growth rate exceed 5% per year for many countries - a better economic growth rate is required to generate sufficient decent work opportunities
- Extreme poverty levels seem to be as high as 37% (55 million people.) of the population in 2006
- Registered unemployment is 10% of the population.
Quest for decent work opportunities

- 46% of the working age population live in families who survive on less than US $1 per day
- More than 80% of the labour force is in subsistence agriculture and large informal sector
- Employees in this sector have a problem of establishing whether an employment relationship exists, and hence are exploited
- ILO report (2007a:2) stresses that 11 million jobs need to be created from 2007 to 2015
- This is in order to achieve unemployment rates that match the world average of about 6%
- Africa needs to make growth more pro-jobs and pro-poor to achieve the goal of halving extreme poverty by 2015.
HIV / AIDS

- Approximately 33.3 million people live with Aids (UNAIDS)
- New infections have declined by 19% since 1999
- Between 2001 and 2009 HIV incidences have decreased by 25% in 33 countries in Sub-Saharan Africa
- The worse hit countries (SA, Nigeria, Zambia and Zimbabwe) show signs of the epidemic declining or stabilising
- 6% of the African population aged between 15 and 49 are living with HIV/AIDS
- 16 million workers and 2 million children suffer from the disease
- The yearly death toll between 1999 and 2004 reached 2.4 million
- Labour force reduced in the region by 0.5% and growth by 0.7%
- ARV’s are said to extend working life on average by 10 years but access to them is slow
- Countries does not have proper HIV/AIDS Strategies in place
- Mining and Road Freight in SA worst hit due to male dominance and migrant nature of the work.
Child labour

- Nearly 50 million African children are economically active
- This is a \(\frac{1}{4}\) of 5 to 15 year olds
- This number is increasing in spite of pledges to eradicate child labour
- Child labour prevents, denies children education and opportunity to acquire knowledge and skills and the potential to be competitive in labour market in adult life
- Child labour causes a vicious cycle of poverty; poverty is passed down from generation to generation
- Impedes the implementation of strategies for poverty reduction, employment creation and education and training programmes
- Subjection of children to worst forms of abuse as child soldiers and those affected by HIV / AIDS are worst challenges facing Africa.
- Minimum age of employment laws can be used to regulate child abuses.
- In SA the BCEA stipulates that the minimum age of employment is 15 years.
Labour migration

• **Challenges arising from labour migration:**
  - Discriminatory practices labour migrants face
  - Xenophobia
  - The protective capacity of labour laws, e.g. SA
  - Only permanent resident labour migrants have access to state social security protection such as disability benefits and unemployment insurance benefits
  - Majority of migrant workers undocumented and do not enjoy protection of public laws.

• SA has received the largest number of migrant workers from neighbouring countries further afield because of its strong, sophisticated and diverse economy

• Other countries such as Zambia, Zimbabwe, Namibia and Tanzania have to lesser extent attracted labour migrants
Closing the skills gap

• ILO (2007a:4) re-emphasizes and supports the importance of education, training and skills development to generate employment, increase productivity and competitiveness; and improve wages and incomes

• African continent does not have skilled workers and this holds back growth and development

• There is also a great shortage of information and communications technologies to bridge the great divide between Africa and other continents
CHAPTER 14
Ethics in Labour Relations

Brief overview of ethics
Business ethics vs Labour Relations

1. Labour Relations deals with:
   • The goals and interest of the parties involved
   • The degree of conflict between parties
   • The power resources available to the parties to reach their goals and interest
   • It is institutional based and does not consider the power of the individual decision maker
   • Focus is on relationship between employer and employee

2. Ethics consider:
   • Individuals are responsible decision-makers
   • The focus is on the power and impact that every individual has in making decisions within the business affecting customer, clients, the environment and society in general
Approaches to business ethics and labour relations

1. Scientific Approach
   • Obtain objective social scientific knowledge of the economic activity

2. Managerial Approach
   • Managers must be enabled to do their work in a fair and equitable manner

3. Organisational Interest Approach
   • Ethics are aligned with organizational goals

4. Guidance Approach
   • Ethics are guided by company vision, mission, policies and procedures, legislation etc.

5. Control Approach
   • Expose areas that require external and internal controls and design procedures to control areas of moral failure

6. Development Approach
   • Identify ways to improve moral development of the individual
Philosophical approaches to ethical decision-making

1. Utilitarian Approach
   • Producing the greatest good and the least harm to everyone involved

2. Rights Approach
   • The decision that best protects and respects the moral rights of those affected

3. Justice / Fairness Approach
   • Ethical decision treats all human beings equally

4. Common Good Approach
   • Focus on the importance and welfare of the society

5. Virtue Approach
   • Act with virtues in tact such as honesty, compassion, courage, generosity, tolerance, love, self control, fairness, integrity and prudence
Ethical decision-making models

1. General Decision Making Model

- Does the issue go beyond legal or institutional?
- Who are the people having a stake in the outcome?
- Do some have a greater stake due to special needs or because we have a special obligation to them?
- What are the options?
- Will everyone’s rights and dignity still be protected?
- What kind of person will I be if I choose a specific option?
- Can my action be made known?
- Apply the golden rule – Do unto others as you want them to do unto you.
Ethical decision-making models

1. Institute of Business Ethics (IBE) Decision Making Model

- Do I mind others knowing what I have decided (TRANSPARENCY)
- Who does my decision affect or hurt (EFFECT)
- Would my decision be considered fair by those affected (FAIRNESS)
Ethical decision-making models

1. Simplistic Decision Making Model

- What are my options
- Are they legal
- Does it fall within any company policy or procedure
- Can my actions be made known