ADVANCED INDUSTRIAL RELATIONS

Ramon Hansen

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Program for the day:

1. Pay & working arrangement
3. Worker Participation
4. Employment Equity
5. Collective Bargaining
6. Negotiation
7. Dispute Resolution
8. Industrial Action
REQUIRED INGREDIENTS:

- Critical thinking
- Sound Reasoning
- Logical deductions
- Subject matter
- Talk about it / read widely

Asking the right questions
Logical flow

1. Where did it all start
2. What went wrong
3. How could it have been avoided.
4. How do you built trust again
5. Why is negotiation imperative to relationship
6. Who do you represent
7. What is your role
DEFINITION / DESCRIPTION

“The dealings or relationships of a usually large business or industrial enterprise with its own workers, with labor in general, with governmental agencies, or with the public. “

“the study of the making and implementation of rules in the workplace, and the factors outside the workplace which influence this process. As such, industrial relations concern the process by which rules are made (collective bargaining), the parties to the negotiation process (trade unions and employers or managers), the outcome of negotiation (collective agreements, pay settlements and so on), and the implementation and policing of these rules (which may involve the use of procedures). Outside factors which influence this process include Government action (legislation, incomes policy and so on) and economic conditions, such as the rate of unemployment.” - EUROFUND
The Oxford Dictionary defines industrial relations (IR) as the "interaction between employers, employees, and the government; and the institutions and associations through which such interactions are mediated." Sometimes treated as the equivalent of labor relations, industrial relations considers the impact of these interactions on humans and organizations.”

“Industrial relations are the relationships between employees and employers within the organizational settings. The field of industrial relations looks at the relationship between management and workers, particularly groups of workers represented by a union. Industrial relations are basically the interactions between employers, employees and the government, and the institutions and associations through which such interactions are mediated.” Naukrihub.com
PAY AND WORK ARRANGEMENT

1. Payment is based on:
   • Demand and Supply of labour
   • Skill levels
   • Comparative market salaries
   • Industry norms
   • Legislative Arrangements – Minimum wage agreements etc.

2. Employer dictate work arrangement
   • Legislative restrictions (45h week)
   • Overtime payment calculations
   • Various leave stipulations
   • Conditions of employment
WE DEMAND SHORTER HOURS!

RIGHT, YOUR LUNCH HOUR COMES DOWN TO FORTY MINUTES!
Handling Labour Relations in the workplace (ch.8)

1. Contractual rights and obligations
   - Explicit and implicit
   - Custom and practice

2. Misconduct
   - Is there a rule
   - Was the employee aware of the rule
   - Was the rule contravened

3. Discipline
   - Taking corrective action
   - Disciplinary Code / Policy
Handling Labour Relations in the workplace  - (Ch.8)

4. Dismissal
   • Procedural and Substantive Fairness
   • Policy recommendations on sanctions for various offences
   • Right to appeal
   • Recourse – Conciliation to Arbitration

5. Incapacity
   • Illness or Poor Work Performance

6. Redundancy
   • Section 34
   • Grievance Procedure
GRIEVANCE PROCEDURE

Grievance Procedure Form
Page One of Two

Name of Employee: .................................................................

Department / Section: .............................................................

Name of Employee’s Supervisor: ...........................................

Date of Incident: ................. Date of submission: ..............

Description of Grievance / What is the problem?:
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.................................................................................................
.................................................................................................
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[Use back of page if necessary]

Desired solution / What does the employee want?:
.................................................................................................
.................................................................................................
.................................................................................................
.................................................................................................
.................................................................................................
.................................................................................................
.................................................................................................

Signature of Employee ....................................Signature of Representative ............Date: .........

Date of First Grievance meeting: ............................................

List names of persons present:
.................................................................

Action / solution suggested to employee [Step 4]: ....................
.................................................................................................
FRAUD AWARENESS AND DETECTION

Warning Signs of Fraud

- Unfamiliar vendors or suspicious vendor addresses (e.g., a P.O. box or an employee's address)
- Excessive or rapidly increasing purchases from one vendor
- Large billings or large purchases broken into multiples
- Same person processing payments and approving new vendors
- Decreasing ratio of cash compared to total current assets, credit-card sales or accounts receivable
- Fluctuating sales with an increasing cost of sales
- Cash advances or non-payroll checks made out to employees
- Altered, dual or otherwise questionable endorsements
- Rising expenses or payment of above-market prices for goods and services
- Contracts that limit competition (e.g., sole-source contracts)
- Repeated awarding of contracts to the same vendor by small margins
"Of course, the first rule of effective management is active participation."
Worker Participation (ch.12)

1. **What is employee participation / involvement/ engagement all about?**
   - Ethics and moral obligation
   - Socio – Public Relations sensitivity
   - Increased commitment through involvement

**ECONOMIC OBJECTIVES**
- Effective decision-making
- Quality improvement commitment
- Increased job satisfaction
- Increased productivity
- Cost control
- Management-Employee ratio
- Improved communication between company and employees
Worker Participation (ch. 12)

2. Forms of employee participation

- Consultation – Management still decides
- Collective bargaining – Agree on COE
- Joint decisionmaking - Consensus
- Co-Management – AA, EE/ER Consultative Forum
- Self management – Project teams
- Financial Participation – i.e. production bonuses
Our latest employee survey shows they have complete confidence in your leadership...

... and worship the very ground you walk upon.

Good, they're well integrated into our corporate culture.

Sir?

They lied!
Worker Participation (ch.12)

3. Essential ingredients for WP success
   • *Management Buy-in* - (not a “nice to have option”)
   • *Organisational Culture* - (*Mwenyopaleka, UBUNTU*)
   • *Management Style* (Leadership)
   • *Flat vs. Hierarchical organogram / Org. structure*
   • *Ongoing assessment* – “What we don’t measure we properly don’t need”
   • *Education and Training* – An ongoing process for both parties to have effective participation
   • *Incentives and Rewards* – Positive reinforcement through monetary and non-monetary rewards
   • *Trade Union Support* – Enhances transparency
   • *Subordinates engaging effectively*
Collective Bargaining - (ch.9)

1. Definition
   • Reconciling conflicting interest
   • Negotiations

2. Representation
   • Employer Federations
   • Trade Unions
   • Govt. as Regulator

3. Bargaining Unit
   • Industry (securities)
   • Group of employees (level, grade, etc)
4. Bargaining Styles
   - Distributive 😊 vs 😞
   - Integrative 😊😊

5. Bargaining levels
   - Centralised
   - Decentralised
   - Advantages and Disadvantages must answer the question WHY?

6. Dispute Handling
   - Usually agreed dispute resolution
   - Mediation / Conciliation – Arbitration – Award
   - Dispute of Right or Interest
Advantages of Centralized Bargaining

i. Can lead to high-performance workplace where labor and management jointly engage in problem solving, addressing issues on an equal standing.

ii. Provides legally based bilateral relationship.

iii. Management’s rights are clearly spelled out.

iv. Employers’ and employees’ rights protected by binding collective bargaining agreement.

v. Multi-year contracts may provide budgetary predictability on salary and other compensation issues.

vi. Unions may become strong allies in protecting Industries from the effects of an economic slowdown.

vii. Promotes fairness and consistency in employment policies and personnel decisions within and across companies/institutions.

viii. Employees may choose whether they want union representation.

ix. A strong labor management partnership may enable the workforce development needed for engaging the technology revolution.

WHAT WOULD THE DISADVANTAGES BE?
The Process of Collective Bargaining

- Union Claim
- Management Proposal
- Negotiations
- Collective Agreement
- 3rd Party Referral
# Negotiation- (ch.10)

## 1. Factors influencing negotiations

<table>
<thead>
<tr>
<th>INTERNAL FACTORS</th>
<th>EXTERNAL FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bargaining Power</strong> – The ability to influence</td>
<td><strong>Economic Climate</strong> – Inflation, Growth rate, Other wage settlements</td>
</tr>
<tr>
<td><strong>Legitimate Power</strong> - The status of an individual influencing others (Union President, CEO of Company)</td>
<td><strong>Political conditions</strong> - Elections, Labour Legislations, Instability</td>
</tr>
<tr>
<td><strong>Referent Power</strong> – Influence through admiration / respect</td>
<td><strong>Technology</strong> – Opportunity and threat, Training &amp; Development, Flexibility</td>
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<td><strong>Expert Power</strong> – The power to influence through information</td>
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<td><strong>Coercive Power</strong> – power to threaten, even if subtle</td>
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<td><strong>Reward Power</strong> – Providing reward for a desired outcome</td>
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</tbody>
</table>
THE SALARY IS NEGOTIABLE ... TAKE IT OR LEAVE IT
2. Good faith bargaining
   • Genuine effort and making concession
   • Polite interaction – nothing personal
   • Off the record / piece-meal agreements

3. Arguments used in wage negotiations
   • Affordability vs. Comparability
   • Cost of Living vs Productivity
   • Public Policy – Filling the gaps

4. Negotiation tactics and strategies
   • Data manipulation (unemployment, finances)
   • Red herrings and Emotive ploys
   • Good cop bad cop
   • Contend, Concede, Compromise
“Don’t worry, I’ve seen this negotiation tactic before”
NEGOTIATING SKILLS

- CREDIBILITY
- TACTICAL VISION
- LANGUAGE
- PSYCHOLOGICAL ANALYSIS
- CULTURAL SENSITIVITY
- TIME PERCEPTION
- CAPACITY TO MEDIATE
- PATIENCE
- SELF-CONTROL
- KNOWLEDGE OF THE DOSSIER
- MASTERING PROCEDURES
Dispute Resolution

Mediation/Conciliation
Mediation, as used in law, is a form of alternative dispute resolution, a way of resolving disputes between two or more parties with concrete effects. Typically, a third party, the mediator, assists the parties to negotiate a settlement. Disputants may mediate disputes in a variety of domains, such as commercial, legal, diplomatic, workplace, etc.

Conciliation is an alternative dispute resolution process whereby the parties to a dispute use a conciliator, who meets with the parties both separately and together in an attempt to resolve their differences. They do this by lowering tensions, improving communications, interpreting issues, encouraging parties to explore potential solutions and assisting parties in finding a mutually acceptable outcome.

Arbitration
Arbitration, a form of alternative dispute resolution, is a technique for the resolution of disputes outside the courts. The parties to a dispute refer it to arbitration by one or more persons, and agree to be bound by the arbitration decision. A third party reviews the evidence in the case and imposes a decision that is legally binding on both sides and enforceable in the courts.
1. Strike Action
   • Complete halt or retardation of work process
   • Must be a concerted / resolute effort
   • There is an unmet demand

2. Types of Strike Action
   • **Work Stoppage** - Down Tools completely
   • **Go Slows** – Deliberate slow down of production
   • **Work to rule** – Do the bare minimum
   • **Work-ins** – Obstructing operations or work space
   • **Product boycotts** – Internal sanctions
   • **Picketing** – Visibility / Media / Bad PR
   • **Overtime Bans** – Stick to normal working hours
MUTUAL & FEDERAL WORKERS

STRIKE FOR 1ST... FOR SALARIES TO ALL VAGE?

STRIKE FOR STRIKE

DO THE MATH...?

007% NEXT END JUNE

HOW DO WE PAY FOR RENT/W

PROPERTY $15

STRIKE PEP 1835
74. (1) Subject to section 75, every party to a dispute of interest has the right to strike or lockout if -

(a) the dispute has been referred in the prescribed form to the Labour Commissioner for conciliation in accordance with section 82;
(b) the party has attended the conciliation meetings convened by the conciliator;
(c) the dispute remains unresolved at the end of -
   (i) a period of 30 days from the date of the referral;
   (ii) the longer period determined in terms of subsection (3)(a), if it is applicable; or
   (iii) the shorter period determined in terms of subsection (3)(b), if it is applicable;
(d) after the end of the applicable period contemplated in paragraph (c), the party has given 48 hours notice, in the prescribed form, of the commencement of the strike or lockout to the Labour Commissioner and the other parties to the dispute;
Prohibition of certain strikes and lockouts

75. A person must not take part in a strike or a lockout if -
(a) section 74 has not been complied with;
(b) the dispute is one that a party has the right to refer to arbitration or to adjudication in terms of this Act;
(c) the parties to the dispute have agreed to refer the dispute to arbitration;
(d) the issue in dispute is governed by an arbitration award or a court order; or
(e) the dispute is between parties engaged in an essential service designated in terms of section 77.
Strikes and lockouts in compliance with this Chapter

76. (1) By taking part in a strike or a lockout in compliance with this Chapter, a person does not commit a delict or a breach of contract, but an employer is not obliged to remunerate an employee for services that the employee does not render during a strike or lockout in compliance with this Chapter.

(2) Despite any other law, an employee or member or official of a registered trade union may, in furtherance of a strike in compliance with this Chapter, hold a picket at or near the place of employment for the purpose of peacefully:
   (a) communicating information; and
   (b) persuading any individual not to work.

(3) Despite the provisions of any contract of employment or collective agreement, an employer must not:
   (a) require an employee who is not participating in a strike that is in compliance with this Chapter or whom the employer has not locked-out to do the work of a striking or locked-out employee, unless the work is necessary to prevent any danger to the life, personal safety or health of any individual; or
   (b) hire any individual, for the purpose, in whole or in part, of performing the work of a striking or locked-out employee.
(4) An employee is entitled to resume employment within three days of the date -
(a) that the strike or lockout ended; or
(b) that the employee became aware or could reasonably have become aware of the end of the strike or lockout; unless the employee has been dismissed for a valid and fair reason.
(5) An employer must not institute civil legal proceedings against any other person for participating in a strike or a lockout in compliance with this Chapter, unless those proceedings concern an act that constitutes defamation or a criminal offence.
80. (1) If the Minister considers it in the national interest, the Minister may –
(a) request the Labour Commissioner to appoint a conciliator to conciliate any
dispute, or potential dispute, between employers and their organisations on the
one hand and employees and their unions on the other hand; or
(b) in consultation with the Labour Advisory Council, appoint a panel of persons
representing the interests of employers, employees and the State to investigate
any industrial conflict or potential conflict for the purpose of
reporting and making recommendations to the Minister.
74 Government Gazette 31 December 2007 No. 3971
Act No. 11, 2007 LABOUR FUND ACT, 2007

(2) Any panel appointed in terms of subsection (1)(b) has all the powers of a
conciliator set out in section 82(18), read with the necessary changes.
QUESTIONS?