

CHAPTER 4: LABOUR RELATIONS FOUNDATIONS

1. INTRODUCTION

It is commonly accepted that labour relations will occur in some form in any organisational environment. An organisation, irrespective of its objectives, exists to satisfy the needs of a community that will normally exist in the form of goods, services or activities. An organisation will only be able to survive for as long as a specific need in a community exists and the organisation is able to satisfy the need in accordance with the expectations of the community regarding cost, quality, place and political correctness.

Organisations can be viewed as systems which are influenced by external environmental variables (eg: economic, social, political) and variables operating in the internal organisational environment (eg: individual and group behaviour in the organisation structure). All organisations will need a clear objective that is understood, accepted and pursued by all members of the organisation. This objective should be focussed on ensuring organisational growth and existence by satisfying the needs of society. In order to achieve objectives, the organisation will make use of the four primary production factors, namely entrepreneurship, natural and/or technological resources, capital and labour.

Since a productive labour force is the key to organisational goal achievement, the labour force of an organisation is expected to be productive. A productive labour force meets the required levels of availability, competence, motivation, health and harmony in the work environment. It is therefore common that organisations strive to attract suitable labour, train and develop them, motivate them and ensure their health and safety in a climate of labour peace or harmony in the workplace. Labour peace can be brought about and maintained through effective labour relations management practice.

Labour relations, as a field of study, therefore provides insight and understanding on how relations between employers and employees, within a specific organisational environment, can best be managed to effectively reach organisational objectives.

2. THE INTERDISCIPLINARY NATURE OF LABOUR RELATIONS

Labour relations can not be viewed as an independent science. It is a field of study that is founded on knowledge emanating from various scientific and behavioural disciplines. The following are the most important disciplines that influence the way in which labour relations are studied and analysed.

2.1 Law

Labour relations take place within a specific legal framework. These laws impact on various labour issues. Subsequently labour lawyers get involved in research and litigation with regards to the application of laws in labour relations. Numerous laws find application in the area of labour in general and labour relations in particular. Most labour relations practitioners and trade unionists also need to possess sound knowledge of labour laws. Labour law is, however, not the ultimate definition of the rules and processes needed to manage labour relations, since the human factor is omnipresent in all labour relationships.

2.2 Psychology

Psychologists, or more specifically industrial psychologists, study labour relations from the angle of the psychological aspects of human relations as they exist in the work situation. Various psychological aspects, such as perception, personality, group behaviour, decision making and motivation will have an impact on labour relations. The psychology expert who is interested specifically in labour relations, will therefore focus on work behaviour and conflict management.

2.3 Economics

Economists will study labour relations from a labour economics view. They will develop labour market theories, theories to relieve unemployment, demographics of the labour market, structures of the labour market and other economic issues. The demand for and supply of labour are investigated together with the effect of collective bargaining between trade unions and employers on wages, wage structures and inflation.

2.4 Sociology

Sociologists study behaviour of groups in a society. The specific area of specialisation in sociology, which focuses on man in the work situation, is called "industrial sociology". Here aspects such as the modern industrial society, the work organisation and in particular the relations between workers and their employers, between workers mutually, between workers and the state and most importantly, between workers and their work, are studied. Trade unions as an organisation where workers gather and interact with the purpose of protecting their interests, is a very common field of study within industrial sociology.

2.5 Management science

Labour relations may also be studied from a management science perspective. The practice of management as a science is concerned with how undertakings can be made successful. Any manager's ultimate responsibility lies with the success of the undertaking. The same applies to the labour relations manager. However, labour relations as the subject of study in managerial science is not such an established practice as is the case with other sciences.

2.6 Other related disciplines

The following disciplines are also related to labour relations in various forms: Political science, Criminology, Ergonomics, Logistics, Information Technology, Business Economics, Accounting and Auditing, Public Administration, Philosophy, Anthropology, Nursing and Medicine, Transport Economics, Accommodation and Food Management and many other disciplines. It should also be noted that Labour relations will occur in several types of industrial environments, each with its own unique challenges and influences on the work relationships that exist therein.

3. THE TRIPARTISTIC NATURE OF LABOUR RELATIONS

Labour relations exist primarily between employers and employees within a framework established and maintained by the state. Three parties are therefore involved in the labour relations system, and subsequently it has a tripartistic nature (Nel et al, 1997; Bendix 2001). The following is a brief overview of the roles of the three parties.

Employees get involved in labour relationships because they wish to ensure their existence and prosperity and aim to obtain wealth and security through selling labour to employers. There are many reasons why employees enter into employment relationships. Some of the most important reasons are:

- Compensation and social benefits.
- Need satisfaction, as described by Herzberg, Maslow and McClelland.
- Benefits arising from group affiliation.

Employers will employ the employees since they wish to maximise the efficiency or profit in their organisations, and they depend on human labour to achieve their objectives. The primary employment objectives of employers will be related to the mission of their organisation, eg:

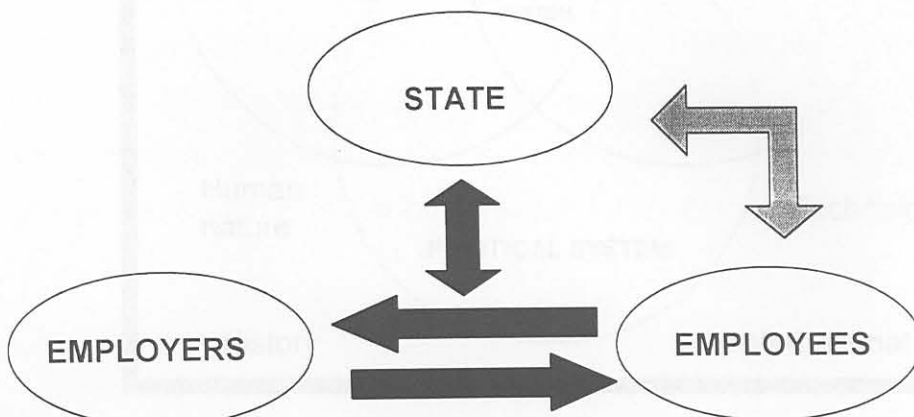
- Productivity in pursuit of organisational goal achievement.
- Need satisfaction of all stakeholders related to the organisation.
- Efficient and quality product or service delivery.

Specific labour relations objectives needs to be reached in order to achieve the primary objectives of the employer. These are:

- Employees are to be available at the right time and place.
- Employees need to posses skills and abilities at the required levels of competency.
- Employees must be motivated to perform their jobs optimally.
- Employees need to be physically and mentally healthy.
- Employees must contribute to the maintenance of harmony in labour relations.
- Employees must be loyal and reliable in the performance of their duties.

Employers may be unfairly targeted and forced to accept unreasonable demands for employees. Both parties may then seek to concentrate their power by forming organisations to protect and advance their interests, such as trade unions and employer organisations. All of these actions may lead to conflict that could eventually impact negatively on society as a whole.

FIGURE 4-1: THE THREE PARTIES TO LABOUR RELATIONS



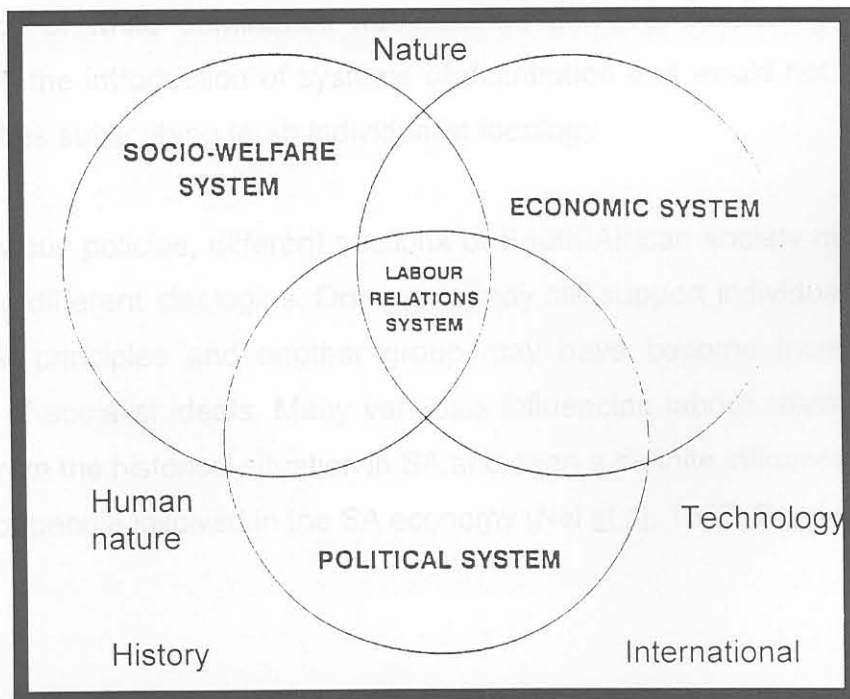
The state wishes to ensure economic prosperity, political stability and social upliftment in society. The state subsequently applies policies and laws to ensure the establishment of harmonious labour relations. These policies and laws will regulate and guide the relationships between the two primary parties. It may also set up institutions that will assist in the maintenance of labour harmony, such as the Department of Labour, the CCMA and the Labour Courts. The state can also find itself in the role of employer. In this respect it is bound to the same laws as other employers.

4. THE LABOUR RELATIONS ENVIRONMENT

4.1 Introduction

In all societies three interdependent systems can be identified; namely the economic system, socio-welfare system and the political system. Other environmental variables and conditions will influence the behaviour in and around these three systems. The following figure illustrates the nature of the labour relations environment (Lemmer, 1987, Ehlers, 2002):

FIGURE 4-2: LABOUR RELATIONS ENVIRONMENT



Labour relations management cannot be conducted in a vacuum, since it is a subsystem of the three primary societal systems. The three interdependent societal systems overlap and influence each other, leading to changes or activity in society. Labour relations overlap all three systems and will be influenced by changes and conditions in the three primary societal systems. The reverse also applies because conditions and changes in labour relations will also influence activities in the three primary societal systems. The aim of all leaders of the respective societal systems should be on the creation and maintenance of balance in all-societal systems. Should imbalances arise, societal stability will be disrupted and groups believing they were unfairly treated, may embark on a struggle in an effort to rectify the imbalance.

4.2 Historical influences on South African labour relations

Before 1994, South African society was characterised by the separation of people of different race groups. The dominant political and economic ideologies were based on a belief in individual freedom and the operation of the free market principle. The apartheid policy, however, created a situation where certain groups were denied individual freedom and, as a result, the market never operated freely. In fact, the implementation of the apartheid policy and the maintenance of white dominance necessitated the ever-increasing use of controls and the introduction of systems of distribution that would not exist in other societies subscribing to an individualist ideology.

Due to previous policies, different sections of South African society may now subscribe to different ideologies. One group may still support individualist and free market principles and another group may have become increasingly supportive of socialist ideals. Many variables influencing labour relations are remnants from the historical situation in SA and exert a definite influence on the behaviour of people involved in the SA economy (Nel *et al*, 1997; Bendix 2001).

4.3 Natural influences

4.3.1 Nature takes its own course and labour relations in all organisations will be influenced by occurrences in the natural environment of an organisation or society. Some of the most important natural phenomena that needs to be dealt with are droughts, floods, earthquakes, aids, foot and mouth disease, fatigue, starvation and holes in the ozone layer. HIV/AIDS may also be viewed as a natural phenomenon. (Bendix 2001; Ehlers, 2002)

4.4 Technology

Mankind continuously searches for answers to make life simpler and better and subsequently directs a lot of energy in pursuit of improved technology. Technological change also necessitates that people acquire new skills in order to apply the new technology in organisations. Progress in technology has unfortunately often caused the replacement of labour and contributed largely to changes in business patterns and methods. Technological change therefor holds major implications for the management of human resources (Nel et al, 1997; Finnemore, 2000; Bendix 2001).

4.5 Human nature

Employees need to be available, competent, motivated, healthy and peaceful in order to perform their duties productively in pursuit of organisational goal achievement. Organisations subsequently strive to attract and retain suitable members, reward members to ensure adequate levels of motivation, develop the skills of members to ensure competency, perform administrative functions relating to their members and to maintain harmony and balance among their members. It should be borne in mind that the actions of human beings will be influenced by the nature of their perceptions, values, skills, motivation, objectives, perceptions of reality and many other variables, which make the management of such individuals more difficult and challenging (Finnemore, 2000; Bendix, 2001; Ehlers 2002).

4.6 The economic system

4.6.1 Macro-economic level (National level)

Macro-economic conditions refer to the conditions in the national economy, as primarily managed by the government of the day. South Africa supports the free market system and the state promotes collective bargaining and consultation between parties involved in labour relations as the preferred methods for creating and maintaining harmony and balance in the labour relations system. NEDLAC as a body comprising of union, business and state delegates plays an important role in the formulation of government policy and laws, since they have the capacity to draft and/or review policy and legislative proposals before government passes it into legislation.

The government's overall economic policy, economic growth rate, inflation, taxes, interest rates, etc have a direct and indirect impact on labour relations.

If, for instance, the economy's growth rate is too slow, it implies greater unemployment due to a decrease in job opportunities. The level of inflation is often directly reflected in the demands of trade unions for higher wages. The opinion is that workers should at least not be worse off than the previous year and if the prices of consumer goods increase by 15%, trade unions may demand at least an increase of 15% to ensure that the standards of living of the employees will not drop.

Ongoing economic adversity may promote solidarity among the working class, resulting in their achieving greater political power. This may be used to bring about changes in both the political and labour relations systems. Alternatively, shared economic adversity could result in greater co-operation between employers, employees and the state and may cause the state to adopt a policy with less emphasis on collective bargaining in favor of more participative structures at workplace level (Nel *et al.*, 1997; Finnemore, 2000; Bendix, 2001).

The following macro-economic variables can exert a significant influence on labour relations :

- Government economic policy
- Economic growth
- Trade balances
- Inflation
- Credit and availability of money
- Consumer price index
- New and existing technology
- Productivity
- Unemployment
- Cost of importing goods
- Wealth distribution
- Labour Relations Legislation
- Policy of Trade Union Federations
- Policy of Business Federations
- Regional co-operation agreements
- Globalization

4.6.2 Micro-economic level (Organisational level)

Micro-economic conditions refer to economic conditions within a specific organisation, enterprise, industry or sector. In these sectors parties will interact on forums such as Bargaining Councils and Workplace forums. Agreements between the parties will be aligned with the conditions in their specific micro-economic environment.

Certain management decisions such as decisions related to capital investment, products, distribution etc. are traditionally regarded as management prerogatives. Such decisions will however affect labour relations very directly and may require for consultation and negotiation with employees.

Sales volumes and competition within an industry may also affect labour relations, since it is related to production levels and labour cost. The nature of, size and geographic location of the organisation also hold implications for labour relations. The larger the enterprise, and the wider the distribution of activities and constructions, the more difficult it will be to maintain healthy communication between management and employees. Factors such as productivity levels, training needs, technology, quality standards and high wastage levels may also affect the way management interacts with employees.

The way in which an enterprise is structured, plays a definite role in labour relations. Too much emphasis on formal structures for communication and control may also have a hampering effect on the quality of labour relations. Too many formalities (e.g. forms, regulations, rules, etc) which are applied too rigidly, can indeed be counter-productive and employees may become frustrated; rules may therefore be disobeyed more frequently. Management decisions and practices related to the human resource function will also influence labour relations (Nel et al, 1997; Finnemore, 2000; Bendix 2001).

4.7 The political system

In many modern societies, employers will often support the principles of capitalism, while most employees favor a socialist ideology. Usually, owing to the operation of a democratic political process, neither side is permitted to dominate. This further strengthens the possibility of mixed socio-political and economic systems. The government, however, remains responsible for the promulgation and application of legislation. If the government of the day changes, either in composition or in policy directions, it essentially holds implications for labour relations. Legislation may be of such a nature that relatively more sympathy will be shown for labour than for the employer. This balancing of interests in the labour relations system, occasioned by a balance of power in the political system, can be achieved only if all participants to the labour relationship also have a vote in the political system, which was not always the case in South Africa (Nel et al, 1997; Finnemore, 2000; Bendix, 2001).

4.8 The socio-welfare system

The South African society has many groups with dramatic differences in social needs and conditions. Efforts are therefor also being made to rectify the imbalances in society through the labour relations system. It is therefor important to understand that the state and trade unions place great emphasis on the social upliftment responsibility of employers. This involves socio-welfare issues such as: housing, parental leave, healthcare, sanitation, electricity, communication, minimum wages, adult basic education, affirmative action, crime prevention, preventing illegal immigrants to secure employment in South Africa, AIDS awareness, creating jobs, investment in societal development and training and education.

South Africa is faced with a high population growth rate but slow economic growth leading to social problems such as unemployment and a consequent lack of suitably educated workers in the economic system. This again leads to downward spiraling economic conditions in society. Emphasis is therefor placed on the development of the workforce to ensure that people from all race groups, cultures and genders will be afforded the opportunity to gain skills. These skills should contribute to improve their standard of living as well as conditions in their immediate socio-welfare system.

The media also exerts an important influence on all aspects of societal interaction since the communication in media ensures that members of society become more aware of their rights. Where expectations for change exist, the media will publish these expectations and so influence the attitudes of leaders and the mass population in society (Nel *et al*, 1997; Finnemore, 2000; Bendix 2001).

4.9 Global or international influences

Whenever changes take place in the international environment, a society needs to re-align itself with such changes. The societal systems needs to adapt to meet

the challenges posed by the international environment. Should a society fail to adapt to these changes, the wealth and prosperity of members of society will decline and give rise to many problems. Some of the most important international influences are: globalization, the rapid growth of information technology, GATT, political allies, increased competition and economic power shifts (Ehlers, 2002).

5. CONFLICT AND CO-OPERATION IN LABOUR RELATIONS

Conflict is a central element of labour relations. It can be viewed as one of the most important focus areas of managers, employee representatives and state officials. The differing values, needs, expectations, attitudes, objectives, affiliations, interests and approaches of management and employees constitute the basic cause of conflict in labour relations. The following table reflects some of the most common differences in this regard:

TABLE 4-3: DIFFERENCES BETWEEN EMPLOYERS AND EMPLOYEES

EMPLOYERS WANT	EMPLOYEES WANT ...
Higher profits	High wages Health and safety Training Good fringe benefits
Freedom to control labour issues	Consultation, Negotiation and Participation in labour decisions
Freedom to make employment decisions	Job security Protection against unfair labour practices Protection against unfair discrimination
Productivity	Leave and other social benefits Pleasant working conditions Status Recognition Growth
Sole decision making power	Representation by trade unions
Business to be the most important issue	Attention to political and social issues
Specific rules, procedures and methods	Freedom to decide on how work is done

Since the parties involved in a labour relationship are mutually dependent, they are forced to reconcile their differences and to co-operate for the common good of the relationship, in an effort to reach their mutual and respective goals. None of the parties will achieve absolute control and goal achievement. This situation leads to a tense relationship in which they need to constantly compromise and adapt to ensure that they can at least satisfy some of their needs and demands. The parties subsequently display different co-operative behaviour forms in pursuit of a resolution to the conflict (Nel *et al.*, 1997; Finnemore, 2000; Bendix, 2001).

6. COMMON APPROACHES TO LABOUR RELATIONS INTERACTION

Several approaches to labour relations evolved as a result of the demanding challenges that the inherent conflict between management and workers posed. Some of these approaches have been founded on the work and theories that were discussed earlier in this Chapter, although some of them have been applied with greater success due to the improved recognition of the influence of behavioural variables on labour relations. The following approaches have been adopted :

6.1 The Unitary approach:

This approach is typical of short-sighted managers. It is based on the assumption that management should retain all control over labour issues in the workplace. Any dissent or disagreements by workers are seen as an effort to undermine management authority and are dealt with severely. This approach may be compared to paternalistic and autocratic management styles and does not allow for worker participation or involvement. Since workers are not given due recognition for their important role in the workplace, they will start rejecting this approach and eventually come into direct conflict with management. This approach clearly does not lead to a balanced relationship (Nel *et al.*, 1997:3; Finnemore, 1999:6).

6.2 The Radical approach

This approach is commonly followed by radical trade unions. It is based on the Marxist assumption that there can be no true benefit for workers in a capitalist society. It is believed that the uneven distribution of wealth in a capitalist society causes the exploitation of the working class because they do not own and control capital. Followers of this approach view laws as tools to protect and advance the interests of capitalists, that will only lead to further exploitation of workers. They will prefer not to co-operate with management, since management is seen as an enemy that is not interested in improving the worker's position in society. This approach will normally lead the parties into conflict, since unions will only focus on improving workers position, with little or no regard for the long-term viability and survival of the organisation. It is clear that this approach will also not assist in establishing harmonious relations in the workplace (Nel *et al.*, 1997:4, Finnemore, 1999:8-9).

6.3 The Pluralist approach

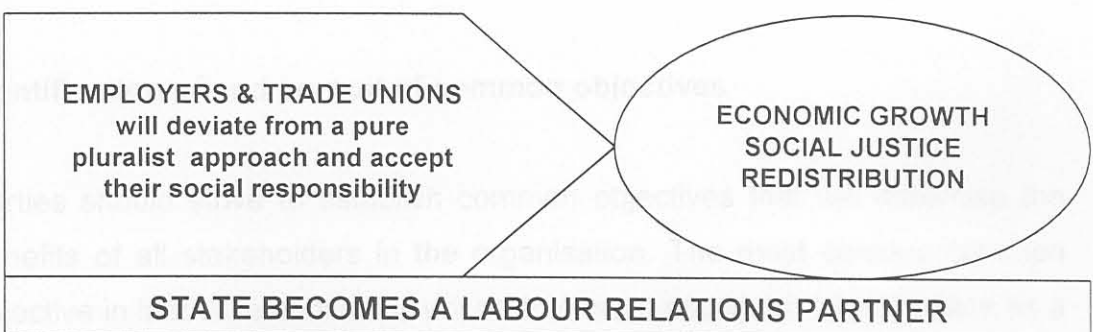
The shortcomings of the unitary and radical approaches necessitated a new approach to labour relations and subsequently the pluralist approach was embraced after the Second World War. This approach requires that both parties in the labour relationship recognize the potential for, and existence of conflict in the labour relationship. They will therefore agree on mutually acceptable methods and procedures to regulate and deal with the conflict in the relationship. It is understood that both employers and workers share a common objective to ensure the ongoing effectiveness of the organisation and therefore the parties will behave as equal partners in the process of defining rules and procedures applicable to the labour relationship. Negotiation is viewed as the preferred method for resolving conflict in the relationship and parties will enter into binding agreements that contain specific guidelines and procedures for managing conflict between them. Predefined dispute procedures will be followed if the parties fail to resolve their differences through negotiation. The pluralist approach necessitates that the parties accept their rights along with their duties, abide by agreements, act in good

faith and respect the delicate power balance between them. The parties are therefore jointly responsible for the regulation of their labour relationship with minimum interference by the state. This approach has proven to be more successful in the establishment and maintenance of labour peace, in societies where wealth is more equally distributed and the state does not have to intervene to redress imbalances (Nel et al, 1997:2; Finnemore, 1999:6-8).

6.4 The Societal-Corporatist approach

Due to past injustices that created imbalances in the South African society, the state was forced to be more directly involved in the labour relations system, thereby moving away from a purely pluralist approach with minimum state involvement. This was done with a view to redress past imbalances, without detrimentally affecting the economy. To achieve this, the state, employers and trade unions had to become partners in the management of labour relations, ensuring economic growth and the uplifting of society (Hague & Harrop, 1987:115-116). This type of co-operation is known as the societal-corporatist approach and is based on meaningful consultation and co-operation between the three primary parties.

FIGURE 4-4: THE SOCIETAL CORPORATIST APPROACH



This approach requires meaningful interaction between the parties at all levels of labour relations. Diverse issues such as such as the need for economic growth, unemployment, HIV in the workplace, industry trends and workplace restructuring are discussed by the parties.

In South Africa, structures such as NEDLAC, Bargaining Councils and Workplace forums were established to ensure regular interaction between parties. This approach seems to be the most appropriate for the present South African situation (Finnemore, 1999:9-12).

7. CONFLICT MANAGEMENT PRINCIPLES

Parties to a labour relationship should endeavour to create maximum levels of labour peace through the introduction and maintenance of effective structures and processes for conflict management. The objective of labour relations management is always to establish optimal labour peace with a view to ensure the effective attainment of organisational goals. The following steps may be applied to manage conflict effectively in organisations (Likert & Likert, 1976; Ehlers, 2002).

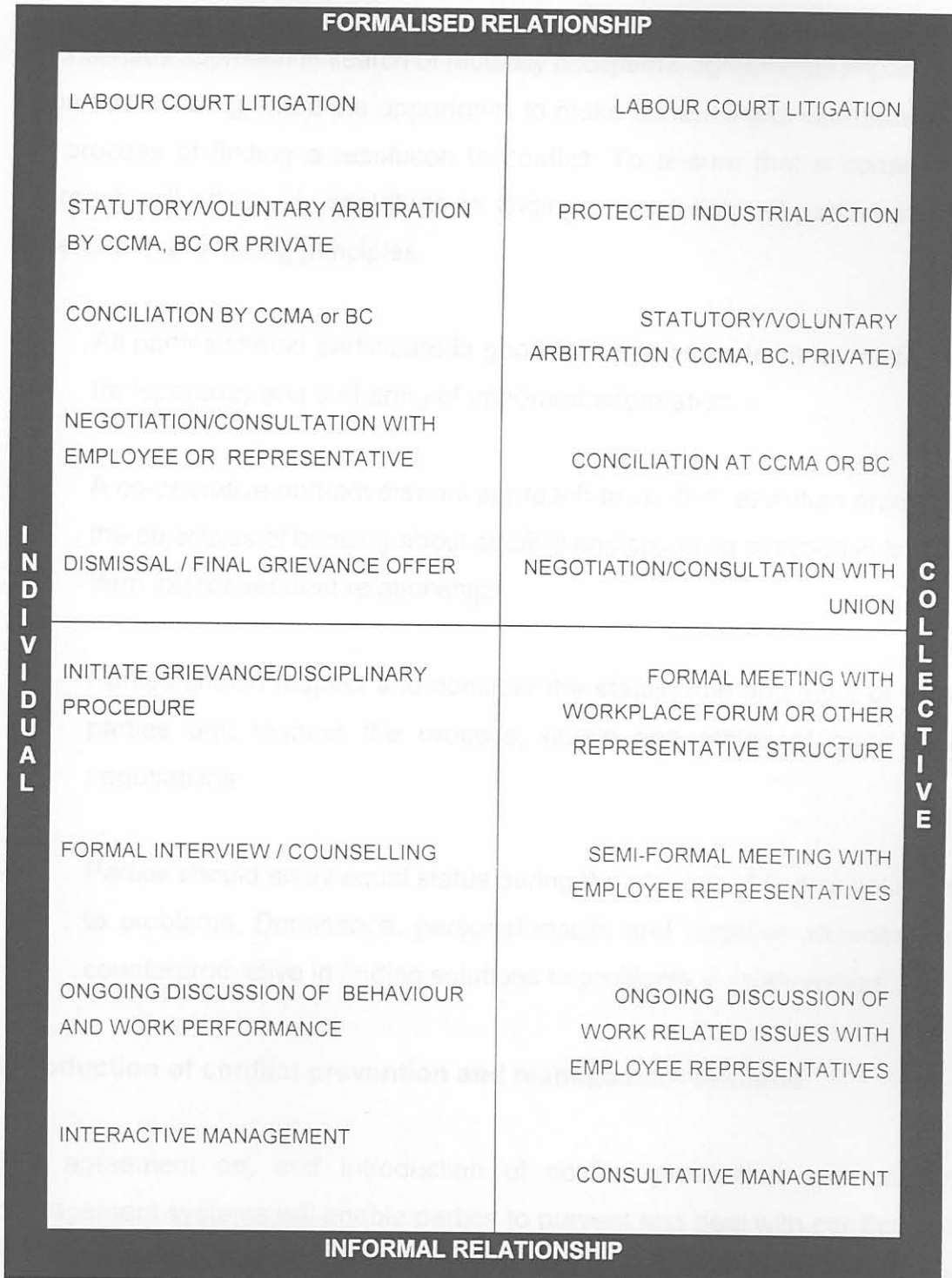
7.1 Identification of existing and potential conflict areas

The parties in the labour relationship have to identify the areas in which conflict can arise and try to establish the reasons for and sources of conflict in these areas. This will ensure a proper understanding of the origin and nature of conflict and will lay a foundation for the structuring of an effective conflict management system.

7.2 Identification of and pursuit of common objectives

Parties should strive to establish common objectives that will maximise the benefits of all stakeholders in the organisation. The most obvious common objective in labour relationships will be to ensure maximum labour peace as a prerequisite to productivity, quality, sales, etc. which will lead to optimal need satisfaction for all stakeholders in the organisation. Parties should accept that conflict is a natural and necessary phenomenon in labour relations and should agree on a common objective to prevent and/or effectively resolve conflict that may arise between them.

FIGURE 4-5: THE LABOUR RELATIONS CONFLICT MANAGEMENT ARENA



7.3 Consensus approach

In all relationships it should be accepted that there are always two sides to an argument and that it will therefore take the input and perseverance of all conflicting parties to agree on ways to resolve conflict.

A consensus approach in search of mutually acceptable agreements implies that all parties will be granted the opportunity to make a meaningful contribution to the process of finding a resolution to conflict. To ensure that a consensus approach will effectively contribute to finding a resolution, all parties should adhere to the following principles:

- All parties should participate in good faith and strive towards maximum transparency and a sharing of important information.
- A co-operative non-adversarial approach to conflict resolution promotes the objectives of bringing about stability and providing direction in longer-term interdependent relationships.
- Parties should respect and consider the status, role and input of other parties and respect the process, rituals and ethics of good faith negotiations.
- Parties should enjoy equal status during the process of finding solutions to problems. Dominance, personal insults and negative attitudes are counterproductive in finding solutions to problems in relationships.

7.4 Introduction of conflict prevention and management systems

The agreement on, and introduction of conflict prevention and conflict management systems will enable parties to prevent and deal with conflict that may threaten the harmony in the relationship between them. This should be done as soon as possible, preferably during the formation and definition of the

relationship, or in the earliest possible stage of interaction between the parties following the identification of conflict. In this respect it is important to identify or develop formal structures to prevent and resolve conflict. These structures will normally be in the form of formal documents, procedures and role prescriptions.

i. Formal documents:

Rules are normally formal and may take on forms such as statutes, agreements, contracts, government decisions, management policy and rules laid down internally by the enterprise itself. These documents define the relationship, rights and duties of parties clearly and prevent future misunderstandings and misinterpretation.

ii. Conflict resolution procedures:

Procedures are the grievance and disciplinary procedures which mainly concentrate on eliminating conflict or to restrict it to a minimum.

iii. Role prescriptions:

In this situation there are formal role prescriptions for individuals in the enterprise. Such role prescriptions focus on prescribing the expected behaviour of a specific person in a specific situation.

7.5 Informed and skilled participation in conflict management systems

All role-players should be properly informed on and skilled in the various conflict management methods to ensure that they understand the importance of the methods for constructive participation in the conflict management process. Role-players should particularly be informed on the various formal and informal methods for conflict resolution.

8. THE INFLUENCE OF POWER ON THE LABOUR RELATIONS SYSTEM

Both primary parties to labour relations possess various forms of power to influence the other party's behaviour or decisions. They will usually opt to use their power whenever they need to influence the balance in the labour relationship in their favor. The following forms of power are often encountered in collective bargaining relationships (Anstey, 1991:115-117):

- Formal authority is derived from a formal position within a structure that confers decision-making powers, eg: a General Manager.
- Sanction power is based in the capacity to inflict harm or interfere with another's ability to realise interests, eg: sanctions against a corrupt government.
- Nuisance power is rooted in the power to cause discomfort to another party, but stopping short of direct sanctions. A union may not have the power to call a strike at a given point in time, but still exert pressure on a company through go-slow tactics.
- Habitual power is based in the awareness that it is often easier to maintain the status quo than to change it. Power increases if the majority of people wish to retain status quo.
- Moral power is derived from the capacity to appeal to widely held values, such as the international support achieved by the ANC against apartheid.
- Resource power is based on the ability to control valued resources or the ability to deny others needed resources or to force them to expend theirs, eg. workers can withhold their labour.

- Procedural power is based on control over procedures by which decisions are made, such as the ability to delay meetings on technical aspects of a decision regarding an agreement.
- Expert power is based on information or skills in a specific area.
- Associational power refers to power that is gained from association with others with power. Eg: being related to a Parliamentarian.
- Personal power is rooted in a number of personal attributes that magnify other sources of power, such as self-assurance, articulateness, determination, endurance, a capacity for problem-solving.

The labour relationship experiences pressure whenever the parties fail to resolve these differences and more often than not these unresolved differences give rise to some or other form of power play that may even lead to a total breach in the labour relationship. The threat of the use of power by an opposing party normally serves to force the parties to resolve their differences for the common benefit of the relationship, although this may not always be the case in all labour relationships. Table 4-6 illustrates some of the more important sources of power of the respective parties:

TABLE 4-6: SOURCES OF POWER IN LABOUR RELATIONS

EMPLOYER POWER	EMPLOYEE POWER
Control of remuneration	Control of masses
Power to dismiss	Community support
Power to prescribe work rules	Union solidarity
Business affiliation and alliances	Political affiliation and alliances
Use of experts	Use of experts
Power to litigate	Power to litigate
Power to lockout employees	Power to embark on a strike
Power to victimise employees	Power to disrupt orderly operations
Power to intimidate and coerce	Power to intimidate and coerce

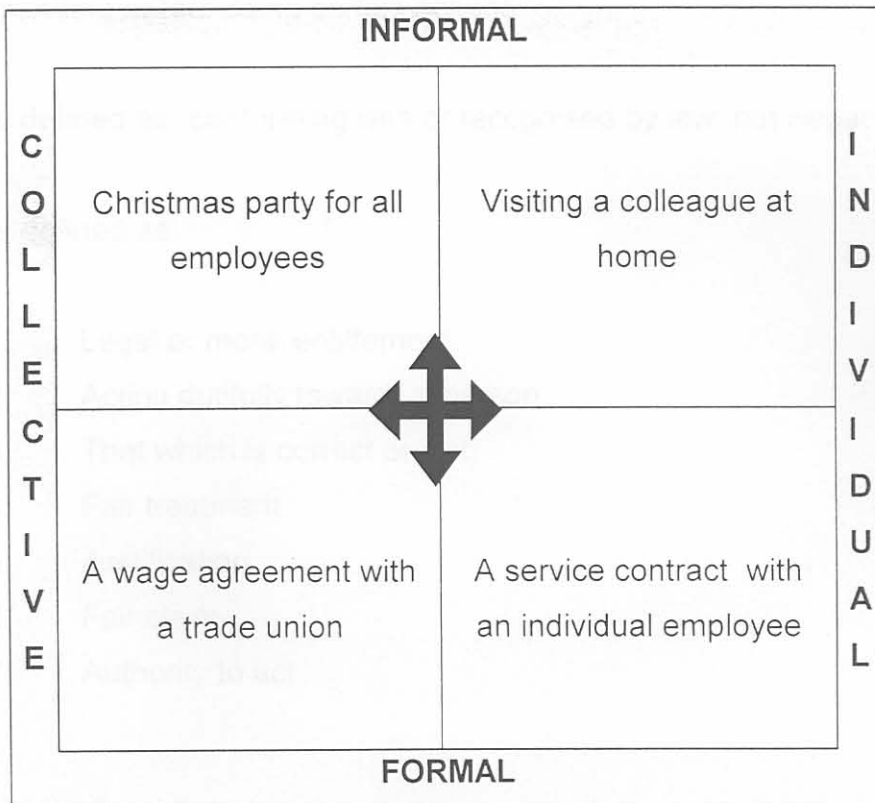
9. THE DIMENSIONS OF LABOUR RELATIONS

There are four general dimensions of modern labour relations. All of these dimensions exert an individual or concerted influence on the harmony and eventual outcomes in the relationship. It will be important to ensure that sound relations exist in all four dimensions (Nel *et al*, 1997).

The formal dimension exists in the formalised aspects of labour relations as reflected in contracts, agreements, legislation and plant-level procedures. The aforementioned documents are strictly adhered to by both parties and form the foundation of all formal interaction.

The informal dimension can be found in the interpersonal interaction between individuals and groups involved in the labour relationship. These interactions are not necessarily regulated or prescribed in formal documents and take place in the day to day management of an organisation or relationships.

FIGURE 4-7: DIMENSIONS OF LABOUR RELATIONS



The collective dimension exists in the interaction between a trade union, or two or more trade unions, as the representative of a collective entity, namely employees and an employer or group of employers who represents the interests of shareholders or stakeholders in an organisation. The collective dimension is normally regulated by formal contracts or agreements. These documents define structures and procedures for interaction between the various interest groups.

The individual dimension can be observed in the interaction between individuals such as supervisor/subordinate, peers, management/supervisors etc. This dimension revolves around the interaction between individuals in the organisation and will be visible in the formal or informal interpersonal interaction of the aforementioned parties.

10. LAWS, RIGHTS AND DUTIES ARE APPLICABLE TO LABOUR RELATIONS

The Oxford dictionary provides the following definitions (among others):

Law is defined as “a rule enacted or customary in a community and recognised as commanding or forbidding certain actions.”

Lawful is defined as “conforming with or recognised by law; not illegal”

A right is defined as:

1. Legal or moral entitlement.
2. Acting dutifully towards a person.
3. That which is correct or just.
4. Fair treatment.
5. Justification.
6. Fair claim.
7. Authority to act.

A duty is defined as:

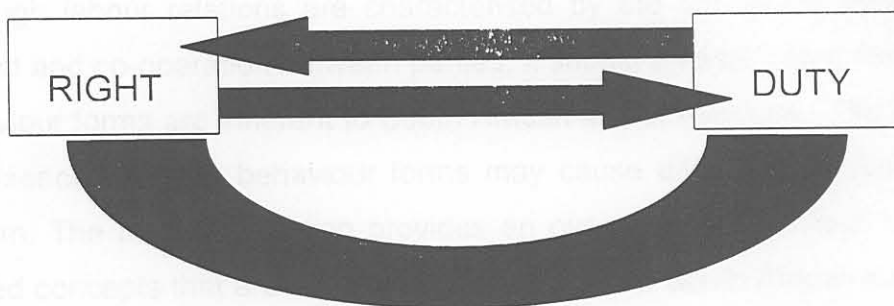
1. A moral or legal obligation.
2. Responsibility.
3. Binding force of what is right.
4. Job or function arising from business or office.

A privilege is defined as "A right, advantage, immunity, belonging to a person, class or office, special benefit or honour."

It is clear that a right, or entitlement, will also have an accompanying duty or obligation. Any person involved in a relationship who claims a right without accepting or performing the accompanying duty, may thus be acting as if the right is a privilege. This person then achieves an unfair advantage from a relationship, since the other party to the relationship will eventually be responsible for performing the accompanying duty. Harmonious interaction between humans is based on individuals accepting the accompanying duties when claiming rights (Ehlers, 2002).

Once a contract of employment has been entered into, whether in writing or verbally, it is accepted that the parties have agreed to accept certain duties to claim accompanying rights. The duties of one party constitute the rights of the other party and vice versa.

FIGURE 4-8: RIGHTS AND DUTIES



The employee has the right to remuneration, whereas the employer has the right to expect that the employee does his work as contracted. Any demand for payment in respect of work that was not performed as contracted will be unfair toward the employer.

All of the work-related expectations of parties to a labour relationship are not always recorded in a written contract. An employee will normally expect to be given an opportunity for promotion in good time. On the other hand the employer will also normally expect the employee to remain loyal to him while being employed. Should an employee perform his duties better in an effort to try and secure a promotion with an employer and the employer failed to notice the above average effort of the employee, the employee will normally feel hurt and unfairly treated. The employee may then attempt to remedy the situation by confronting the employer or even lodging a grievance or dispute. This would bring the parties into direct conflict.

It is clear that the parties will enter into a written contract as well as a type of unwritten contract that should both be honoured by them to ensure lawfulness, fairness and equity in the relationship. Should any party fail to honour these written or unwritten rights and duties, the trust relationship can be damaged. This may give rise to constructive or destructive behaviour aimed at redressing the perceived imbalance.

11. CHARACTERISTICS OF LABOUR RELATIONS INTERACTION

Although labour relations are characterised by the concurrent incidence of conflict and co-operation between parties, it should also be noted that specific behaviour forms are inherent to South African labour relations. The presence or absence of these behaviour forms may cause different outcomes in the system. The following section provides an overview of behaviour forms and related concepts that are often referred to in related South African literature.

11.1 Trust

Trust can exist between two or more parties to a relationship and is a requirement for enduring harmony in a labour relationship. The Oxford Dictionary defines the term “trust” (among others) as:

1. Firm belief in the reliability, truth, or strength etc. of a person or thing.
2. Confident expectation.
3. Responsibility (position of great trust).
4. To place trust in, believe in or rely on the character or behaviour.
5. To have confidence that someone will carefully use something.
6. To have hope or confidence that something will happen.
7. To put faith in someone, in the hope that something will be done.
8. To take someone’s word in trust needs no evidence or investigation
9. When a person is found trustworthy - he is seen as reliable and deserving of trust, and often deserving of special privileges.

The trust relationship between parties plays an important role in labour relations. Labour Court decisions are often influenced by the degree to which the trust in a specific labour relationship has been breached.

11.2 Fairness

Fairness normally refers to the treatment of one party (employee) by another party (employer). The Oxford Dictionary defines the term “fair” (among others) as:

1. Just.
2. Unbiased.
3. In accordance with the rules.
4. Of moderate quality or amount.
5. Straightforwardly and above board (fair and square).
6. A reasonable or satisfactory proposition (fair enough).
7. Equal opportunities and treatment for all (fair play).

“Unfair” is simply defined as not fair, not just or not impartial.

The concept of “fairness” is so laden with nuances and subjective assessments and its interpretation so dependent on circumstances that it would be virtually impossible to establish clear standards of fairness in any labour relations system. For the purposes of labour relations an action or behaviour could be considered fair if:

- there is balance between the parties,
- if both parties received equitable treatment,
- if there is conformity with universally accepted standards,
- if consistency was exhibited, or
- if there is a balanced acceptance of rights and accompanying duties by the respective parties to a relationship.

The South African Labour Court provided the following interpretation of fairness: (Brassey, 1994:15)

"The notion of fairness is philosophically as well as rationally difficult to understand. In truth, however, it is not the notion that causes the difficulty so much as its application. 'Do unto others as you would have them do unto you' is a pretty fair reflection of the notion. The difficulty is that not everyone wants the same thing done to them."

The Labour Court has often determined that an action may be lawful, but may still unfair under the circumstances. It should also be noted that an action that is unlawful would normally not be viewed as fair.

11.3 Equity

Equity normally refers to the way in which one party (an employer) treats two or more other parties (two or more employees). The Oxford Dictionary defines the term “ equity” (among others) as:

1. Fairness.
2. Impartiality.
3. Equity of actors (a trade union for actors).
4. Fair and just (equitable).

This term is derived from the word equal, and can be seen as an expression that refers to equal treatment of supposed equals.

11.4 Good faith

Good faith is a requirement for trust and mutually acceptable outcomes in a relationship. The Oxford Dictionary defines the term “ good faith ” as an “ honest and sincere intention.” The following definitions provide further perspective on the term:

“ Good” is defined (among others) as:

1. Having the right or desired qualities.
2. Having a good (positive) effect on.
3. What is beneficial or morally right.
4. Kind, well-behaved, enjoyable, agreeable.
5. Not less than, a fairly big number or quantity.
6. Thorough, considerable, valid, sound, commendable, worthy.
8. Efficient, competent, reliable.
9. A profit to an advantage.

The term “faith” is defined (among others) as

1. Complete trust or confidence.
2. Religious belief.
3. Religion or creed.
4. Loyalty.
5. Trustworthiness (faithful).

A lack of good faith in labour relations may lead to conflict situations that could cause the demise of an organisation. South African labour laws aim to protect parties against bad faith conduct by their labour relations partners.

11.5 Discrimination

During any form of decision-making or selection between two or more alternatives related to labour relations matters, the human ability to discriminate will be used.

The Oxford dictionary defines “discriminate” (among others) as:

1. To have good taste or judgement.
2. To make a distinction.
3. To give unfair treatment especially because of prejudice.

“Judgement is defined (among others) as:

1. Critical faculty.
2. Discernment.
3. Good sense.
4. Opinion or estimate.
5. What one really feels is advisable.
6. Sentence of a court of justice.

It is important to understand that any form of judgement or decision-making will always result in either fair or unfair discrimination under the specific circumstances. The vast majority of employment decisions are, by their very nature, "discriminatory".

To enable proper organisation and goal achievement in organisations, individuals and specific groups of employees will always be treated differently from others when management makes decisions about recruitment, selection, training, promotion, salary increases and employment benefits.

Due to this inherent discrimination, decision-makers should be able to prove that each decision was made fairly. A fair employment decision will however, always be based on rational, judgmental discrimination, as opposed to unfair discriminatory decisions that may be the result of unfounded biases, prejudice and stereotypes.

11.6 Prejudice

Prejudice may lead to many forms of unfair discrimination and conflict in labour relations. The Oxford dictionary defines the term "prejudice" (among others) as:

1. A preconceived opinion.
2. Bias.
3. Partiality.
4. Harm that results from some action or judgement.
5. Being to the detriment of a right, claim or statement.
6. To impair the validity or force of a right, claim or statement.

11.7 Typical behaviour forms

The following table reflects descriptions of common behaviour forms that are typically encountered in individual and collective labour relations.

TABLE 4-9: TYPICAL BEHAVIOUR FORMS IN LABOUR RELATIONS

Abusing	Delaying	Misjudging
Accepting	Denying	Mistreating
Accusing	Detracting	Negotiating
Adhering	Dictating	Objective setting
Affirming	Disagreeing	Obliging
Agreeing	Disciplining	Opposing
Allaying	Discriminating	Ordering
Appealing	Dismissing	Patronizing
Arguing	Distancing	Persuading
Assessing	Diverting	Politicking
Attending	Enforcing	Positioning
Avoiding	Establishing	Power application
Awarding	Evaluating	Proposing
Breaching	Expediting	Rationalizing
Coaching	Exploiting	Recognizing
Communicating	Facilitating	Recording
Complaining	Harassing	Referring
Compromising	Honoring	Reflecting
Condoning	Ignoring	Refusing
Condescending	Implementing	Rejecting
Confirming	Inciting	Remunerating
Conflicting	Inducting	Requesting
Confusing	Indulging	Resolving
Considering	Influencing	Responding
Consolidating	Informing	Retaliating
Conspiring	Instructing	Retracting
Consulting	Insulting	Retrenching
Contracting	Interfering	Retributing
Co-operating	Interviewing	Rewarding
Co-opting	Intimidating	Strategizing
Correcting	Introducing	Structuring
Contravening	Intruding	Submitting
Correcting	Involving	Supporting
Counseling	Leading	Threatening
Countering	Mentoring	Trusting
Deciding	Motivating	Verifying
Declining	Misinforming	Victimizing
Defining	Misunderstanding	Withdrawing

12. SUMMARY

The objective of this Chapter was to explain the foundations of labour relations. The Chapter includes discussions of the role of labour relations in organisations, the interdisciplinary nature of labour relations, the dimensions of labour relations and the various environmental variables that influence labour relations. The importance of balanced rights and duties in labour relations were also discussed. In conclusion, related behavioural phenomena such as conflict, co-operation, power and social expectations were explained within a labour relations context.

FIGURE 5.1. LABOUR RELATIONS APPROACHES IN ORGANISATIONAL CONTEXT

