

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION
ACADEMIC YEAR 2008/2009

TITLE OF PAPER: Industrial Relations

DEGREE AND YEAR: Bachelor of Commerce 1V

COURSE NUMBER: BA 414/IDE 414

TIME ALLOWED: Three (3) hours

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY SECTION (A) IS COMPULSORY
3. ANSWER ANY THREE QUESTIONS FROM SECTION B

NOTE: You are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your final answer.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

GOOD LUCK!!!

SECTION A CASE: COMPULSORY: (40 MARKS)

Read the case below and answer the questions that follow.

CASE: NISSAN WORKERS REJECT UNIONISATION

One of the most widely publicised efforts by a union to represent a group of employees took place in 1989 at the Nissan Motor Manufacturing Corporation plant in Newcastle. The union election received extensive media coverage for several reasons.

First this effort by the United Auto Workers (UAW) was the first union election conducted by the National Labour Relations Board at one of the Japanese Auto plant in South Africa. Second, more and more similar automobile firms have established in Swaziland, and the Nissan Election was seen by many as a test of some of the Japanese management strategies used in those plants. The only previous effort by the UAW to organise a Japanese automobile plant was at the Honda plant in Dan-Houser, Natal, in 1985. However the union withdrew its request for an election shortly before voting was to occur. The UAW did win representation at some plants that are jointly owned by South Africa and Japanese Firms, such as the Mazda/ Ford Plants in Cape-town, and the Toyota/Hondai plant in Durban. But the Nissan election vote was that the first one in which no South African partner was involved. A third reason for the attention given to the Nissan election was that the plant was the first of a number of new Japanese-owned plants to open in South Africa, which has traditionally been very hostile to unions.

The results of the election presented a major set back to efforts to unionise Japanese- owned auto plants. By More than a 2:1 margin, Nissan workers rejected the union. The vote was 1622 against and 711 for the union. The reason for the decisive rejection of the union provide some interesting insights on why unions in South Africa have had an increasing difficulty recruiting members in the 1980s and how an employer's style of management can affect workers' view of the need for union representation.

"The primary reason that the union lost is the relatively more participatory programme by Nissan plant and we pride in it....", commented one of the workers and this was typical of most comments expressed by others.

The effort to persuade workers to vote one way or the other, the company and the union used different appeals by their experienced professionals. During the last few weeks before the election, Nissan management held small group meetings with workers at which managers stated that the teamwork in the company will be threatened if the union won. They also showed videos on strike violence at union-represented plants in addition to the other strategies.

Following the election, the Nissan plant manager, Johan , said, " I'm more convinced than ever have been that the UAW is never going to organise this plant'. Whether

that prediction holds true depends on a number of factors, not the least of which is the continued economic strength of Nissan.

Source: Adapted from Mathis R.L. and Jackson J.H. (1994) *Human Resource Management*, (7th Ed.), West publishing-New York pp.529-530.

Questions:

- a. Discuss the strategies that must have been deployed by the union and management to counter each others' initiatives. (20 marks)
- b. If you were in the UAW advisory team, how would you have approached this campaign differently for effectiveness? (20marks)

Total

40 marks

SECTION B (60 MARKS)

Answer **three (3) Questions** from this section

2. The International Labour Organisation (ILO) Consultant conducted a study in Swaziland focussing on Institutions of Higher Learning and found that the level of employee grievances in these Institutions is very alarming. The consultant concluded that this must be having adverse consequences. The weakness of this study is that it did not examine the cause of such grievances; neither did it identify the way forward.
 - a. What are the likely findings about the causes of grievances in these Institutions? (10marks)
 - b. What are the likely suggestions to be obtained from staff to improve the situation? (10 marks)
3. The Industrial's Relations Managers work is very demanding; mainly because of inability to meet the insurmountable needs of employees, hence leading to industrial disharmony. Identify challenges that create difficulty for Industrial Relations' managers to carry out their job as regard fulfilment of workers interests and suggest remedies for this situation. (20 marks)
4. An organisation in which you have recently got employed has a Board of Directors who is opposed to the idea of membership to the Employers' Association and the existence of Trade Unions at the workplace. As a manager who appreciates the sound industrial relationship role of these organisations, discuss what you would include in a proposal. (20 marks)

5. Industrial Relations experts have always believed that collective bargaining is the best methodology for resolving industrial disagreements in organisations. Ironically, most of the parties don't seem to follow the collective bargaining processes appropriately?
Explain in detail the collective bargaining process to them, highlighting the critical qualities needed for successful negotiations. (20 marks)
6. Explain the concept of workers compensation, discussing the contemporary approach to it and its benefits compared to the traditional approaches. (20 marks).