

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION
ACADEMIC YEAR 2011/2012

TITLE OF PAPER: Industrial Relations

DEGREE AND YEAR: Bachelor of Commerce 1V

COURSE NUMBER: BA 414/IDE-BA 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 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. Critically evaluate the different perspectives on industrial relations. Having analysed the different perspectives, which one best fit Swaziland (please provide a justification for your answer). (20 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. You have just been employed as a labour Relations Officer and you have been asked to familiarise yourself with the Employment Act. The size of the Act has just been deterrence; as such you have not bothered yourself with it more so because you do not see its relevance to your work that revolves around Industrial Relations Issues. Is it really relevant to your work? Justify your answer. (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).

UNIVERSITY OF SWAZILAND
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MAIN EXAMINATION
ACADEMIC YEAR 2011/12

TITLE OF PAPER: Small Business Management

DEGREE : Bachelor of Commerce

COURSE NUMBER: FT/IDE: BA 415

TIME ALLOWED: Three (3) hours

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
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SECTION A

Sports Equip established by Peter de Bruin in 1995 develops sports clothing and sports equipment for four of the major sports codes: cricket, soccer, rugby and athletics. Sports Equip is part of a competitive worldwide industry and specializes in the development of field equipment such as soccer goals and goal nets, cricket field rings, rugby goal post pads and corner post pads, and athletic field markers and flags.

In 2007 Sports Equip submitted a tender to FIFA to build all the soccer goals, complete with their nets for all the soccer stadiums and practice venues for the FIFA World Cup. In 2009 Sports Equip received the news that their tender had been accepted. The contract included building at least four pairs of goal posts for each of the 10 venues across the nine South African host cities. Further more, they had to build one pair of goal posts for each practicing venue allocated to each of the participating teams. As part of the contract, they had also to replace the goal nets after every four games played at a venue and be ready to replace the goal posts when necessary.

The contract was a dream come true for the management of Sports Equip, who had been building and delivering goal posts to the major soccer venues in Pretoria, Johannesburg and Cape Town since the business started. From 2007 until the final game of the FIFA world Cup 2010 the majority of activities at Sports Equip focused on the production and delivery of the soccer goals. They had to appoint 10 additional people in the factory as well as two administrative staff members to service the contract by accepting new orders when goals had to be replaced. A further impact was that three additional suppliers were contracted to enable them to service the FIFA World Cup contract.

One of the negative impacts of the FIFA World cup contract was that some of the Sports Equip contracts for the supply of cricket, rugby and athletics equipment were lost to their competitors. In July 2011, one year after the FIFA World Cup, Peter realized after the Financial Manager had resigned that the performance of the company had been slowing down and that the business had shown a loss for four consecutive months and some employees had not been paid the previous months salaries. All this information was not documented by the Financial Manager.

The company's customer base had narrowed down to soccer and athletics, with only a few rugby and cricket fields remaining, and its supplier base had also shrunk, and suppliers seem to be unwilling to extend credit to Sports Equip, hence raw material stock had been depleted. Peter tried hard to secure contracts from the cricket and rugby fields, even being the lowest tender offer but to no avail. Most had established relationships with other contactors during the pre-World Cup period and were not willing to change them. Peter has applied for a bank loan but does not feel positive about his chances of securing it.

Questions

- (a) Describe the internal and external factors that contributed to the situation that Sports Equip find themselves in. (10 marks)
- (b) What strategies should Sports Equip implement if they want to turnaround the performance of the company? (10 marks)
- (c) Do you think Sports Equip is headed for bankruptcy? What are the warning signs that this is so? (20 marks)

SECTION B

Question 1

The importance of establishing and maintaining ethical standards in business operations is often neglected to the peril of those businesses, the consumers and the general environment. Use examples to explain why people engage in unethical behavior. How can businesses maintain ethical behavior? (20 marks)

Question 2

In today's changing climate, large businesses should find ways of harnessing the drive, creativity, vision and ambition of entrepreneurship within their companies. The term intrapreneurship also called corporate entrepreneurship refers to those who foster entrepreneurship concepts and attitudes within large companies. They innovate, put new ideas into action, and develop them into profitable businesses, within a corporate environment. There are however, differences between a corporate entrepreneur and a stand alone business person or entrepreneur. Compare the factors that drive an entrepreneur versus those in the corporate entrepreneurial environment. (20 marks)

Question 3

Break even point refers to the volume of sales (turnover) at which the venture will neither make a profit nor incur a loss, or where the level of turnover where gross profit is equal to the estimated operating costs. That is the volume of sales needed to cover variable and fixed costs. It is useful in determining the desired and profitable size of business output. One may use the concept to determine the quantitative or number of units that need to be produced in order to cover costs or to calculate the turnover required to make a stated net profit. Use the following information to calculate the break even quantity and level of turnover for the desired profit.

- (a) An entrepreneur sees an advertisement for a supermarket that is for sale. The annual total operating costs are determined to be E400,000. The desired profit is a minimum of 20%. What will the break even turnover be? (10 marks)
- (b) If the total fixed costs are E250,000 and the variable costs per unit are E10 and the selling price per unit is E18, what is the number of units needed in order to break even? (10 marks)

Question 4

Business expansion is what separates entrepreneurs from small business owners. A business may engage internal or strategies to expand the business which are numerous and varied. What

exactly do we mean by internal growth strategies? Identify and use examples to explain some of the internal growth strategies that a business can engage to expand their business. (20 marks)