

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
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TITLE OF PAPER: Industrial Relations Practice and Institutions/Industrial Relations II

DEGREE AND YEAR: Bachelor of Commerce III

COURSE NUMBER: BA 309/IDE-BA 309/IDE- BA411

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

Read the case below and answer the questions that follow.

CASE: Moving to Jo' Burg**Part 1**

George Sorriman was having a hard time of it. Times like this were never easy. No company liked having to pay off more than half of its workforce, but in this case it was even worse. All the managers and supervisors, except Peter Oldman, also had to go. It was either that or relocating to Johannesburg, and he knew that the people like Martin Gowell and Jenny Powell would never move. Martin was still okay. He would have retired in four years in any event, and Sorriman was sure he would accept an offer of early retirement, but Jenny, if he knew her, would get as much as possible out of the company.

Sorriman wondered how much all this was going to cost Insentia, and whether it was all worthwhile. Sure, it did seem to make sense to take some of the production and packing processes to Johannesburg. What was it that Hammer, the CEO of Insentia, had said about specialisation being the key to survival? Hammer seemed to know what he was talking about – but the over specialisation had its drawbacks. And what a cold-blooded fish that Hammer was! No concern whatsoever for the people that would be affected. 'Just try to keep the costs as low as possible George,' he had said as Sorriman saw him off at the airport, 'and if you can get rid of some guys before time, all the better'. As if that were possible! Well, there was nothing to be done about the matter. Just the dirty work – which, of course, had been left to him. George suddenly felt very cold and very tired.

Part 2

'I'm sorry, ladies and gentlemen, but that's how it is. The directors have already decided that the move will take place in three months' time, and I'm afraid there's very little we can do about it,' said George Sorriman as the management meeting drew to a close.

'I must say I like their timing,' muttered a disgruntled Jenny Powell. 'Barely three months to go and this is the first we hear of it – officially, at least. What do they think is going to happen to us? How am I going to find another job in Port Elizabeth?'

'You don't need to find another job. With the expanded operation in Johannesburg they will need all the skills they can get. Your future is assured. It's the workers we have to worry about,' interceded George Sorriman.

And what if I don't want to go to Johannesburg? I can't just up and leave at a drop of a hat!' retorted Jenny.

'According to Hammer, that's your problem. However, I am sure we can work something out. Insentia has always looked after its management staff, and I know we can work out a favourable deal – at least a better one than the workers will be getting.'

What about the workers?' asked Martin Gowell. 'Will they also be given a chance to transfer to Johannesburg?'

'No the guys up there say they would prefer to draw people from their own area. The people down here are not use to their management style and won't get along with

other workers up there. Besides, it would have enormous implications in terms of the relocation costs.'

Peter Oldman had been very quiet until now. 'Then it seems to me that we have an enormous problem. Getting rid of more than half the workforce isn't all that easy. Where do we start? You say that most of the packing line is going to close, that the lab and engineering will keep only two technicians each, but that only one small area of production will shut down. How do we do it? Do we kick out, say 80 people from the packing line, five each from the laboratory and engineering and ten from production, or do we say a hundred people are going to go from the plant as whole?' 'That would mean shifting people about,' interjected Simon Blower, and now how do we know that we can shift people in another department? Besides, on what basis are we going to decide who is going to be retrenched? I've heard that most companies use the last-in-first-out principle.'

Oldman was quick to reply. 'Yes, but then we have to remember that some of the newer workers have skills that the older ones don't have. Besides, if I'm going to be stuck there with the remains, I'd like to keep the better guys and get rid of the loafers, and I don't want any troublemakers either. I have enough on my hands as it is.'

'I wonder what the union is going to say about all this,' murmured Geoffrey packitt. 'Surely it's none of their business,' said Gowell. The company has the prerogative to decide when and how it will close down operations; just as it decided how and when to employ whom; when and why to resolve certain cases the way we always do; when and how to communicate and how to deal with disputes and conflict issues. This will not be the first of its kind, besides the unions always spell trouble whilst management have better ways to manage organisations. That's why we are referred to as managers; otherwise if we give our powers to unions, this really means we have failed to manage our operations. We have rational approaches, whereas unions tend to be emotional over every issue and their emotions filters on the workers; who then also stop behaving rationally. I have had enough of union problems hence the decisions to use the other forums to deal with major decision issues. Later in the year, the International Labour Organisation (ILO) Consultant conducted a study in this organisation and found that the level of conflict in this organisation is very alarming, with serious adverse consequences. The weakness of this study is that it did not examine the cause of such conflict; neither did it identify the way forward.

Required:

- a. What are these alternative workplace forums and how do they facilitate the decision making processes? **(10 marks)**
- b. Design a questionnaire to determine possible causes of conflict (minimum (10 questions). **(10 marks)**
- c. From the ILO Consultant report, what are the likely findings about the causes of tension in this Organisation? **(10 marks)**
- d. What are the likely suggestions to be obtained from the employees to improve the situation? **(10 marks)**

Total

40 marks

Case adapted from North West University, Labour Relations' Past Examinations 2013-2014.

SECTION B

(Answer any three (3) questions from this section)

Question Two

The Ministry of Labour and Social Services has a major role to design effective labour policy. In its design, what should be the contents of the labour policy?

(20 marks)

Question Three

Discuss the rationale for Occupational Health and Safety Act 2001. **(20 marks)**

Question Four

"Negotiations, though a useful concept do not always yield desirable outcomes".

Using practical scenarios, evaluate the factors influencing effective negotiations? **(20 marks)**

Question Five

If workers do not get redress to their problems, their grievances aggravate disputes which eventually translate into protest action, if unresolved. Outline and discuss all the processes to be adhered to before engaging in legal protest action.

(20 marks)

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