CHAPTER 3: THE PARADIGM SHIFT IN EMPLOYMENT RELATIONS MANAGEMENT

3.1 Introduction

From the contents of chapter two it is clear that all processes and systems of a world-class company need to be integrated in one whole, that can readily adjust to a competitive environment and respond to customer demands. Veldsman (1993:51) states that organisations could respond to the competitive environment in two ways: merely surviving from crisis to crisis versus positioning themselves to survive; or identifying causes or treating symptoms versus embracing the new paradigm from which to operate. Veldsman's (1993:51) viewpoint is of critical importance to the management of Employment Relations in South Africa. The LRA has empowered employees and unions in South Africa to an extent that a new paradigm is required to manage Employment Relations. Management and employees alike have to acknowledge that the reason for the company's existence is to serve the interests of and provide quality service to all stakeholders (shareholders, trade unions, customers, and management) and the community at large.

The implication of the above is that new approaches and strategies regarding People Management will be required. Slabbert (1997:6) for example observes that the role of a traditional Employment Relations Practitioner as a reactionary, conflict handler, or fire-fighter will have to be abandoned in favour of co-operative and participative systems of management as dictated by the LRA and the New World Order.

In this Chapter, therefore, the need for a new proactive and constructive framework, focused on creating a meaningful partnership between stakeholders and balancing of the employment relationship will be discussed. But in order to understand the need for a new paradigm it is necessary to briefly examine the historical development of work-place struggles in South Africa.

3.2 Historical development of the work-place struggle in South Africa.

An examination of South Africa's Employment Relations' history indicates that the apartheid era, with its discriminatory character resulted in a highly politicised workplace. Black unions

became the most important change agent; and in their role as change agents they used strikes as a mechanism for change (Backer and Oberholzer, 1995:1). This conflict-tainted Employment Relations history is divided into four phases for the purposes of this study.

3.2.1 Phases of development

3.2.1.1 The period before 1979

In the period up to 1979, trade unions used strikes as a mechanism to obtain equal rights for black workers in the South African work-place (Slabbert 1997:6). The outcome of this period was the appointment of the Wiehahn Commission of Inquiry into Labour Legislation (Slabbert and Swanepoel, 2002:31). Bendix (2001:74-75) notes that the Commission's recommendations led to the abolition of most discriminatory aspects of the South African Labour Legislation. According to Slabbert (1997:6-7) however, the new Employment Relations System as recommended by the Wiehahn Commission did not contribute much to the establishment of a sound collective relationship. This was due to the reluctance of organised Business to accept "*militant*" black trade unions as part of the Employment Relations systems in companies. A typical unitarist approach was characteristic of Employment Relations in this era.

Though no sound collective relationship was established between employees and employers Slabbert and Swanepoel (2002:31-32) indicate that the Wiehahn Commission provided black employees with a new power base; an aspect which manifested itself in the formation of the various Trade Unions during this period. Thus, the Wiehahn's recommendations served as a mere frame of reference for conflict-handling whereby employers tried to restrict conflict and the Government of the day tried to buy time.

### 3.2.1.2 The Post-Wiehahn period (1980s)

The 1980s were characterised by the formation of major trade unions. Several authors (Finnermore, 1998:33; De Villiers and Slabbert in Slabbert *et al*, 1998:4/15 - 4/20; Slabbert and Swanepoel, 2002:32-33) indicate that 33 trade unions amalgamated to form the Congress of South African Trade Unions (COSATU). With a membership of over one million workers,

COSATU formed the internal wing of the African National Congress (ANC)/ South African Communist Party (SACP) alliance's freedom struggle in South Africa.

The overwhelming impression of the post-Wiehahn period was that the work-place, coupled with internal boycotts, was used as an instrument to bring about political change in South Africa (Slabbert *et al* 1998:4/15-4/20; Finnemore, 1998; Slabbert, 1997:7). Unions used the social and economic space created by the Wiehahn Commission to promote political and civil rights. Wiehahn (1991:22) notes that this was an expected result because acquisition of democratic rights in the labour domain often precedes political democracy.

3.2.1.3 The period between 1990-1993

This was essentially a transitional phase. During this period previously banned political organisations were unbanned and political prisoners were released. The Government of the day adopted a more corporatist approach; which, according to Finnermore (1998:39-40) was underpinned by:
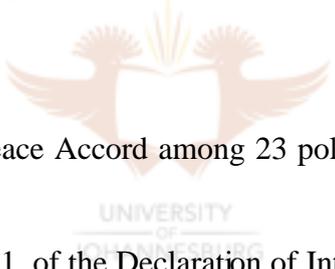
- the signing of the National Peace Accord among 23 political parties and the Government in 1991;
- the signing, in December 1991, of the Declaration of Intent to build a single South Africa with one constitution;
- negotiations for political transformation; and
- an agreement on an Interim Constitution and a Bill of Rights in which workers' rights were also included.

For the first time in the history of Employment Relations in the country, this period witnessed the expansion of the scope of Employment Relations to include farm workers and domestic servants; people previously exploited by their employers. Through the Basic Conditions of Employment Act (BCEA) for instance, basic conditions for all employees not covered by other statutes were regulated.

This transition was a significant period in the history of Employment Relations in South Africa. It laid a foundation upon which a paradigm shift in the management of Employment

Relations could be made. South Africans were now required to alter the confrontational mindsets acquired and nurtured during the Apartheid period. This period signaled fundamental social and economic transformation at both the macro (national) and micro (organisational) levels.

3.2.1.4 The period after the April 1994 Elections

Phase four was marked by the watershed elections of April 1994. The elections gave the black population, black trade unions and their members inclusive, full political and civil rights (Slabbert 1997:7). Organised labour had now fulfilled a leadership role in the struggle against apartheid; a role that was now handed over to the political organisations. In their pursuit of wealth redistribution however, unions began carving out a new role of socio-economic reconstruction and development by introducing the Reconstruction and Development Programme (RDP) (Slabbert 1999:14).

According to the ANC (1994:15) the RDP was designed *inter alia* to meet the peoples' basic needs, develop human resources, democratise the State and Society. However, two years after the watershed elections of April 1994, the Government adopted the Growth, Employment and Reconstruction policy (GEAR) as its social economic policy (Slabbert 1999:14). GEAR as a policy advocates monetary and fiscal discipline to stimulate consumer demand and cut down on economic jobs in the Public Sector; while ensuring that inflation is kept in check (Khanya College, 1997:6; Slabbert, 1999:15).

The ANC viewed GEAR as the strategy for a fast growing and competitive economy; but according to Slabbert (1999:15) the unions and their leftist allies interpreted it as succumbing to Western neo-liberal ideas founded on the concept of Globalisation. The diverging perspectives between organised labour and the ANC inevitably bred conflict between the two allies; an aspect that poses a direct challenge to the new socio-economic and political dispensation in South Africa.

However, COSATU and its socialist allies cannot afford prolonged conflicts similar to those of the 1980s because:

- many of its leaders joined Politics and other economic spheres;

- globalisation has eroded the power base of its leftist allies;

- they now realise that markets work in the public interest and they should be engaged in establishing contracts at micro level which also serve their interests (Slabbert, 1999:15).

Against the above backdrop, it can be argued that future conflicts between Labour and Government will not be a continuation of the battles of the 1980s. Conflict is bound to emanate from disputes over the scope and pace of change resulting in job losses. In this regard, Slabbert (1999:15) predicts that COSATU's role is destined to become more "symbolic" at national level; but will be more focused at micro economic levels in an attempt to soften GEAR in terms of job losses.

From the contents of the preceding paragraphs, it is evident that the South African business environment, in which the Employment Relations Practitioner functions, is like a dinosaur with a modern tale. On one hand the Employment Relations Practitioner is confronted with emotions of the past, often founded in attitudes, which are counterproductive in any business process. Because the micro business process of any given company is integrated and interactive with the broader community, this state of affairs also reflects negatively on the broader community. The underlying reason being that the gap between the socio-economic expectations of people founded in the emotions of the past, and the socio-economic reality of Globalisation is becoming wider and wider. This scenerio leads to instability and may even trigger what mass psychologists call a '*revolution within a revolution*'.
Hopefully the burnt skeleton of the Pretoria Station will not become the future benchmark of socio-economic revolution as a follow-up for the South African political revolution, which was successfully completed in 1994.

On the other hand, the Employment Relations Practitioner is confronted by demands of Globalisation. The world, including South Africa, has become one big market characterised by the following building blocks:

- competitiveness; which implies the delivery of the highest quality products/ service to the most profitable market at the lowest price under changing market conditions (see Chapter 2);

- high-tech communication;

- paradigm shift of study-field, characterised by a multi-and interdisciplinary approach, rather than the traditionally compartmentalised academic approach.

In line with the aforementioned information, prof. Wayne Cascio correctly stated that any resource in the modern Business Company must pass two tests to create a sustainable competitive advantage, namely:

- it must add value; and
- it must be unique, innovative and creative so that it cannot be easily duplicated by competitors.

If we draw parallels between Prof. Wayne Cascio's viewpoint and the socio-economic scenario in South Africa, where Employment Relations Practitioners will have to add value, not only in the business outputs of a company, but also in bridging the gap between the socio-economic reality and expectations, then it is clear that a new paradigm of thinking, or frame of reference in the management of the Employment Relations is necessary.

The question to be asked, is what this new paradigm or frame of reference entails. In order to answer this question, it is necessary to evaluate the concept of Employment Relationship as a foundation in the formation of any Employment Relations Strategy.

3.3. The employment relationship

Employment Relationship as a concept refers to the provision of labour by employees to employers in exchange for compensation (Mohlala, 2000:56). This is basically an economic relationship that is created as soon as one person is employed by another, a juridical person, body or entity. However, there several other dimensions to the relationship. All these dimensions must be acknowledged and managed by the Employment Relations Practitioner. The relationship can for instance be legal in instances where the employees and employers sign a contract. The legal contract formalises the relationship and spells out the rights and obligations of all the parties involved (Mohlala, 2000:56). For example, the Employer undertakes to compensate the employee and to apply all the rules as spelled out in the law;

and the Employee undertakes to do all his duties, obey reasonable instructions and be honest as detailed out in the contract.

The second dimension of the relationship is informal; also referred to as the Psycho-Social Contract. Though such a contract cannot be legally or socially enforced, it often represents the unexpressed needs and expectations of the role-players in the organisation. Swanepoel (in Slabbert *et al*, 1998) asserts that the quality of Employment Relations is determined by the informal relationship because it is experienced more by the role- players than any other relationship. Rooted in the formal and informal relationships are the individual and collective dimensions of People Management. The two dimensions are the subjects of discussion in paragraph 3.3.1.

3.3.1. The individual and collective dimensions

According to Slabbert and Swanepoel (2002:13) the Individual Dimension refers to the relationship between each individual employee and the enterprise or the employing body. The authors define the individual dimension in terms of face-to-face relationships between an individual worker (or a non-management employee) and a manager or an employer's representative. In his definition, Purcell (1994:536) refers to it as "… *the extent to which a firm gives credence to the feelings and sentiments of each employee's capacity and role to work*".

Prinsloo and Moropodi (in Slabbert *et al* 1998:9-4) indicate that the management of an individual dimension of the relationship involves taking into consideration the individual employee's biographic characteristics (like qualifications, experience, age etc), ability and skills, values and attitudes, perception, learning and motivation.

On the other hand a collective dimension of the relationship refers to its group aspects. Slabbert and Swanepoel (2002:13) define it as the relationship between a group of employees (unionised or not) and management or employer's associations. Parker (1998:75) indicates that the Collective Dimension is more than a sum total of each individual employee's behaviour within an organisation. Rollinson (1993:31) points out that employees in a collective dimension behave differently from individual employees. Such behaviour is

influenced by dynamics such as conflict, power, ideology, emotions, politics, communication and other groups.

Though there are various forms of collectives, trade unions or personnel organisations receive so much prominent attention that they have become synonymous with employment relations. This is probably because unions make a greater impact since they use their collective power to protect individual and collective employees' interests within the relationship. The collective dimension thus has always been the focus of the employment relations management function. But, in order to manage a peaceful and contented work-place, the individual and collective dimensions of the relationship must be carefully balanced. Purcell and Ahlstrand (1994) indicate that balancing the collective and individual dimensions is of great importance to a country like South Africa, where unions are so powerful that they can prevent most companies to move to "*world-class*" status.

But balancing the individual and collective dimensions of the relationship requires a shift in the management of employment relations. The employment relations practitioner will be required to acknowledge the feelings and sentiments of individual employees. At the same time he/she will need to establish and maintain representative and acceptable collective structures of cooperation and co-determination at corporate level. In line with this perception, Reese (1991:1) notes that a need exists for South Africa's Trade Unions and employers to develop structures that permit both employers and employees to accept that the company *"belongs"* to both of them and serves the interests of all those who have stakes in it's well being.

Both the individually-based and collective dimensions of Employment Relations have formal and/ or informal elements. As indicated in paragraph 3.3, the formal elements are expressed in formal agreements. The informal ones are expressed in either the psychological or implied contracts. In order to understand the need for a paradigm shift in employment relations management, a detailed examination of the formal and informal types of contracts are presented in paragraphs .3.3.2 and 3.3.3 respectively.

3.3.2. The formal contract

A formal or an explicit contract exists between each individual employee and an employing entity known as the Employer (Parker, 1998:75). Such a contract is based on economic reasons, and is effected once the employee accepts to execute certain specified duties for the employer in exchange for remuneration. As indicated in paragraph 3.3, the rights and obligations of the parties involved are explicitly spelt out in a formal contract. Such rights and obligations are extended to formal job descriptions, collective agreements and employment relations practices that are established.

A formal contract can either be individual or collective. According to Parker (1998:75) both the individual and collective dimensions of the Employment Relationship can be founded in a formal contract/ or informal contract as illustrated in figure 15.

Figure 15: The employment relationship
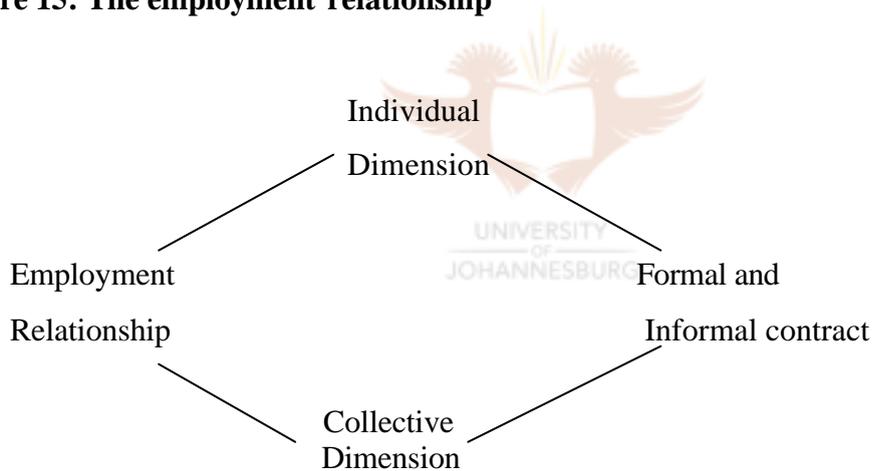
Source: Parker (1998)

Parker (1998:78) maintains that a formal contract, whether collective or individual, does not fully reflect all the exchanges between employer and employees. This means that such a contract is incapable of adequately addressing all aspects of the employment relations. This implies that employment relations strategies based on formal contracts may reinforce adversarial relations at the work-place since they do not take into cognisance the invisible and unwritten set of reciprocal expectations, and unexpressed representations of the employment relationship.

It is against the above scenario that Slabbert (1997:16-17) indicates that, although the formal dimension will always be the reference frame-work in the management of employment relations, it does not necessarily:

- contribute to interactive accountability, involvement, participation, co-determination, trust and support between organised labour and management;

- address and manage expectations which are often a consequence of illiterate, emotional and irrational employees;

- enhance communication between major role-players at the work-place;

- singularly contribute to balance between high individualism and high collectivism as a foundation for successful employment relations;

- balance the broader economic, political and social systems in the external business environment of South Africa;

- undo the wrongs of the past;

- contribute to an organisational culture where the rights and duties of role-players are balanced in such a way that organisational output is positively influenced; and does not

- change a conflict-oriented culture into a culture of co-operation and co-determination.

To counterbalance the shortcomings of addressing only the formal dimension of employment relations, the socio-psychological aspects of the relationship must also be addressed in accordance with the demands of a changing environment. Indeed, Veldsman (1996:15) observes that the changing political dispensation in South Africa demands a reconstituted socio-psychological contract within the business environment.

3.3.3. The informal contract

Two types of informal contracts can be identified in an employment relationship: the Implied and the psychological contract. Rosseau (1989:123-124) defines an implied contract as a mutual obligation between an employer and an employee that exists at the employment relations level. A psychological contract refers to an employee's belief or conviction regarding the terms and conditions of a reciprocal exchange agreement between him/her and the employer.

Reciprocity is the hallmark of both contracts. The contents of an implied contract are a set of exchanges between the employer and the employee as derived from objectively observable patterns of behaviour within the relationship (Rousseau, 1989:123). With regard to the psychological contract, Robinson and Rousseau (1994:246) point out that it is derived from a party's belief that the promise of a future return by another party has been made. The employee may, for example, develop a belief that he/she will be rewarded or recognised by the employer in return for excellent performance. The employer may also undertake to provide such benefits. When this happens, a psychological contract is formed.

The difference between the two types of contracts lies in the level of existence (the individual versus rational) and the degree of subjectivity in their interpretation. Rousseau and Greller (1994:386) note that a psychological contract is highly subjective, while an implied contract is objectively derived. The psychological contract is also unilateral while the implied contract is a result of consistent and equal interaction between the employer and the employee.

Violation or failure to fulfill the Psychological Contract by either the employer or the employee, or its misjudgement by either party will negatively impact on the employment relationship. Slabbert and Swanepoel (2002:251) identify the following as possible out-comes of such misjudgement or violation:

- employees' feeling of security is damaged;
- employees' self image is threatened;
- mistrust between the employer and the employees may arise; and
- employees' commitment to the organisation is eroded.

Parker (1998:79) adds that the danger of not fulfilling the psychological contract in South Africa is made worse by the extension of the ambit of psychological contractual expectations outside the workplace to include social expectations. It thus requires a social contract between government, trade unions and employers to solve the socio-economic problems faced by the community. Vally (1992:19) indicates that such a contract is entered into when unions agree to restrain their members from industrial action for the good of the country's economy. In return the state promises a good social welfare system.

It is evident from the previous paragraph that there is a definite interplay between the Community and the business world. Organisations have become integral parts of the broader community. This has resulted in employees' expectations in psychological contracts becoming more encompassing than they would otherwise have been.

The implication of the more encompassing nature of employees' expectations is that organisations are now expected to solve economic problems at macro (national) level while at the same time fulfilling the terms of their workers' extended psychological contracts.

Therefore, if business organisations tried to implement strategies derived from the macro social needs, they might be perceived by employees as violating the psychological contract. This will eventually adversely affect their commitment to the organisation; leading to poor performance.

It is against the above background that Myburgh (1997) suggests an alignment between the Social and Psychological Contract, which, as shown in figure 16, could serve as a link between the two.

Figure 16:   Alignment between the social and psychological contract

Social Contract	Socio-Psychological Contract	Psychological Contract

Objective/ Explicit   **Subjective/ Implicit**
Collective   **Individual**

Source: Myburgh (1997)

3.3.4. The Socio-psychological contract

It is clear from the foregoing section and figure 16 that the socio-psychological contract lies along the continuum of the social and psychological contract. It is therefore a combination of the two. Veldsman(1996:15) asserts that such a contract would address a whole range of people requirements expressed in terms of membership, growth and performance expectations, which are later accommodated as core competencies, behaviours and values of the business organisation.

Veldsman's (1996) assertion is supported by other authors (Nel 1994; Mc Donald and Grandz 1992; Hatting 1991:40; and Parker 1998:8) who point out that the values embedded in the socio-psychological contract form the foundation of the informal dimension of the employment relationship. They could also be seen as the code of conduct to support the strategic vision of the enterprise. Interests of all role-players are catered for, their rights and obligations are acknowledged and accommodated, and behaviour towards each other is spelt out clearly. The socio-psycholgical contract thus forms the cornerstone of any organisational culture.

In line with the above authors, De Bruyn (1992:20-22) observes that the values embedded in a socio-psychological contract guide the behaviour, attitudes and perceptions of all employees. However the success of an organisation depends on how successfully the core values of the organisation are integrated with all role-players' personal values.

Creation of an integrated set of values capable of meeting the challenges of the present and the future is of particular importance to South Africa in view of its diverse work-place, low productivity, the uncertain and turbulent environment, the changing composition of the work-force and its high expectations. Absence of such values could easily degenerate into strikes, conflicts between management and employees, accusations of bad faith between the parties and a total breakdown in the existing socio-psychological contract. This will inevitably reinforce adversarialism in the work-place and be counter-productive in the move towards a new paradigm of Employment Relations Management.

Against the above background, Locke, Kochan and Piore (1995:373-374) and Veldsman (1996:4) point out that it is only integrated business strategies based on the Socio-Psychological Contract that are likely to lead to the most fundamental transformation in Employment Relations; producing outcomes expected by all stakeholders. Such strategies focus on medium and long-term economic survival rather than profit maximisation in the short term.

It should be mentioned that the Informal Approach alone may not achieve the desirable outcomes. The approach must be balanced with an integral part of strategies designed to promote employees' total commitment and involvement.

From the contents of paragraphs 3.3, 3.3.1, 3.3.2 and 3.3.3., there is no doubt that an employment relationship is founded upon both the legal (formal) and the informal contract. While the informal contract is based on individual' s personal values and expectations, a formal contract hinges upon the legal rights and obligations of the involved parties. Against this revelation, an employment relations practitioner who intends to spur the organisation to *"world-class"* status, faces the task of integrating the values embedded in both the formal and informal dimensions of the relationship.

According to Slabbert, Theron and Roodt (2001:6-9) integration of personal and core values as found in the formal and informal dimensions, necessitates a value-driven leadership culture in the organisation. Value-driven leadership should be able to map out an employment strategy designed to integrate personal and core values because it is through such integration that employees' commitment is elicited, their satisfaction met, productivity increased and organisational competitiveness enhanced. In paragraph 3.4 such an employment relations strategy is explored.

3.4. The employment relations strategy

The term Strategy was defined in paragraph 2.3.1. as being an integrated management plan to achieve the organisation's mission. But in order to define what an employment relations strategy is, and to understand how it can be managed to meet the organisation's long-term objectives, it will be essential to examine the basic elements of general management and strategic management.

Slabbert and Swanepoel (2002:140) refer to management as a process through which managers make use of organisational resources in the most efficient and effective way to ensure organisational goal accomplishment. The process entails planning, organising, leading/ directing and controlling. This implies that managers have to manage resources, processes and systems to ensure high quality production and customer satisfaction.

Kroon and Van Zyl (1990:125 – 126) observe that planning is the departure-point in Management. Through *"planning"* Management establishes the purpose of the organisation and directs all the other managerial activities. Meanwhile, through "organising", it is possible to arrange and deploy the organisation's people, resources, time, work and processes to

ensure goal accomplishment. This means that the task of organising entails *inter alia* assigning duties assigning authority and responsibility accompanying such duties, to individual employees and their teams.

But individual employees and their teams alike require inspiration and guidance towards goal achievement. This is achieved through the managerial task of leading. Slabbert and Swanepoel (2002:141-142) note that "leading" centres around Human Resources and, in fact "gives life" to the organisation as a system. Through the leadership activity the organisation ensures that all its people are inspired towards goal attainment.

It is necessary to note, however, that a mechanism must ensure that people, processes and systems function as planned. This is done through the managerial task of controlling. Slabbert and Swanepoel (2002:142) indicate that through control, Management continuously checks and monitors to ascertain that the organisation is moving towards its mission. Therefore, control enables Management to measure progress *vis a vis* the set goals and standards.

As opposed to General Management, Strategic Management is long-term. It consists of Strategy Formulation, Implementation and Evaluation. Because Strategic Management is long-term, its planning centers around the organisation's vision, mission and long-term goals (Swanepoel in Slabbert *et al* 1998:7/5). In this regard, therefore the organisation's mission, vision and goals have to be identified. Economic, social, technological and political changes, which represent either threats or opportunities in the organisation's internal and external environment, are identified and analysed. From the analysis, decisions are made and strategies to address the organisation's weaknesses, and to ensure a match between its external and internal environments, are formulated. The formulated strategy is implemented and continuously evaluated. Slabbert and Swanepoel (2002:142) indicate that in order to successfully implement the strategy, it is essential that organisational structures and people support the strategy. Strategy Implementation therefore means mobilising the people and other resources in a synchronised and goal-directed manner.

"Evaluation" in Strategic Management, like "control" in General Management is essential. This means that the formulated and implemented strategy in Strategic Management must be continuously evaluated. This ensures that the strategy remains relevant to the goals of the organisation all the time. According to Slabbert and Swanepoel (2002:142) evaluation

ensures that deviations and shortcomings are identified; and adjustments are made where necessary. This keeps the organisation on track as regards mission accomplishment.

But Strategic Management cannot be reduced to just a systematic, formal and purely rational process (Swanepoel in Slabbert et al 1998;7/9). Citing the works of various authors, Swanepoel in Slabbert et al, (1998:7/2-7/10) observes that Strategic Management is also influenced by human emotions, perceptions, values, interests, power structures and power plays within the organisation. These socio-organisational elements, therefore, have to be taken into cognisance by managers charged with bringing about strategic changes. This means that the socio-organisational elements have to be added to the more traditional, rational-analytical approach when strategies are formulated.

Swanepoel in Slabbert *et al* (1998:7/6) maintains that the same principles as explained above apply with regard to the Strategic Management of Employment Relations. This means that in order to formulate an Employment Relations Strategy, to implement and make it work, Top Management has to make decisions based on the available information; while at the same time acknowledging the socio-organisational elements or the socio-psychological contract as discussed earlier.

From the above, it can be stated that an Employment Relations Strategy comprises a set of decisions concerning how the different dimensions of the employment relationships could be managed as a totality to achieve the organisation's vision, mission and long-term goals. But managing Employment Relations as a totality to achieve long-term goals, can only be done if Strategic Planning is used as point of departure.

3.4.1. The Context of Strategic Planning

Strategic Planning refers to the formulation of a desired condition by Management, which is then achieved and maintained by implementing the organisation's strategy. Slabbert and Swanepoel (2002:133) observe that Strategic Planning guides the organisation towards quality service production with *"…due consideration to the weaknesses and strengths of the enterprise as well as the opportunities and threats in the external environment"*.

Strategic Planning is based on appropriate management information. Such information enables the manager to get greater certainty regarding the manner in which the demands of the business environment should be met. Slabbert and Swanepoel (2002) identify the following important sources of information for Strategic Planning:

- mission statement;

- business vision;

- business plans; and

- policy documents.

The question that now arises is: how can Strategic Planning be carried out in the context of Employment Relations Management? Strategic Planning and Formulation in respect of Employment Relations Management means making strategic choices and decisions. Such choices and decisions are, *inter alia,* concerned with matters of Collective Bargaining and Employee Participation (Slabbert *et al*; 1998:7/10).

Arthur (1990:48) notes that the choices and decisions made are influenced by the manager's values and ideologies. It is these values and ideologies that determine the way a manager treats, motivates and relates to the employees; and the way he/she perceives the role of Trade Unions.

The implication of Arthur's (1990:48) observation is that a manager's values and ideologies are important frames of reference that have to be used in planning the strategic management of Employment Relations. It is essential to note, however, that an organisation consists of different groups of stakeholders; each group with its own values and ideologies. Against this observation, it is imperative that an Employment Relations Practitioner takes cognisance of other stakeholders' values while planning the strategic management of Employment Relations.

Taking cognisance of employees' and the community's values and interests changes the context in which Employment Relations Management is done. It means breaking away from autocratic systems of management and embracing a new paradigm that supports the involvement and participation of all stakeholders; and in cases where the Government has the support of Labour it could mean the adoption of Corporatism as an approach to Employment Relations Management.

In the ensuing paragraphs therefore a paradigm shift in the management of Employment Relations and Corporatism are discussed as major building blocks in the formulation of an Employment Relations Strategy.

3.4.2 Building Blocks in the Formulation of an Employment Relations Strategy

From the contents of paragraph 3.4.1 it is evident that an Employment Relation Strategy for a "*world–class*" organisation has to be build on the needs, interests and values of all stakeholders. As noted, earlier formulation of such a strategy is only possible when a new paradigm in the management of Employment Relations is adopted. It is this new paradigm that is the focus of paragraph 3.4.2.1.

3.4.2.1 The Paradigm Shift in Employment Relations Management

Traditional Employment Relations have always been punctuated with adversarialism. The relationship between Labour and Management has been plagued with disorder and conflict as normal parts of both the Collective and Individual Dimensions. Traditionally, Unitarism has been the point of departure in the management of Employment Relations. Management has always wielded absolute power as it exercises its prerogative to manage. Thus employees and the community have been excluded as top management alone provides all the direction, thinking and business strategies. It is this exclusion of other stakeholders that has been a source of conflict and adversarialism at the work place.

This interplay between co-operation and conflict within the relationship presents the Employment Relations Practitioner with a challenge to formulate an Employment Relations Strategy that contributes to the improvement of employees' performance and output; and eventually the organisation's global competitiveness.

In order to improve performance and output, Management requires a strategy that promotes a holistic approach to all broad issues involved in the employment relationship. The formulated strategy should for instance promote the examination and revision of the traditional procedures, rules and laws that govern the Employment Relationship on one hand, and the interpersonal relationship, conflict-generation and handling of conflict on the other hand. The

above implies that the strategy should not only focus on conflict management as has always been the case in traditional organisations.

Swanepoel (1995:3-11) indicates that an Employment Relations function, which only concentrates on purpose is conflict management, is non-strategic because it is divorced from the overall business plan. Such a function is also reactive, short-term oriented, adds no value in terms of customers' service, is anti-union and hardly contributes to the accomplishment of an organisation's global competitiveness.

From the above it is argued in this chapter that a paradigm shift from Autocracy to Participation, with regard to the management of Employment Relations, should form the basis upon which new strategies should be formulated. The formulated strategies should be able to facilitate the creation and maintenance of collective structures of co-operation and co-determination at organisational level. They should also accord employees and other stakeholders opportunities to participate in decision-making and strategic management of the organisation. In line with this observation, Parker (1998:63) indicates that employees who are invited to participate, co-determine and manage feel empowered and wanted by the organisation and are more productive than those who are not invited.

Based on what has been discussed above, it is essential that an organisation's strategy should facilitate a shift away from traditional ways of managing Employment Relations by promoting the following.

❑ **Pluralism as opposed to Unitarism as a Management Approach**

Traditionally, unitarism has been used as one of the building blocks in the formulation and implementation of Employment Relations strategies. However, Purcell (1994:203-219) notes that Unitarism is anti-union and aims at minimising unions' activities. This approach focuses on addressing only the formal dimensions (see paragraph 3.3.2) of the Employment Relationship. This inevitably breeds discontent among the work-force to the detriment of the organisation.

Therefore, to avoid the shortcomings of the Unitarist approach, an organisation's strategy should aim at promoting the Pluralist approach to Management. Van Rensburg (1998:1/19 –

1/20) observes that the Pluralist approach acknowledges the different interest groups that make up an organisation; and views conflict between them as natural. Conflict is not suppressed but managed through processes like negotiation.

❑ **A strategic approach to employment relations management**

In this regard the Strategic approach ensures the following.

- The Individual, the Collective, the Formal and the Informal dimensions (see paragraphs 3.3.1,3.3.2 & 3.3.3) of the Employment Relationship are integrated and synchronised.
- Management takes long-term decisions and actions regarding the planning, organisation, leadership and controls of all aspects arising out of the Employment Relationship.
- Management is client- and market-oriented, proactive, long-term in nature and does not confine itself solely to the management of Trade Union demands.
- Human Resource practices (Individualism) and Employment Relations (Collectivism) as systems of People Management are linked to the overall business mission (Storey, 1992:27; Cowling and James, 1994:1).
- All management decisions and actions focus on the business as a whole; and the *"whole"* is managed in such a way that the long-term objective of business success/ survival in a competitive environment is attained (Slabbert *et al*; 1998:7/4).

❑ **A participative form of work-place governance as opposed to an authoritarian form**

In this regard, the formulated strategy has to promote the following aspects:

- power-sharing by all stakeholders and joint use of power to accomplish the jointly agreed and understood vision of the organisation;
- recognition of every employee's unique contribution to the survival and competitiveness of the organisation;
- joint accountability between all stakeholders;
- transparency within the organisation where relevant information is accessible to employees to enable them perform to the best of their abilities;

- joint decision-making as all stakeholders get involved in problem or opportunity identification and joint solution-finding. All involved parties strive towards the attainment of the best solution to a problem in order to meet the short- and long-term interests of the groups involved.

By promoting all the above attributes, the strategy accommodates the interests and values of both Management and employees. Slabbert (1997:17) observes that when the different role-players' personal interests and values are integrated with the organisation's core values, a code of conduct, which supports the strategic vision and the best practices of the organisation, is created. Such a strategy enables the organisation to meet employees' expectations and facilitates the development of values that give direction to their behaviour, attitudes and perceptions.

But in light of the high socio-economic expectations of South African employees and the community as a whole, Slabbert (1997:10) notes that it is difficult to meet these expectations in the short term. Against this realization, it is imperative that the Employment Relations Practitioner formulates a strategy that incorporates the values and expectations of all role-players, including the community. In this regard it is argued that the practitioner adopts Corporatism as a building-block in the formulation of an Employment Relations Strategy. This is because consensus-building, negotiation and participation are inherent characteristics of Corporatism.

3.4.2.2 Corporatism as a building block in the formulation of an employment relations strategy

Corporatism refers to a government's effort to cope with environmental demands by involving all stakeholders and especially organised Labour, into the process of policy-formulation and implementation at national level (Maree, 1993:26). Bendix (2001:226) observes that it is normally used by governments who have the support of Labour and who find it necessary to promote economic activity through free enterprise. As an approach to Employment Relations Management, Corporatism is implemented in a way that promotes the interests of Labour, Business and the broader society.

Two forms of Corporatism can be distinguished; State and Societal Corporatism. Slabbert (1997:11) observes that whilst State Corporatism entails demobilisation and co-option of

unions into government structures, Societal Corporatism makes allowance for trade union autonomy, militancy and engagement in mass mobilisation should the situation warrant.

Against the background of South African's adversarial Employment Relations history (see paragraph 3.2), the need to meet employees' socio-economic expectations, and in light of the commitment to progress and consensus as exhibited by Big Business, Labour and Government through the National Economic Development Council – NEDLAC (see Mohlala, 2000:34 – 40), it is argued that Societal Corporatism could serve as a strong building block in the formulation of any Employment Relations Strategy.

The justification for Societal Corporatism further rests on the following premises.

- Corporatism acknowledges the role of Trade Unions and their activities as natural, and advocates for the management of conflict that accompanies such activities through mediation and negotiation.
- It keeps Adversarialism in check by promoting Centralised Bargaining on matters concerning wages and working conditions.
- The approach recognises the interdependence between parties to the Employment Relationship. Through tripartite structures, the relationship between the State; Capital and Labour is institutionalised.
- Its inclination towards negotiation and consensus-building eliminates the incidents of strikes in the work-place.
- Though Government, Business and Labour may not always reach agreements that satisfy their immediate needs, the three parties normally take the broader societal needs into consideration.

In the South African context, Societal Corporatism is further justified because of the country's diversity, the on-going political transition and harsh economic conditions including unemployment, low incomes, low investment and savings. Baskin (1993:63 – 66) indicates that such a society has a high potential for adversarialism and requires maximum social consensus to encourage stakeholders' participation, sustainable political development and economic growth.

Trade Unions in South Africa are very strong and so empowered by the LRA, that they have the potential not only to block an organisation's progress towards world-class status, but also to disrupt Government's implemenatation of socio-economic policies. However, through Corporatism their militancy is toned down. The unions are then accorded an opportunity to participate meaningfully in the economic development of the country for the benefit of their members, community and business. Mohlala (2000: 16-21) for instance, indicates that through negotiations, between COSATU and the Government the Reconstruction and Development Programme (RDP) was adopted in 1993.

The RDP acted as set of economic targets against which the Government's performance would be judged. It would also be used as a basis upon which COSATU would pledge its voting support for the ANC.

It is against this scenerio that Schreiner (1991:91) states that Corporatism is justified on the ground that it is an extension of Collective Bargaining from factory to the national level.

Despite the potential for Corporatism to work as a major building block for a successful Employment Relations Strategy, the concept normally comes under pressure from certain factors which impede a co-operative relationship between the parties involved.

In the case of post-apartheid South Africa the following factors are likely to hinder the development of Corporatism.

- The ANC's dominance in terms of parliamentary representation raises fears among other parties of the possibility of a one-party dominated regime with the potential to erode all democratic practices (Slabbert, 1997:11).

- Serious disagreement between COSATU and the ANC over the eradication of the RDP and the introduction of GEAR as the new socio-economic policy has created conflict and an adversarial relationship between Government and Labour.

- The high socio-economic expectations of the rank-and-file members of Trade Unions are impossible to meet in the short term. Failure to meet such expectations is bound to turn union members into militants who may reject any kind of co-operation between Management and Labour. Baskin (1996:13) indicates that the situation may even become worse in cases where union leadership enters Corporatist Agreements without extensive rank-and-file consultation and support.

- The rank-and-file of South African Trade Unions lack business knowledge and basic economic literacy (Slabbert, 1997:12). As a result they expect any macro-economic policy adopted by government to curb inflation, create jobs and improve their lives immediately.

The following are also reasons that explain why a strategy based on the concept of Corporatism may fail (Callinicos, 1992:144).

- Corporatism has failed to work in a country like Sweden.
- It has not led to the creation of more jobs, nor to the re-distribution of wealth.
- It has not increased employees' power or skills.
- Cooperation between Unions and Management tends to isolate employees from their leaders, and
- It restricts employees' militancy, eroding their power and organisation.

Despite the above shortcomings, Mohlala (2000:33 – 34) insists that Corporatism has brought many gains for workers in countries like Germany. Germany has managed to record an employment rate of 100% at one time or another. Indeed Mohlala (2000) argues that workers in countries like Germany enjoy better quality lives than those in countries where Corporatism is non-existent.

From the contents of the previous paragraph, it is evident that an Employment Relations Practitioner should take into cognisance the new paradigm in Management and Corporatism in the formulation an employment relations strategy. Thus strategies that are based on the concept of Corporatism and which embrace the new pattern of People Management are bound to lead to the achievement of the organisation's mission while at the same time satisfying the interests of all other stakeholders.

Acknowledging the new paradigm and Corporatism presents the Employment Relations Practitioner with four generic options upon which an Employment Relations Strategy could be formulated. This is discussed in paragraph 3.4.3.3

3.4.2.3 The Generic Options in the Formulation of an Employment Relations Strategy

Based on the works of Purcell (1987), Purcell and Ahlstrad (1994), Slabbert and Swanepoel (2002:146) conceptualise strategic options in the field of Employment Relations on a two-dimensional matrix or grid (see figure 17). In light of what has been discussed in the foregoing paragraphs, Organisational Management may be based on such a matrix to make decisions concerning a holistic management of both the Individual and the Collective Dimensions of Employment Relations.

Figure 17: The Four "Generic" Strategy Options for managing Employment Relations
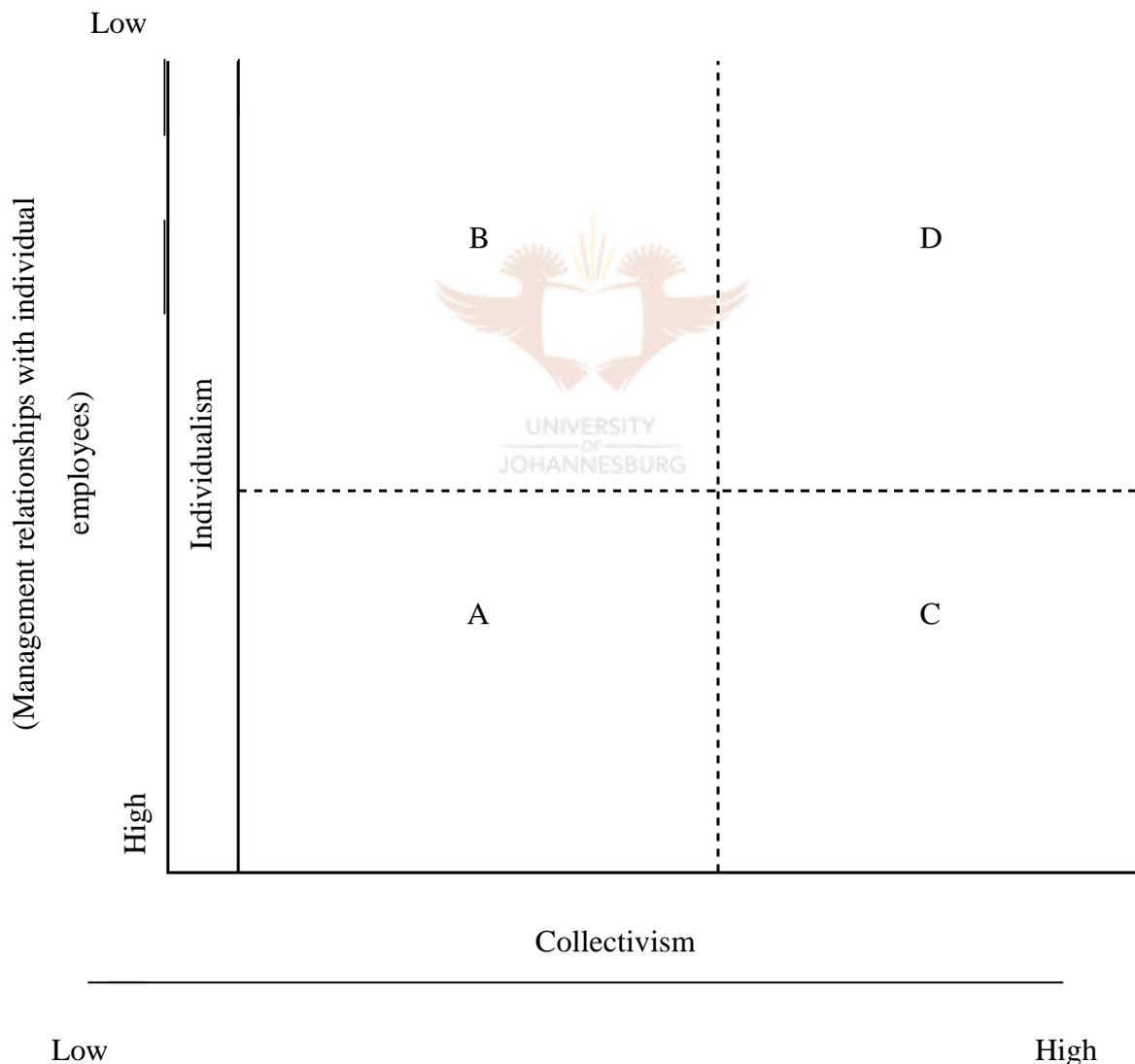
(Managing relationships with Trade Unions as Worker Representative Bodies)
Source: Slabbert and Swanepoel (2002:147)

In figure 17, the Management approach to managing the Collective and Individual dimensions of the relationship is depicted. The horizontal axis represents a continuum of the Collective dimension. The vertical axis represents the management of the Individual dimension. The environment at the work-place, as represented by the four boxes in the figure, is described below.

- Box A represents a situation where Management is relatively negatively inclined towards both Trade Unions and the individual employees and potential value of both. It is a situation of Low Individualism and Collectivism.

- Box B depicts an environment where Trade Unions are viewed in a negative light, but the predisposition towards the individual employee is generally more positive. Management believes in each employee's inherent ability, potential and will to contribute. It is an environment of High Individualism and Low Collectivism.

- Box C is reflective of a work place environment where Trade Unions are viewed positively and highly valued as role-players. There is a relatively positive stance being taken, concerning how to deal with Trade Unions based on a pluralistic framework of reference. However, employees are regarded as people who need to be looked after and maintained. It is an environment of High Collectivism and Low Individualism.

- Box D reflects a strategy, which nurtures and supports Trade Unions, regarding them as constructive contributors to the relationship. Individual employees are regarded as potentially creative and productive, ready to add value to the organisation if managed properly.

Slabbert *et al* (1998:7/29) indicate that if the matrix, as reflected in figure 17, is refined Organisational Management is able to come up with several possible strategic options to the comprehensive management of Employment Relations. These options are reflected in figure 18.

The different grand strategies as reflected in figure 18, can be categorised under three major types of strategies viz:
- Strategies where union elimination and/ or avoidance is central.
- Strategies of formal trade union recognition and Collective Bargaining, and
- Strategies of full trade-union empowerment.

Within each of the categories identified above are several grand strategies (see figure 18) within which the management of Employment Relations could be conducted. It is, however, imperative that Management formulates a strategy or a combination of strategies that enable the organisation to compete globally with the best organisations. In order to examine how such a strategy may be formulated, a discussion of the three categories as identified above and the grand strategies within each category are given below figure 18.

Figure 18: The different grand strategy options for the integrated management of human resources and employment relations
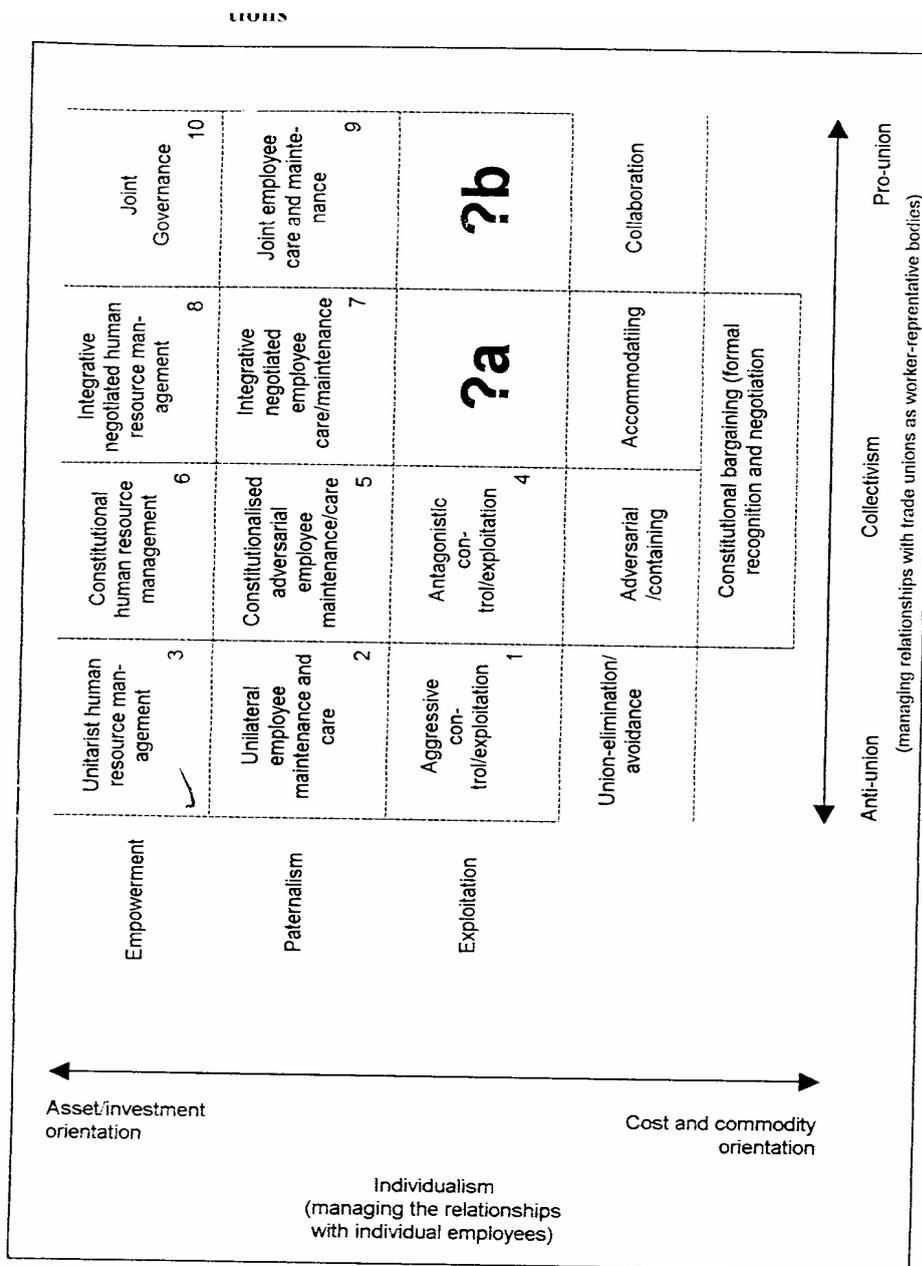
Source: Slabbert and Swanepoel (2002:149)

❑ **Strategies where union elimination and/ or avoidance is central**

Strategies that are designed to either eliminate or avoid unions are reflected in figure 18 as "Aggressive Control/ Exploitation" (box 1), "Unilateral Employee Maintenance and Care" (box 2) and *"Unitarist Human Resource Management"* (box 3).

Though the three previously-mentioned strategies may differ with regard to the extent to which they either exploit or empower individual employees, the central theme that is prominent in all of them, is union avoidance or elimination (Slabbert *et al*, 1998:7/28). All three strategies thus oppose, resist and where possible, avoid union participation. This means that management conducted within either of the three contexts is bound to elicit the anger of Unions, trigger work-place conflict and hinder the organisation's global competitiveness.

Management conducted in the context of the "aggressive control/ exploitation" (box 1) strategy for instance, does not take cognisance of individual employees' human dignity, rights, needs or interest; and contributes towards adversarial work-place relations by:

- promoting distributive bargaining;
- emphasising management according to the letter of the Law; and laying emphasis on lines of authority and full compliance with the rules and regulations as expected of all employees;
- adhering to rigid job descriptions and work-place procedures;
- denying workers a say in the work-place and exploiting them;
- being in favour of total employee subservience;
- developing and nurturing hierarchical structures with the emphasis on lines of authority (Slabbert *et al*, 1998:7/30).

As a result of the exploitation and abusive nature of the Aggressive Control Exploitation Strategy as indicated above, Unions, if available, fiercely try to protect their members. On the other hand, Management also aggressively attacks the Unions, setting off a cycle of chronic conflict in the work-place between the two parties.

With regard to the *"Unilateral Employee Maintenance and Care Strategy"* (box 2), Management is characterised by benevolent autocracy. Slabbert *et al* (1998:7/30-31) indicate that this Autocracy manifests itself in Management's paternalistic attitude that focuses on employees' social needs and well–being.

Attached to such paternalism however, is Management's intention to dissuade employees from participating in union activities. According to Slabbert et al (1998:7/30) the Unilateral Maintenance and Care Strategy is intolerant of conflict and any union interference in matters affecting employees. However Management's hostility towards the unions is not as intense as is the case with the *"Aggressive Control/ Exploitation Strategy"* (box 1).

The third and last of the strategies to eliminate or avoid unions is the *"Unitarist Human Resource Management"* strategy (see figure 18). This strategy is built on the core idea of very high Individualism and very low Collectivism (see figure 18 and 19). According to Van Rensburg (1998:1/19) Unitarism assumes that Management shares similar interests concerning the organisation with the employees as individuals. It is further assumed that individual employees have inherent potential, will and ability to contribute towards organisational accomplishment. Individual employees are also deemed creative, imaginative, responsible and committed to the organisation as long as their interests and needs are also realised in the process.

Based on the above assumptions, organisations whose Employment Relations Management is conducted in the context of the *"Unitarist Human Resource Management"* strategy desist from encouraging trade unionism (Slabbert *et al*, 1998:7/31-32), since employees with such a profile need not be represented by a Trade Union.

But although this strategy, like the previous two, is designed to avoid or eliminate unionism in the work-place, it is characterised by the following clearly distinctive features (Slabbert *et al*, 1998:7/31-32).

- Work is broadly designed, and employees are encouraged to become multi-skilled.
- Sophisticated recruitment techniques are employed to obtain the right employees.
- Room for employee training and development is allowed to enable employees' multi-skilling endeavours.
- It has fewer job classifications.
- Hierarchical lines within the organisation are blurred as team-based activities are encouraged.
- Individual employees are empowered, enabling them to participate directly in managerial processes.

- It encourages the free flow of information and a two-way communication system between Management and employees.

- Employee commitment is emphasised as opposed to *"conformance"* and paternalism.

Based on the above characteristics, it can be maintained that organisations whose employment relations management is conducted within the context of box 3 (see figure 18) do not only focus on trade union elimination. They also focus on the creation of an organisational environment in which high-potential employees are equipped with skills to enable them to take part in problem-solving at all levels as individuals. Such employees are encouraged to add value to the organisation by working towards quality production.

❑ **Grand strategies for formal trade union recognition and collective bargaining**

The second category of grand strategies, is that which is designed for formal Trade Union Recognition and Collective Bargaining as reflected in boxes 4,5,6,7 and 8 (see figure 18). Slabbert et al (1998:7/33 – 35) and Parker (1998:95) agree that the focus in all five of the strategies is to ensure peace and stability at the work-place through highly codified agreements.

The characteristics of each of the five strategies are briefly explored below.

- **The *"Antagonistic Control/ Exploitation"* Strategy (box 4).**

Like the *"Aggressive Control/ Exploitation"* Strategy, the strategy as reflected in box 4 (see figure 18) is characterised by high Individualism. Management continues to exploit and abuse employees, although such abuse is toned down by union activities. Thus, Trade Unions in this regard take on the role of *"policing"* managerial practices as they jealously guard their members' rights.

- **The *"Constitutionalised Adversarial Employee Maintenance/Care"* Strategy (box 5)**

Management carried out in the context of the above strategy is paternalistic in nature. However unions are reluctantly accepted. Agreements signed between the Unions and

Management focus on the general *"well being"* of Trade Union members. The Strategy is further characterised by management prerogative, distributive collective bargaining and systems designed to maintain strict order and stability.

By signing agreements that focus on the general *"well-being"* of union members; and by projecting a *"caring"* stance, Management intends to dampen individual employees' need to join the Union.

- **The** *"intergrative negotiated employee care and maintenance"* **Option (box 7)**

Box 7 represents a true pluralist stance as regards employment relations management. Under this strategy, management's approach in dealing with unions' shifts from a pure conflict/ adversarial mode to a more friendly and accommodating one (Slabbert et al, 1998). This means that Management becomes willing to engage in discussions, deliberations and consultation with the union.

In spite of management's willingness to consult and engage in discussion with the Union, emphasis is still laid on codified agreements. management not only defends certain areas of managerial prerogative, but it also institutionalises elements of stability, order and conflict through negotiated agreements.

- **Constitutional Human Resource Management (box 6) and the** *"Integrative Negotiated Human Resource Management"* **(box 8) Strategies.**

The above two strategies are designed to entrust employees with power to control all work processes and implementation. According to Slabbert and Swanepoel (2002:155) implementation of these two strategies rids the organisations of the traditional top-down power structures, blurring the distinction between management and employees. Nevertheless, Management prefers to implement employee empowerment without Trade Union involvement. Unions are only involved when they insist on being involved. This means that these two strategies fall short of fully empowering the unions.

❑ **Strategies for Full Trade Union Empowerment (box 9 and 10).**

"Joint Worker Care Maintenance" and *"Joint Governance"* are two strategies that are designed to fully empower Trade Unions. Slabbert et al (1998:7/35 – 36) observes that *"Joint Worker Care and Maintenance"* strategies regard Trade Unions as being co-partners with Management in the organisation. Together with management, unions strive to humanise the work-place. This means that structures, which promote and aid Union Management co-operation on all matters connected to the humanisation of the work-place are set up. To ensure that unions are positioned to co-manage, management ensures that relevant information is shared with employees; enabling both parties to engage into joint problem-solving and decision-making.

"Joint Workers Care and Maintenance" strategies thus are designed to build a constructive and fully co-operative interaction between Management and Unions. Formalised and highly codified agreements are done away with; ensuring that the two parties discuss and agree on all issues that affect them.

In the case of *"Joint Governance"* (box 10) unions and other stakeholders within the organisation are viewed as co-equals with management. All stakeholders work together as they lead the organisation towards mission accomplishment. Joint governance means that the Management of both the Individual and Collective dimensions is maximised. According to Parker (1998:91) this means full implementation of all participative practices associated with globally competitive organisations.

From the contents of the foregoing paragraphs, it is evident that an Employment Relations Practitioner is faced with several strategic options that could be implemented in the work-place. It is however vital that for best results, a holistic approach is adopted in the management of the work-place. This does not only mean incorporating social aspects in the Strategic Management of Employment Relations, integrating the formal and informal dimensions, but also integrating and maximising the individual collective dimensions of the relationship. According to Swanepoel (1995) this implies making a complete paradigm shift to Joint Governance as illustrated in figure 19.

Figure 19: Shifts to Joint Governance
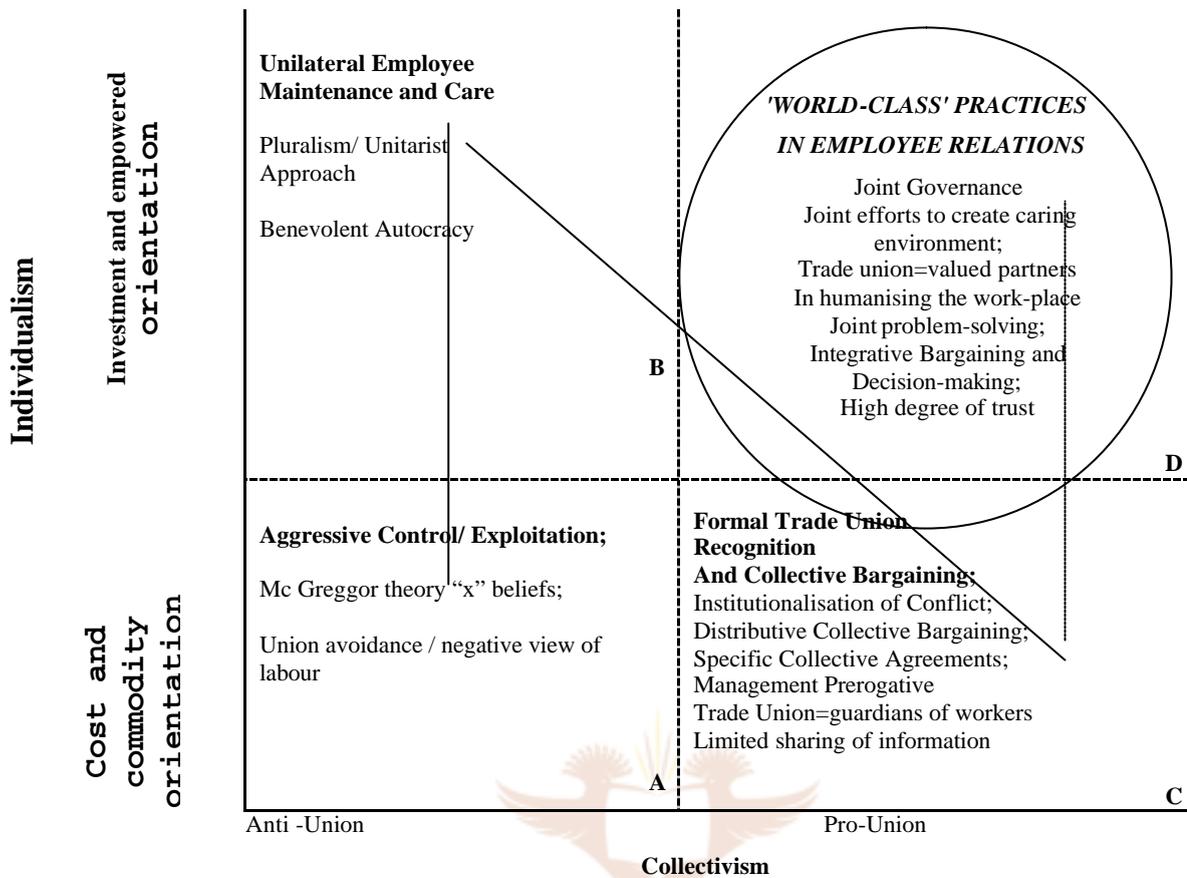
Source: Purcell and Ahlstrand (1994)

It is evident from figure 19 that the ultimate strategy for every organisation would be to manage Employment Relations in the context of quadrant D where "J*oint Worker Care Maintenance"* and "J*oint Governance"* are emphasised. Employment Relations Management done in the context of any of the other three quadrants (A,B and C) will not add value for the organisation; and will not enhance the organisation's competitiveness. Management conducted in the context of quadrant A for instance is characterised by adversarialism and hostility towards unions. On the other hand, employees in quadrant B are dissuaded from joining unions because the employer assumes the role of Employee Caretaker. With regard to quadrant C, the work-place is still characterised by institutional conflicts and Distributive Collective Bargaining; though unions are formally recognised. Thus the environment as depicted in quadrants A, B and C mitigates against increased employee performance and the organisations' competitiveness.

3.5 Summary

The pressure of global competitiveness coupled with the political changes brought about by the watershed elections in April 1994 in South Africa, dictates that parties to the Employment Relations shift from the confrontational and adversarial type of relations, to a co-operative and mutual relationship. Such a relationship should be designed to benefit everybody and make the country and its organisations globally competitive.

Unfortunately, because of discriminatory labour practices of the past, the apartheid era, current management unitary approach and the trade unions' failure to fully reposition themselves for the new competitive world, the South African work place is still plagued with adversarial relationships.

However, in light of the LRA, global trends in the management of employment relations, conflict and adversarial relations are bound to destabilise the work-place; negatively affect production and the organisations' competitiveness. The situation is likely to be made worse by management's Autocracy and traditional methods of managing Employment Relations.

Therefore a new approach which emphasises movement from Autocracy to Democracy, and where medium or long-term economic survival is the focus, will have a better chance of sustaining business organisations in the competitive environment.

In this regard the Employment Relations Practitioner needs to adapt strategies that stabilise the work-place by addressing both the informal and formal dimensions of the employment relationship. He/she will have to change from reactive fire-fighting to pro-Strategic management; focus on both customers and employees; adopt a pluralist approach as opposed to unitarist; become transparent, and encourage participative practices which will eventually be galvanised into joint governance. Joint governance is the ultimate goal if a paradigm shift in employment relations management is to be effected. Through joint governance employees will be given the opportunity to participate in all matters that affect them and their jobs at the work-place. In Chapter four a detailed discussion of employee participation in post-apartheid South African organisations as a tool for global competitiveness is given.