TRUST BUILDING STRATEGIES TO ENHANCE COLLECTIVE BARGAINING PROCESSES IN ORGANISATIONS

By

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Thesis presented in fulfilment of the requirements for the degree:
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Promoter: Prof D.M. Berry
Co-promoter: Prof P. Poisat

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“Trust comes on foot and leaves on horseback”

- Dutch politician Thorbecke (Nooteboom, 2002, p. 2)
DECLARATION

“I, Osmond Tolo Ngalo, hereby declare that:

★ the work in this thesis is my original work;
★ all the sources used or referred to have been documented and recognised; and
★ this thesis has not been previously submitted in full or partial fulfilment of the requirements for any equivalent or higher qualification at any other recognised education institution.”

___________________________                                         _________________
OSMOND TOLO NGALO                                                   DATE
ABSTRACT

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By

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DEGREE: DOCTOR TECHNOLOGIAE (HUMAN RESOURCES) MANAGEMENT)

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ABSTRACT

The main research problem in this study was to identify what trust-building strategies can be utilised by organisations to enhance collective bargaining processes. To achieve this objective a theoretical Institutional Arrangements-Based Model of trust-building was conceptualised, developed and presented in Chapter 5. The presentation of this model was the culmination of the research design phases outlined below:

★ The first phase consisted of a literature survey undertaken to discover the nature and dynamics of the concept ‘trust’.
★ The second phase consisted of surveying the literature attempting to understand the nature of the collective bargaining process, its elements and types and the environmental factors that tend to impinge on it.
★ The final phase of the literature survey focused on various trust-building strategies, theories and models that can be utilised by organisations to
enhance collective bargaining processes.

Trust is generally acknowledged as a necessary requirement for effective and successful workplace relationships. Because of this factor it is crucial that South African employer-employee relationships are improved in a conscious and sustainable way in order for our businesses to remain competitive in the face of global competition.

With this reality in mind there is still much in the South African labour relations environment that fosters conflict. One of the primary factors that impinge on trust in employer-employee relations in South Africa is the previous government’s divisive and racist apartheid policies. These policies have resulted in serious structural imbalances in the economy, the skewed distribution of wealth and the general scarcity of resources to address these attendant challenges.

Finnemore and van Rensburg (2002, p. 36) surveys the current labour relations scenario and comments about the extent to which it has been severely affected by apartheid. Some of its appalling outcomes are: racial divisions between skilled and unskilled workers, apartheid wage gaps, poorly educated workers, dictatorial management styles and a lack of protection for the most vulnerable workers.

As revealed in this research study there are still widely divergent views at the workplace regarding the nature and levels of trust that are prevalent. The overwhelming view, however, is that there is, generally, a lack of trust between managerial and employee collective bargaining teams. This lack of trust which is evident between employer and employee parties will tend to result in collective bargaining processes being embarked upon in a climate imbued with the negative spirit of distrust.

The recommended Institutional Arrangements-Based Model of trust-building advocates for a process of trust-building prior to any collective bargaining initiatives. This process, as depicted in the elements of the recommended model, needs to begin with phases which will focus on frame-alignment and the
identification of all sources of distrust between the parties. These prescribed sessions seek to culminate in a common understanding, between the contesting parties, of their real divergent issues and concerns as well as their existing commonalities.

The next phases of the recommended model entail the parties, jointly, developing proposals and policies that in the short and long term will aim at the resolution of the identified sources of distrust and thereby reduce the psychological distance between them.

The final phase of the model entails the implementation of joint problem-solving resolutions and the development of appropriate policies i.e. institutional arrangements, to deal with all conflict-prone areas of the business operations. Simultaneously, there needs to be continuous evaluation and monitoring of organisational trust and the ‘agreed to’ trust-building strategies to ensure that distrust is reduced or eliminated in the long term, allowing the organisation and the individual employees to perform at their optimum in order to achieve their common goals.
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<td>The management-trade union relationship is characterised by high levels of trust</td>
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<td>B1 (B)</td>
<td>The opposing negotiating team can be trusted.</td>
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<td>B1 (C)</td>
<td>Management and trade union negotiators meet regularly before the collective bargaining process begins to build trust</td>
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<td>B1 (D)</td>
<td>Management and trade union negotiators meet regularly to discuss, openly, all problems they experience before the collective bargaining process begins</td>
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<td>Management and trade union negotiators meet regularly to share information, openly, before the collective bargaining process begins</td>
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<td>Management and trade union negotiators meet regularly to develop action plans on how to resolve their mutual problems before the collective bargaining process begins</td>
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<td>B2 (A)</td>
<td>The organisation’s recruitment and selection practices are not discriminatory</td>
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<td>B2 (C)</td>
<td>Top management is committed to employment equity and the elimination of unfair discrimination</td>
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<td>B3 (H)</td>
<td>The organisation does not bypass the trade union and communicate directly to the union members</td>
</tr>
<tr>
<td>B3 (I)</td>
<td>The organisation does not implement work-related procedures and policies without firstly consulting the trade union</td>
</tr>
<tr>
<td>B3 (K)</td>
<td>The opposing negotiating team does not participate in bad-faith bargaining</td>
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<tr>
<td>B3 (O)</td>
<td>The management of the organisation hates trade unions</td>
</tr>
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<td>B4 (A)</td>
<td>The organisation has developed an effective training and development policy / practices</td>
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<td>The organisation creates opportunities for employees to grow and develop their potential</td>
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# CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF RESEARCH PROJECT

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CHAPTER 1:
INTRODUCTION, PROBLEM STATEMENT AND OUTLINE
OF RESEARCH PROJECT

1.1 INTRODUCTION

In the preface to Trust and Betrayal in the Workplace, Reina and Reina (2006) view trust as a universal element that is the foundation of all effective relationships. The authors further contend that trust is needed more today than ever before due to, inter alia, the growing complexity of business processes, the global market which poses increased demands on people that are often evidenced by downsizing or restructuring processes and the pressing need for workplace collaboration between employers and their employees.

Nooteboom (2002, p. 6) sees the modern organisations as disintegrating into autonomous units of activity characterised by variety and flexibility. These units, where business is mostly conducted via the internet rather than face-to-face, usher in new issues of trust in the workplace.

Dessler (2005, p. 5) views the changing environment in which the modern enterprise operates as triggering an avalanche of change where competitive advantage resides not in machines or patents but in an efficient and enthusiastic labour force.

For this ideal to be sustainable, in the long term, a sound relationship needs to be developed between employees and their employers.

If trust is, generally, a necessary requirement for effective and successful workplace relationships, it is crucial that South African employer-employee relationships are improved in a conscious and sustainable way in order for our businesses to remain competitive in the face of global competition.

Venter and Levy (2009, p. 3, 9) contend that the labour relationship is, in essence, a tripartite employment relationship comprising, largely, of employees and their representatives, employers and the business associations they are affiliated to and the state. It is therefore crucial that the state assumes its primary role and responsibility of providing the legal framework that would promote positive workplace relations.

There is evidence of a steady progress towards societal corporatism in the post-1994 democratic era that is indicated by the institutionalisation of social dialogue in the private sector through the establishment of the National Economic Development and Labour Council (NEDLAC) and other structures such as the Commission for Conciliation, Mediation and Arbitration (CCMA), the restructuring and empowerment of the Ministry of Labour and the Department of Labour and the introduction of a comprehensive set of new labour laws (Finnemore & van Rensburg, 2002, p. 193).

However, the above-mentioned authors contend that there is much in the South African labour relations environment that fosters conflict because of the previous government’s racist apartheid policies. They cite serious structural imbalances in the economy, the skewed distribution of wealth and the scarcity of resources to address such problems.

Although South Africa is renowned for possessing one of the most progressive constitutions in the world which promotes non-racism, apartheid created vast differences among race groups in access to education, skills and job opportunities.

Africans, for example, constitute 83.6 per cent of low-skilled, low-paid positions in organisations whilst whites, who constitute less than 10 per cent of the total population, dominate top and senior managerial positions (Venter & Levy, 2009 p. 2).
26). Income distribution is, as a consequence, extremely skewed and among the most unequal in the world (Finnemore & Van Rensburg, 2002, pp. 49-50).

Taking the above statistics into account and considering the data contained in Figures 1.1 and 1.2 below there is, therefore, a strong probability that collective bargaining teams might be divided not just along union and organisational affiliation lines but along race, gender and ethnicity as well.

**TABLE 1.1**

**REPRESENTATIVITY OF BLACKS (MALES) IN THE HIGHER OCCUPATIONAL LEVELS**

<table>
<thead>
<tr>
<th>MANAGEMENT LEVEL</th>
<th>YEAR 2000</th>
<th>YEAR 2006</th>
<th>% CHANGE</th>
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<tbody>
<tr>
<td>TOP</td>
<td>12.7%</td>
<td>22.2%</td>
<td>9.5%</td>
</tr>
<tr>
<td>SENIOR</td>
<td>18.5%</td>
<td>26.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>MIDDLE</td>
<td>44.1%</td>
<td>36.5%</td>
<td>-7.6%</td>
</tr>
</tbody>
</table>

Source: Adapted from the Commission For Employment Equity 2006 Report.

**TABLE 1.2**

**REPRESENTATIVITY OF BLACKS (FEMALES) IN THE HIGHER OCCUPATIONAL LEVELS**

<table>
<thead>
<tr>
<th>MANAGEMENT LEVEL</th>
<th>YEAR 2000</th>
<th>YEAR 2006</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP</td>
<td>2.4%</td>
<td>9.6%</td>
<td>7.2%</td>
</tr>
<tr>
<td>SENIOR</td>
<td>4.3%</td>
<td>8%</td>
<td>3.7%</td>
</tr>
<tr>
<td>MIDDLE</td>
<td>24.9%</td>
<td>13.8%</td>
<td>-11.1%</td>
</tr>
</tbody>
</table>

Source: Adapted from the Commission For Employment Equity 2006 Report.

Several attempts were made by the researcher to obtain a more up to date Commission for Employment Equity report from the Department of Labour’s
website as well as from their local offices, but these attempts have been unsuccessful.

This historical adversarial environment that has been outlined above is further aggravated by pronounced ideological differences between worker representatives such as those of the Congress of South African Trade Unions (COSATU), the South African Communist Party (SACP) and others which are socialist in nature in that they advocate a strong interventionist role for government in the economy and for the nationalisation of state assets, whereas employer organisations such as Business South Africa (BSA), the South African Chamber of Business (SACOB) and others have a diametrically opposing view which displays a more capitalist ‘market-economy’ orientation (Finnemore & van Rensburg, pp. 160-183).

In an effort to stabilise relations at the workplace and assist with conflict resolution, the government introduced transformation legislation, particularly, from Section 23 of the Constitution Act 108 of 1996 and its recognition of the right of everyone to fair labour practice to the Labour Relations Act 66 of 1995 which has as one of its primary aims the promotion and facilitation of collective bargaining at the workplace and at sectoral level.

This government-promulgated legislation which has an expressed bias towards workplace participation and collective bargaining is evidenced by the supremacy of collective bargaining agreements and the introduction of institutions of worker participation such as workplace forums and bargaining councils.

According to Du Toit, Woolfrey, Murphy, Godfrey, Bosch and Christie (2000, p. 159) the underlying premise of the legislation is to advance collective bargaining as the preferred means of securing labour peace and to reduce the high levels of adversarial relations experienced in the past.

This trend is augmented, amongst other things, by the promulgation of The Employment Equity Act 55 of 1998 with its introduction of Employment Equity Committees and The Skills Development Act 97 of 1998 with its Workplace Skills
Development Committees (WSDC).

These organisational structures have to be established by designated employers to promote participation and collective bargaining regarding the adoption and implementation of fair, non-discriminatory workplace procedures and the strategic training and development of employees at organisational and at sector level, respectively.

These governmental efforts need to be strengthened by strategic trust-building processes at organisational level to develop and sustain a workable relationship that is high on trust between the primary collective bargaining protagonists, management and labour. The challenge for the parties is to question and change traditional perceptions and the attitudes, values and ideologies that they tend to cling to (Nel, Kirsten, Swanepoel, Erasmus & Poisat, 2009, p. 24).

Salamon (2000, p. 41) argues that the economic, social and political environments exert an influence at all levels of industrial relations. The current international economic downturn, the ascendancy to political power and influence of the Tripartite Alliance led by pro-labour and socialist elements within the African National Congress (ANC), The South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU), the general rise in the prices of food, the emergence of a new political party, the Congress of the People (COPE), and other factors will tend to impinge on the labour relationship rendering workplaces as terrains of struggle for power and relevance.

Listed below are some current headlines gleaned from various local news media, indicating the current socio-political and economic climate:

- VWSA to halt output and cut 400 jobs – this comes after 575 workers were laid off in December. The Herald of the 30th January 2009.
- Retailer, suppliers to meet next week on rising food prices. The Herald of the 27th January 2009.
- Thousands lose jobs - 70 000 join unemployed in only one day – The
Times of the 27th January 2009.

- Dismissals soar as downturn bites – Mail and Guardian online of the 21st January 2009.
- De Beers in talks with unions on looming job cuts – Mail & Guardian online of the 16th January 2009.
- COSATU warns of intensified strikes – Mail & Guardian online of the 12th June 2008.
- Struggling car industry calls for a R 1 billion bailout - The Herald of the 4th October 2010.

According to Bendix (2006, p. 18) no relationship functions in a vacuum and that every relationship is a product of time and place and is subject to the influences of the wider society in which it exists. The above scenarios and others of the same kind are antecedents of organisational conflict and have a potential to seriously damage existing goodwill and industrial peace. There is a need, therefore, to build trust so that the collective bargaining processes are enhanced and industrial action, with its often negative consequences, is averted.

Although a comparison of the number of strikes between the years 1977 to 2007 shows a marked decline (Venter & Levy, 2009, p. 509) there is still an unhealthy and substantially large percentage (over 50 percent) of strikes due to collective bargaining issues relating to wages and conditions of service. Public sector strikes, for example, have a potential of shutting down most government operations rendering the country ungovernable in certain areas.

This envisaged strategic, high-trust labour relationship which aims at, \textit{inter alia}, achieving honest and open communication between the collective bargaining agents will assist in the early identification of potential organisational conflicts and the effective prevention and or management thereof. Anstey (1989, p. 47) agrees that in spite of the tension that is inherent in the labour relationship, common interests in organisational health must be maximised and the tension reduced through measures to promote conciliation without organisational disruption.
1.2 MAIN PROBLEM

The main problem in this project was the following:

What trust-building strategies can be adopted to enhance collective bargaining processes in organisations?

1.3 SUB-PROBLEMS

In an attempt to resolve the main problem, the following sub-problems were identified:

Sub-problem 1

What is trust and how crucial is it in the labour relationship in general and the collective bargaining process, in particular?

Sub-problem 2

What are the sources of distrust in the employer-employee relationship?

Sub-problem 3

What trust-building strategies are revealed in a literature study?

Sub-problem 4

To what extent are selected organisations utilising trust-building strategies to enhance their collective bargaining processes?

Sub-problem 5

How can the results from sub-problems 3 and 4 be integrated into a model that organisations can use to build trust and enhance collective bargaining processes?
1.4 OBJECTIVES OF THE RESEARCH STUDY

This research study aimed to achieve the following objectives:

- To conduct a theoretical study to conceptualise the meaning of trust and its importance in the labour relationship and collective bargaining process.
- To identify sources of distrust in the employer-employee relationship.
- To discuss the collective bargaining process and the environment in which collective bargaining processes take place.
- To identify strategies that can be used by organisations to build trust and enhance collective bargaining processes.
- To conduct an empirical study using a questionnaire to gather the relevant data. The respondents will be bargaining agents (shop stewards and employer representatives) of selected organisations.
- To develop a model that organisations can utilise to build trust and enhance collective bargaining processes.

1.5 DEMARCATION OF THE RESEARCH

Demarcation of the research project was aimed at, firstly, identifying the parameters within which this study was to be conducted and, secondly, to ensure that it is of a manageable size from a research perspective.

It is hereby acknowledged that there may be topics that, during this process, may have been omitted. This does not imply that these topics are not worthy of consideration for further research.

1.5.1 Type of organisation

The research was limited to organisations which are characterised by a high degree of plant-level collective bargaining processes. Whilst some selected organisations are involved only in plant-level collective bargaining processes others are engaged in both plant-level and centralised bargaining processes. Due to the researcher's wish for a multi-sector research study, organisations belonging
to the National Education Health and Allied Workers’ Union (NEHAWU) were selected, in the main, due to this particular trade union being one of the largest and the most diverse in the COSATU stable. This trade union is active in the tertiary education, public health, private health, state administration, social development and non-governmental organisations (NGO) sectors.

1.5.2 Geographical demarcation

The empirical component of this study was limited to organisations with a valid recognition agreement with the selected trade unions and which are located within the region known as the Nelson Mandela Bay Municipality.

1.5.3 Subject of evaluation

The study aimed at establishing current trust-building strategies that are utilised by selected organisations to enhance collective bargaining processes. A wider interpretation of collective bargaining processes was utilised to include any matter(s) of mutual interest between an employer and an employee.

1.5.4 Nature of the respondents

The respondents comprised mostly of trade union organisers and shop stewards and some of the employer representatives that normally partake in collective bargaining processes.

1.5.5 Levels of collective bargaining

The research study’s primary focus was at decentralised collective bargaining level which is described as company-level bargaining where trade union(s) negotiate with an employer whose ownership may extend to a single workplace or multiple workplaces situated at different workplaces located at different sites regionally or nationally (Finnemore and van Rensburg, 2002, p. 224). This is the level where trust and trust-building can best be cultivated because this level tends to comprise of negotiating groups that are familiar with the workplace processes, problems and politics. In order to afford the research study with a greater multi-
sector focus, a few organisations were included that are engaged in both centralised and decentralised bargaining processes.

1.6 DEFINITION OF KEY TERMS

1.6.1 Trust

According to Nooteboom (2002, p. 37) trust is a ‘state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually expected manner’. Reina and Reina (2006, p. 17) agree and view it as a mutual understanding that the people in the relationship will do what they say they will do in keeping to agreements, honouring intentions and behaving consistently.

Salamon (2000, p. 88) further argues that trust between collective bargaining agents does not imply that they need to be open and frank with each other about everything as their relationship recognises that the other may be seeking maximum gain. However, trust is about parties not aiming at subverting each other’s relationship with third parties, to keep to the spirit and wording of collective agreements, to keep confidential information and accept the legitimacy of each other’s role and objectives.

Trust can be viewed, therefore, as an understanding between partners or groups that they will;

- Behave consistently in a mutually expected manner,
- Keep to the spirit and letter of joint agreements,
- Honour all collective agreements,
- Keep confidential information confidential,
- Refrain from destroying each other’s relationships with third parties,
- Accept each other’s legitimate roles, and
- Be as open and frank with each other as can be expected.
1.6.2 Collective bargaining

One of the key figures in the field of labour relations, Salamon (2000, p. 323), views collective bargaining as a method of determining terms and conditions of employment and of regulating the employment relationship. Grogan (2005, p. 87) views it as the process by which employers and organised groups of employees seek to reconcile their conflicting interests and goals through mutual accommodation.

Bendix (2010, p. 252) has a wider definition of the concept that incorporates the manner in which collective bargaining parties use persuasiveness and power to achieve their objectives and the socio-political environment in which the process takes place and which, in turn, influences the process and its outcomes.

1.6.3 Strategy

White (2004, p. 5) describes strategy as a coordinated series of actions which involve the deployment of resources to which one has access for the achievement of a given purpose. Ivancevich (2003, p. 137) views an organisation’s strategy as a decision about what an organisation wants to achieve (its mission) and how it wants to go about accomplishing it.

1.6.4 Trust-building strategies

These are planned activities, processes or institutional arrangements aimed at developing a high-trust, sustainable workplace relationship between labour and management that will aid the often conflict-burdened climate that tends to exist, particularly during collective bargaining processes.

1.6.5 The labour relationship

This is a tripartite relationship between the employers, employees and the state. This study aims at focussing mainly on the primary relationship i.e. the workplace relationship between management and its employees.
1.7 SIGNIFICANCE OF THE RESEARCH

According to Venter and Levy (2009, p. 22) South Africa’s competitive standing is slipping in that in the 2007 – 2008 Global Competitiveness Report South Africa is ranked 44th out of 131 countries yet in the previous report, 2006 – 2007, South Africa’s relative standing was 36th out of 122 countries. In the World Class Competitiveness Report the country was ranked 50th out of 55 yet in the 2008 report the country had regressed to the 53rd spot. Further to this, in the Heritage Foundation Index of Economic Freedom Report (Business Day, 6th January, 2005) the country’s position regressed again from 53rd position in the previous year to 56th position during the 2004-2005 year of comparison. In the Human Development Index for the year 2005, South Africa was rated 122nd out of a group of 177 countries.

The cumulative effect of all this information leads one to conclude that South Africa faces serious challenges of globalisation, competitiveness, unemployment and social development. The current socio-political and economic situation will tend to aggravate the existing adversarial relationship.

Although there is much evidence of South African research studies that incorporate labour law, negotiation techniques, conflict management, ethics and other fields, the area of trust and trust-building strategies pertaining to the labour relationship has been largely ignored.

Research studies, such as this one, that aim to provide South African organisations with the practical tools needed to build and maintain high-trust relationships with their trade unions, especially during conflict-prone collective bargaining processes, are crucial if the country aims to address its challenges of competitiveness, unemployment, human development and others.

The results of this study can be used by:

- Government departments in the drafting and development of labour relations policies,
Collective bargaining agents (management and labour),
HR professionals in organisations who are tasked with the drafting and
development of employee relations policies), and
Scholars in the field of Human Resources Management, Labour Relations,
Industrial and Organisational Psychology, Conflict Management and other
related fields which focus on the enhancement of employment relations in
general.

1.8 RESEARCH DESIGN

The research design comprised of the following:

- Literature study;
- Empirical survey;
- Model construction; and
- Data interpretation, analysis and recording.

1.8.1 Literature study

A literature study of available texts comprising a study of relevant books, journals,
research papers, legislation and other publications was undertaken to establish
trust-building strategies that can be used by organisations to enhance their
collective bargaining processes.

1.8.2 Empirical survey

A survey of a sample of the target population comprising of collective bargaining
role-players i.e. trade union organisers, shop stewards and employer
representatives in selected organisations was undertaken. These are the parties
that are routinely involved in various forums where collective bargaining processes
at the workplace occur.

The above survey was achieved by the utilisation of a self-administered
questionnaire which consists of two sections:
Section A: This section required the biographical particulars of the respondents, indicating information such as occupation, age group, educational qualifications, duration in current employment and other pertinent details.

Section B: This section comprised of questions relating to the empirical study.

1.8.3 Model construction

After the literature study was undertaken the information derived there from was used to develop a model for the implementation of trust-building strategies to enhance collective bargaining processes in organisations.

1.8.4 Data interpretation, analysis and recording

After the collation of the data the services of a statistician were utilised to assist in the interpretation, analysis and the recording of the information.

1.9 RESEARCH OUTLINE

The research study includes the following chapters:

Chapter 1: The problem statement, delimitation of the research, the significance of the study, the objectives of the study and the research design.

Chapter 2: Trust and the employment relationship.

Chapter 3: The collective bargaining process.

Chapter 4: Trust and Trust-building strategies.

Chapter 5: Development of trust-building model.

Chapter 6: The research design and the delivery of the empirical study.

Chapter 7: The analysis and interpretation of the empirical results.

Chapter 8: Summary, conclusion and recommendations.
1.10 CONCLUDING REMARKS

In this chapter the problem statement was introduced as well as the relevant sub-problems that needed to be addressed in the study. The research study was demarcated for convenience and to make it more manageable. The significance of the research study as well as the objectives was clarified. The chapter culminated in a discussion of the research design that was followed by the researcher.
# CHAPTER 2

## TRUST AND THE EMPLOYMENT RELATIONSHIP

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<td>Employee participation</td>
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<td>2.5.5</td>
<td>Organisational communication</td>
<td>40</td>
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CHAPTER 2:
TRUST AND THE EMPLOYMENT RELATIONSHIP

2.1 INTRODUCTION

This chapter commences with a definition of trust and its importance to the employment relationship, this is followed by a discussion of some of the environmental factors that affect labour relations in general and the nature of trust between the primary role-players at the workplace in particular.

The environmental factors are sub-divided into macro and micro-environmental factors that tend to impinge on the employment relationship. This discussion forms the bulk of the contents of this chapter and it is concluded with a re-emphasis of how crucial high-trust relationships are to counteract potential conflict, especially during collective bargaining processes.

Whilst the Labour Relations Act 66 of 1995 (updated 2005) does not expressly provide for a duty to bargain (Grogan, 2005; Bendix, 2006; Finnemore and van Rensburg, 2006), current jurisprudence, however, shows a general trend where a refusal to bargain with a sufficiently representative trade union is perceived as an unfair labour practice as suggested in, amongst others, the case of the National Union of Mineworkers v East Rand Gold & Uranium (1996) and Mutual and Federal Insurance Co Ltd v Banking Insurance Finance Assurance Workers Union (1996) in Grogan (2005, p. 320).

This indirect promotion of collective bargaining processes by the drafters of the Labour Relations Act places a duty on the South African employer and employee collectives to build workplace relationships that are based on the foundation of trust as trust is viewed as crucial for the realisation of shared objectives (Nooteboom, 2002; Six, 2005; Reina & Reina, 2006).
2.2 DEFINITION OF TRUST

In the preface to *Trust: Forms, Foundations, Functions, Failures and Figures*, Nooteboom (2002) warns researchers on the subject of trust that they are most likely to be met by an enormous amount of literature that he describes as “containing a confusing complexity of partly similar and partly different notions and aspects of trust.”

In order to ensure that this research study is manageable, the type of trust referred to herein is that which is interpersonal, inter-organisational and pertains, exclusively, to the employment relationship. It is the type that tends to exist between the primary role-players in respect of their particular performance of given roles within the workplace. It comprises the type of trust that, ideally, needs to exist between the trade union representatives and the management representatives, especially during collective bargaining processes.

Trust is generally perceived as a state of mind or understanding that the people in the relationship will behave or respond in an honest, predictable, consistent and cooperative way. In workplace relationships this can be indicated by the parties keeping to the spirit and wording of collective agreements, honouring intentions, respecting confidential information and accepting each other’s role and objectives (Fukuyama, 1995; Nooteboom, 2002; Reina & Reina, 2006; Salamon, 2000).

In Trust in Knowledge Management Systems in Organisations (2004, p. 59) Huotari & Iivonen state that trust is an important factor for inter-individual and inter-organisational relations. The authors contend that in organisations there are factors that contribute towards trust-creation and those that are referred to as trust-minimising.

Whist acknowledging the impact of situational variables on the levels of trust between parties, the authors perceive traits such as being honest, inspiring, forward-looking, responsive, and professionally capable as those that tend to inspire trust in people whereas trust-minimising factors tend to include telling lies,
breaking promises, avoiding responsibilities and being disloyal.

2.3 THE IMPACT OF ENVIRONMENTAL FACTORS ON LABOUR RELATIONS AND THE EMPLOYMENT RELATIONSHIP

Every organisation is affected by the environment in which it operates. The human capital and the employment relationship are by their very nature prone to influence by numerous moderating influences from both within and outside of the organisation (Venter & Levy, 2009, p. 18).

Similarly, the trust process in organisations is affected by the inside and outside conditions exemplified by markets, legal systems, customs and norms of conduct (Nooteboom & Six, 2003, p. 7).

South Africa has been described as a country of vast contrasts. “International business is conducted from high rise office blocks using state-of-the-art technology whilst on the pavements below vegetable hawkers from squatter settlements sell their bags of potatoes.” (Finnemore & van Rensburg, 2002, p. 41). The authors contend that these extremes of wealth and poverty create opportunities and challenges that impinge on labour relations in general and, by implication, on the employment relationship.

Bendix (2006, p. 4) describes the employment relationship as a ‘human’ relationship because it involves people who, because of their mutual involvement in the work situation, have been placed in a specific relationship with one another.

The author further contends that the employment relationship is bound to contain elements common to all other social and business relationships such as friendship, marriage, business partnerships, social, religious and political liaisons. Because of this, the employment relationship can also be affected directly or indirectly, negatively or positively by external factors. The impact of environmental factors on the employment relationship is depicted in Figure 2.1
2.4 THE MACRO ENVIRONMENT

Below is a discussion of several factors that may impact on labour relations in general and on the employment relationship and trust, in particular:
2.4.1 The economic environment

Venter and Levy (2009, p. 20) explain the dilemma faced by the current government in that it needs to rectify a massive social deficit whilst it has, simultaneously, to encourage economic growth. Economic variables such as monetary policy, fiscal policy and inflation impinge on the employment relationship.

COSATU and the SACP perceive their role as the guardians of the workers and the poor and are advocating for a more socialist, developmental state whereas the ANC, through its newly elected leader and the national state president, Mr. Jacob Zuma, has vowed to continue with the established fiscal and monetary policies drafted by previous regimes.

This has placed COSATU and the SACP at odds with their alliance partner, the ANC, due to, amongst other things, the latter’s continued use of inflation targeting as an important aspect of its monetary policy. This friction within the alliance will tend to increase tensions at workplaces across the land as economic needs are still viewed as the primary motivator for workers in joining a trade union (Finnemore & van Rensburg, 2002, p. 136). This will be catastrophic for employment relations and trust.

2.4.2 Unemployment

The Mail & Guardian newspaper of the 4th of December 2009 reported that economists predict that South Africa stands to lose 2 million jobs by the end of 2010. They also projected that the economy will have shed 1 million jobs by the end of 2009. A survey which they conducted revealed that 484 000 jobs were lost between July and September of 2009. According to this survey the jobless figures rose from 4.1 million in June 2009 to 4.2 million in September 2009 resulting in an official unemployment rate (narrowly defined) of 24.5%.

The Commission for Conciliation, Mediation and Arbitration (CCMA) has allegedly received 399 retrenchment notices from employers in 2009 compared with the 202 they received in 2008. These alarming statistics will tend to manifest in tensions
between workers and employers as they negotiate the pre-retrenchment processes laid down by the current legislation, which generally have a propensity for conflict.

Finnemore (2006, p. 52) outlines some of the negative outcomes of unemployment on labour relations as the following:

- As job security is a major concern to the employees due to fears about retrenchments, workers tend to vociferously oppose any restructuring plans.
- As employees are often sole breadwinners for a large extended family, they are generally debt-ridden.
- As there are large numbers of people prepared to work for lower wages, the power of the unions is weakened.
- Labour-friendly legislation is viewed by employers as stifling job creation.
- Employers make significant contributions to community projects to ameliorate the effects of poverty.
- Unemployment fosters crime and employers are consequently faced with social ills like theft, corruption and nepotism from their employees resulting in the use of disciplinary measures against the culprits.
- Unemployment leads to casualisation of jobs with the casual workers acting as replacement labour during strikes, weakening the bargaining power of the union movement.
- The unemployed and the informal sector workers view the unionised as the ‘elite’ i.e. not able to share their pain and, indirectly, not able to adequately represent their interests.

During economic down-turns trade unions tend to focus on the preservation of jobs rather than on wage increases, although there has not been much, in recent times, evidence of this trend in South Africa’s strike-prone labour relations environment.
2.4.3 The political environment

The policies of the dominant political party, as the instrument of government, will greatly affect the conduct of the employment relationship (Bendix, 2010, p. 23). The Herald of the 16th of December reported on ongoing tensions between the alliance partners fuelled, in part, by the criticisms levelled by the SACP deputy secretary-general and deputy transport minister, Mr. Jeremy Cronin, at Mr. Julius Malema, the president of the youth wing of the ANC (ANCYL), about his views on the nationalisation of the mines.

This conflict is alleged to be the symptom of deeper divisions between the alliance partners with some members advocating a more significant role for COSATU and the SACP in shaping the direction of the ANC and, by extension, government priorities and policy and the emergence of a core of ANC hardliners, exemplified by Mr. Malema, that have formed to derail such ambitions and refuse the alliance partners their stated wish to ‘co-govern’ with the ANC.

This post-Polokwane political infighting amongst alliance members, which is presently being felt at various levels of government, will consequently heighten tensions ahead of the 2012 local government elections and taint collective bargaining processes at the workplace as workers will usually be divided on political and union-affiliation grounds. When this scenario occurs trust levels tend to decrease.

2.4.4 The social environment

Nel et al. (2008, pp. 26 – 29) comment on the societal embeddedness of labour relations and how societal situational variables affect the employment relationship. An example is made of how crime in the communities victimises employees resulting in absenteeism and other inappropriate behaviours that may impact negatively on worker performance and ultimately on organisational productivity and competitiveness.

The authors have identified certain trends in the broader socio-political
environment that may have a telling effect on the employment relationship.

Here are some of these trends:

- Political democracy attained by the communities tends to influence workers to strive for greater industrial democracy;
- Expectations raised about the improvement of service delivery to the communities during election time often translate in workers expecting management to ‘deliver’ at the workplace as well. This is exemplified by workers demanding that the organisation tackle issues such as transformation, job creation and workforce diversification.
- The private sector is increasingly expected to make considerable contributions towards the alleviation of poverty and the raising of the living standards of the communities.
- Crime and acts of violence and intimidation in the community often spill over into the workplace;
- Trade unions start demanding the education and training of the workforce to alleviate the skills shortage that characterises the South African labour market; and
- As society advocates for the upliftment of women, who still remain largely marginalised, employers are called upon for a greater diversification of the workforce.

The above trends will tend to render workplaces as terrains of worker mobilisation and struggles that may affect existing trust levels.

2.4.5  HIV/AIDS

According to Erasmus, Loedolff, Mda and Nel (2010, p. 56) South Africa has one of the highest per capita HIV prevalence and infection rates in the world. The percentage of adult deaths ascribed to Aids-related diseases increased from 9% in 1995/1996 to approximately 40% by 2000 / 2001.
Population profile predictions have also been adversely affected, for example, the South African population would have been over 60 million by 2015, and the expected population, according to these predictions, will now be less than 50 million due to HIV/Aids.

According to the authors HIV/Aids will have a disastrous effect on human capital realisation, skills availability, and skills shortages. As 90% of those infected will be in their key productive years, these are bound to be the negative outcomes of HIV/Aids prevalence at organisational level:

- Increase in absenteeism;
- Loss of trained personnel;
- Increase in production costs;
- Increase in group insurance costs;
- Increase in medical aid costs; and
- Increase in staff recruitment costs.

At macro-level the country could also experience decreases in foreign direct capital inflows due to lower levels of investor confidence and the current overburdened, chaotic and inefficient public health care system could buckle further under the strain, due to lack of capacity.

Erasmus et al. (2010 p. 59) suggests that organisations need to consider the following to address the impact of this pandemic:

- Develop an HIV/Aids risk profile;
- Adopt an HIV/Aids policy;
- Conduct HIV/Aids awareness campaigns and training sessions; and
- Monitor organisational trends.

Organisations need to conduct collective bargaining processes to arrive at a suitable dispensation that will provide advice and care to those affected and infected and, at the same time, ensure that, in spite of these interventions, it does
not sacrifice the achievement of its shared goals.

### 2.4.6 Labour force flexibility

In South Africa there is a rapid increase in labour broking which is the instrument used by employers to afford themselves numerical flexibility by dividing their labour forces into core skills, which are often employed on a permanent basis, and non-core skills which are normally outsourced to labour brokers (Venter & Levy, 2009, p. 131).

This tendency has met with vociferous condemnation from the Minister of Labour and ANC national executive committee (NEC) member, Mr. Membathisi Mdledlana, who has pledged to ban labour broking in South Africa. In an official COSATU statement issued on its website on the 8th of December 2008 by Mr. P. Craven, its national spokesperson, this union federation has vowed to use all within its power to ensure that the government puts in effect a total ban on labour broking.

This issue, for some time into the future, will tend to dominate collective bargaining processes and become a bargaining chip during wage negotiations as any intransigence on the part of employers to accede to this call is certain to lead to mass demonstrations, which are historically often bedevilled by violence and intimidation.

### 2.4.7 The effects of globalisation

Finnemore and van Rensburg (2002, p. 56) define globalisation as the process of transformation in the spatial organisation of social relations and transactions, which generates rapid transcontinental or interregional flows of information, people and goods. Slabbert and Swanepoel (2002, p. 83) state that if an organisation is to remain prosperous, it must continually adapt to its external environment, which is constantly changing.

To these authors, a globally competitive enterprise is one that is characterised by its ability to:

- Capture as many customers on the world market as is possible;
• Sell goods and services at prices that are lower than its competitors;
• Sell goods and services at better quality than those sold by its competitors;
• Access the best natural resources;
• Access and retain the most productive labour;
• Access and retain the most skilled and educated labour;
• Acquire the latest technology and equipment;
• Attract the most and best investment from transnational corporations (TNCs) and foreign companies; and
• Sell the most goods and services at the most profitable rates possible.

At organisational level these often divergent needs and goals between management and the employees are antecedents for organisational conflict necessitating the building and maintenance of high-trust relationships.

According to Finnemore and van Rensburg (2002, p. 57) the South African economy, which had been isolated from the outside world during the apartheid years, was characterised by the following:

• A dependence on abundant natural resources for survival;
• A manufacturing sector protected by import tariffs;
• An economy that was increasingly inward-looking, small, uncompetitive and stagnant;
• Lack of new investment;
• Use of outdated machinery and production processes; and
• Access to limited markets.

This state of affairs suddenly changed when global markets opened up after the democratic transformation. Heavy competition from Asian countries, where wages are relatively lower, destroyed, for example, much of our clothing manufacturing and retail sectors. Collective bargaining processes will still have to be utilised in order to lessen the effects of globalisation on organisations and their staff and preserve trust in the employment relationship.
2.4.8 The effects of technological acceleration

Erasmus et al. (2010, p. 55) argue that the result of the impact and speed of development of new technologies is that we can expect to experience even more dramatic changes in the way we live and work because of the emergence of these technologies.

According to Slabbert and Swanepoel (2002, p. 86) the development of artificial materials and new technologies for the information age is steadying the demand for raw materials and minerals. There is an ever-increasing demand for products to become faster, smaller, lighter, stronger and cheaper.

This world-wide trend has a big impact on economies such as ours which rely on the mining industry or mine-related industries for foreign currency through the exports of raw materials.

These, according to the same authors, are some of the changes that will have a profound impact on labour relations and on the employment relationship;

- Doing the same work in less time;
- Helping to provide memory and build corporate knowledge;
- Technology and information becomes a competitive advantage;
- Technology changes jobs;
- Better technology and better processes leads to fewer, better educated workforce;
- Better decision-making due to better quality of information;
- Businesses will be centred around teams operating in certain projects which will dissolve when the work is done;
- Workers will need high skill densities and wide skill repertoires; and
- Jobs will be less secure, workers will become more mobile.

In an effort to counter the unilateral introduction of new technologies by management and to ensure higher degrees of consultation and joint decision-making at organisational level, trade unions now tend to demand the inclusion of
new technology agreements.

These agreements may, according to Finnemore and van Rensburg (2002, p. 55) include the following:

- Clauses ensuring that no technological changes will be introduced in an unilateral fashion;
- Access to full information relating to proposed changes;
- Guarantees to workers whose grading status is lowered through job reorganisation that their current individual earnings and status will remain unchanged;
- Provision for retraining and redeployment;
- A reduction in working time, reduced overtime or longer holidays; and
- Provision for early retirement with significant benefits.

Changes brought about by technological acceleration tend to lead to job redundancies, transfers, demotions, downsizing and retrenchments. These processes result in the down-spiralling of trust levels and, if not handled honestly and appropriately, it may take considerable conscious trust-building strategies to repair the resultant damage.

### 2.4.9 The legislative framework

The macro-factor that certainly has the most impact on labour relations and, thereby on the employment relationship, is the legislative framework that regulates and contextualises the expected behaviour and norms of the primary role-players at the workplace. It is the legislative framework in particular that helps to shape employment relations paradigms (Nel et al. 2008, p. 103).

There are various pieces of legislation that have an impact on the conduct of the employment relationship at the workplace but, for the purposes of this research study only the following Acts will be discussed:

- The Constitution Act 108 of 1996 (The Constitution)
• The Labour Relations Act 66 of 1995 (LRA)
• The Basic Conditions of Employment Act (BCEA)
• The Employment Equity Act 55 of 1998 (EEA)
• The Skills Development Act 97 of 1998 (SDA)


In Chapter 2: Bill of Rights under Section 23 of the Constitution, the rights of all workers to fair labour practices are guaranteed. Freedom of association for workers and for employers is advanced. The drafters of the Constitution in 23 (5) proclaim their preference for the collective bargaining process as a crucial tool in conflict prevention and resolution.

This aims to ensure that the employment relationship is enhanced by trust-creation rather than trust-minimising behaviour. As the constitution is underpinned by principles of fairness, equity and justice trust and trust-levels can be affected by transgressions by either party when measured against its dictates.

**The Labour Relations Act 66 of 1995 (LRA)**

The Labour Relations Act (LRA) aims to give effect to the rights and obligations of employees and their unions as well as employers and their organisations in accordance with the constitution, to promote collective bargaining and employee participation and promote dispute resolution and labour peace.

Du Toit *et al.* (2003, p. 23) view this Act as the major change in South Africa’s statutory industrial relations system. The authors contend that this Act encapsulates the ANC governments’ aims to reconstruct and democrtise the economy and society in the labour relations system and see it as the ‘centrepiece’ of a model for regulating labour relations.

This view is shared by various authors who regard this Act as an attempt to transform the conduct of labour relations from an adversarial mode to a
consultative, joint problem-solving mode (Finnemore & van Rensburg 2002, Grogan 2005; Venter & Levy 2009). The Act covers certain topics in its chapters such as freedom of association and general protections, collective bargaining, strikes and lockouts, workplace forums, trade unions and employer organisations, dispute resolution, unfair dismissal and unfair labour practice.

The Act is, therefore, fundamental in setting parameters within which collective bargaining processes take place and, because of that, it has an extraordinary effect on the employment relationship. Table 2.1 depicts the major provisions of the Labour Relations Act.

**TABLE 2.1
THE MAJOR PROVISIONS OF THE LABOUR RELATIONS ACT**

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom of association Victimisation</td>
<td>Chapter 2 and Chapter 7 (disputes)</td>
</tr>
<tr>
<td>Trade unions</td>
<td>Chapter 2 and Chapter 7 (disputes)</td>
</tr>
<tr>
<td>Employer’s associations</td>
<td>Chapter 2 and Chapter 7 (disputes)</td>
</tr>
<tr>
<td>Federation of trade unions / employers’</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>associations</td>
<td>Chapter 6</td>
</tr>
<tr>
<td>Collective rights</td>
<td>Chapter 3</td>
</tr>
<tr>
<td>Collective agreements</td>
<td>Chapter 3 and Schedule 7, Schedule 8</td>
</tr>
<tr>
<td>Bargaining structures</td>
<td>Chapter 3 and Schedule 7, Schedule 8</td>
</tr>
<tr>
<td>Consultation</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>Co-decision-making</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>Workplace forums</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>Strikes</td>
<td>Chapter 4</td>
</tr>
<tr>
<td>lockouts</td>
<td>Chapter 4</td>
</tr>
<tr>
<td>Dispute settlement</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>Unfair dismissals</td>
<td>Chapter 8</td>
</tr>
<tr>
<td>Unfair labour practice</td>
<td>Chapter 8</td>
</tr>
</tbody>
</table>

The Basic Conditions of Employment Act 75 of 1997 (BCEA)

This Act regulates and sets the basic conditions of employment for all employees that employers need to abide by. Employers and employees may establish better conditions than those prescribed in the Act and it has the flexibility that its terms can be varied to suit unique circumstances, the proviso being that the varied terms and conditions must not, generally, place the employee in worse circumstances than previously.

The Act covers certain topics in its scope such as working time (ordinary hours of work, overtime, extended ordinary daily hours of work, meal intervals, daily and weekly rest periods, night work, public holidays, emergency work, and pay for Sunday work), leave (annual leave, sick leave, maternity leave and family responsibility leave), remuneration, deductions and notice of termination.

The BCEA aims to contribute to the creation of secure, equitable and harmonious working relations (Venter & Levy, p. 215). If certain issues or eventualities have not been adequately covered in a recognition agreement, the BCEA is the first port of call in cases of a dispute for reference and clarity.

The Employment Equity Act 55 of 1998 (EEA)

In the preamble to the Employment Equity Bill (reference no. B 60 – 98), the drafters of the legislation state that the bill is in recognition of the fact that as a result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market, and that these disparities create such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing discriminatory laws.

A special law had to be promulgated to deal with the intentions of the legislature to transform South African society in general and workplaces in particular. The primary purpose of the Act is to achieve equity in the workplace by:
- Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

In the foreword to its 9th Annual Report (2008 – 2009) the Commission for Employment Equity (CEE) expresses its disappointment at the slow pace of transformation that is taking place in South African business circles to accommodate the previously disadvantaged communities.

The report also indicates, according to the Commission, that ten years after the Act was promulgated, there is still a disproportionate over-representation of white people in general, and white males in particular in the top echelons of South African business.

Race and perceptions about race and discrimination still persist and continue to bedevil South African society and racial incidents often flare up in the workplace necessitating in the drawing up of policies to fight this scourge through diversity awareness programmes and specific policies and agreements.

**The Skills Development Act 97 of 1998 (SDA)**

In its founding document on the Accelerated and Shared Growth Initiative – South Africa (ASGISA) the government acknowledges that, in order for it to meet its social development goals, the economy needs to grow at a rate of no less than 5%, on average, for the period 2004 – 2014 and thereby, create labour-absorbing projects and activities, that aim at driving away poverty and inequality. One of the main thrusts of this strategy is the development of a suitably skilled labour force.

Section 2 of the Skills Development Act outlines its aims as the following:

- To develop the skills of the South African workforce;
• Increase the levels of investment in education and training in the labour market and to improve the return on investment;
• To use the workplace as an active learning environment,
• To provide employees with the opportunities to acquire new skills;
• To provide opportunities for new entrants to enter the labour market to gain work experience;
• To employ persons who find it difficult to be employed;
• To encourage workers to participate in learning programmes;
• To improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education to ensure quality of learning in and for the workplace;
• To assist work-seekers to find work, retrenched workers to re-enter the labour market and employers to find suitably qualified employees; and
• To provide and regulate employment services.

According to Coetzee, Botha, Kiley and Truman (2007, p. 4) some of the decisions taken by the government to meet this education, training and development (ETD) challenge are the following:

• Facilitating the placement of new entrants into the labour market through learnerships, bursaries, internships and new venture creation;
• Facilitating the recruitment of skilled foreign workers in fields with critical skills shortages;
• Ensuring the development of South Africans in fields with critical skills shortages;
• Providing career guidance and counselling to school leavers to assist them to pursue further studies in fields that meet the needs of the economy; and
• Speeding up the implementation of the national human resource development strategy (HRD) by all government departments.

The government hopes to achieve the above objectives through the establishment of institutions and processes such as the National Skills Authority (NSA), the
National Skills Fund (NSF), the Skills Development Levy-Grant Scheme, Sector Education and Training Authorities (SETAs), Quality Council for Trades and Occupations (QCTO), Department of Labour offices, a Skills Development Forum in each province and a National Artisan Moderating Body.

All these initiatives will enjoin all the parties at the workplace to work in cooperation to ensure that not only their shared goals are achieved, but those of the state. The use of problem-solving approaches such as mediation, negotiation and, as a last resort, arbitration can only be effective in well-developed, high-trust relationships.

2.5 THE MICRO ENVIRONMENT

There are factors within the organisation’s immediate environment that can have an enormous impact on the labour relationship and on trust. Below are some of the micro-factors, at organisational level, that may have an impact on labour relations and on the employment relationship:

2.5.1 Managerial vision and strategies

According to Slabbert and Swanepoel (2002, p. 96) despite the unstable and rapidly changing global and external environment, business managers who follow a strategic management approach can initiate a future vision for the organisation and therefore direct its activities towards the realisation of those strategies. The authors contend that until such time that employees take ownership of this vision by contributing their inputs, the vision will remain only a dream. The authors outline the following strategies and possible employment relations implications for each strategy:

Acquisition and merger strategies

These strategies have the potential to sow conflict due to differences that may be experienced between organisations in respect of: conditions of service, organisational culture, managerial style and human resources management.
These differences between organisations, when experienced, may result in workforce frustration which may crystallise in the labour relations arena.

**Consolidation strategy**

When parts or units of an organisation are combined or brought together this may lead to work restructuring, transfer of workers to positions with which they are unfamiliar.

**Retrenchment strategy**

When a firm decides to reduce the size of its workforce this may lead to job losses or transfers of workers to positions with a lower grading. This process generally leaves the workforce with feelings of insecurity and the resultant lowering of trust levels, if the process is not adequately handled.

**Divestment strategy**

When an organisation divests itself of a division that is not performing well this may involve consolidation or retrenchment with the negative consequences that these two strategies are associated with.

**Organisational and job structure**

The organisational structure which is the framework of roles and relationships of employees performing various tasks and the nature of the job and how it is designed has an impact on the employment relationship (Slabbert & Swanepoel, 2002, p. 101).

The authors contend that the nature of departmentalization, the chain of command, the span of control, job specialisation and other factors may have a negative impact on the employment relationship.

At organisational level these factors can result in outcomes such as the following;
- Poor communication,
- Limited time to attend to workers problems and needs,
- Less personal contact,
- Uncertainty of employees regarding job requirements,
- Intra-individual conflict when instructions are contradictory,
- Work alienation,
- Frustration,
- Dissatisfaction and conflict.

Organisational structure and job design must be approached, therefore, with utmost care noting that several factors, if not well-thought out, may affect the employment relationship with trust-levels being negatively affected as a consequence. The Labour Relations Act (as amended) prescribes certain obligations on an employer that is thinking of retrenching employees and if these are not adhered to by an employer, conflict may arise.

2.5.2 Managerial labour relations approaches and perspectives

Bendix (2010, pp. 23-25) argues that there are basically two divergent approaches or perspectives that govern managerial thought and behaviour in relation to trade unions:

**The unitarist approach**

Managers who adopt this approach view the organisation as a coherent group that is driven by a common purpose, which is the continued profitable existence of the organisation. Proponents of this school of thought view the existence of trade unions as a challenge to their managerial prerogative. Conflict is generally regarded by such managers as irrational and antisocial. Trade unions are viewed as unnecessary and due to this managerial perspective power displays are a common reality at the workplace. In this win-lose scenario inter-group trust becomes a victim.
The pluralist approach

With this approach, trade unions are by and large perceived as a necessary institution as they represent the interests and needs of an important organisational stakeholder, the employees. In contrast with the unitarist approach, conflict is viewed as inevitable and unavoidable in a situation where there are divergent needs. This approach advocates compromise between the parties and the resolution of disputes through a framework of rules and regulations. This approach is appropriate when trust levels are low in that there are policies, jointly developed, that guide the role—players in instances of conflict and it also reduces or eliminates unilateral decision-making.

The consultative pluralism approach

This approach, according to Finnemore and van Rensburg (2002, p. 178), goes further than other pluralist approaches in that it requires the commitment and satisfaction of employees in order to create and maintain a certain level of stability and support within the organisation. This wide-ranging approach is premised on the crucial role that strategic planning plays in laying the foundation for the transformation of the workplace to achieve World Class Vision. This World Class Vision strategy is defined as the ability and capacity of an organisation to produce goods of the highest quality at the best affordable price levels and to provide customer service that is world competitive. This approach is characterised by a less top-down approach to supervision and greater worker control of production processes. In such environments the employment relationship is much more collaborative rather than adversarial and trust between the parties becomes a critical ingredient for success.

2.5.3 Organisational culture

Robbins and Coulter (2009, p. 117) describe organisational culture as shared values that reflect what the organisation stands for, and what it believes in, and the values create an environment that influences employee behaviour ethically or
unethically.

According to the authors, an organisational culture that is mostly likely to encourage high ethical standards is one that is high on risk tolerance, control and conflict tolerance. This type of culture tends to inculcate a level of aggressiveness and innovativeness in employees. Managers are viewed by the authors as the most important influence on an individual’s decision to act ethically or unethically. People see managers, in the main, as their role models in respect of organisational norms and customs. The selection of individuals with established integrity and honesty to lead collective bargaining processes will tend to raise trust levels rather than the selection of individuals with dubious reputations.

### 2.5.4 Employee participation

In an effort to promote the ideals of worker democracy at organisational level the drafters of the Labour Relations Act introduced the institution of workplace forums to deal with issues requiring consultation and joint-decision-making at the workplace. Designated companies in respect of the Act are those that have 100 or more employees on their records.

Anstey (1997, p. 89) states the rationale for the introduction of workplace forums as a belief by the drafters that where employees achieve a greater say in managerial decision-making, employers reap the benefits of increased efficiency and performance.

**Issues for consultation**

Consultation in terms of the Act implies that employers are enjoined to allow a workplace forum to make representations, advance alternative proposals, to consider the suggested options seriously and attempt to reach consensus within the workplace.

Listed below are some of the issues that require consultation:
• Restructuring the workplace;
• Introduction of new technology and new work methods;
• Changes in the organization of work;
• Partial or total plant closures;
• Mergers and transfer of ownership in so far as they have an impact on employees;
• Dismissal of employees for reasons based on operational requirements
• Exemptions from any collective agreement or any law
• Job grading
• Criteria for merit increases or the payment of discretionary bonuses;
• Education and training;
• Product development plans; and
• Export promotion.

**Issues for joint decision-making**

Designated employers are compelled in instances where there is no consensus within the workplace forum, to refer the dispute for arbitration in terms of any agreed procedure, failing which, the dispute may be referred to the CCMA.

Listed below are the issues that require joint decision-making:

• Disciplinary codes and procedures;
• Workplace rules;
• Affirmative action, and
• Changes to the rules of employer-controlled social benefit schemes if initiated by the employer or employer-appointed representatives.

**2.5.5 Organisational communication**

Grace Harding writes in The Star newspaper of the 23 of February 2009 that companies that manage to avoid retrenchment fall-out are typically those that have invested as much time, effort and thought into the communication process as they
have in legal and financial aspects of this process. Robbins (2005, p. 136) argues that the most cited source of conflict is poor communication. He outlines the functions of effective communication as the following:

- Control – This function entails the organisational hierarchy and the rules that employees need to abide by,
- Motivation – This occurs when employees are told what is to be done, how well they are doing, and what needs to be done to improve poor performance,
- Expressions of emotions – In social settings emotions regarding employee frustration or satisfaction are given vent through communication,
- Information- Communication facilitates effective decision-making.

It is therefore easy to deduce that effective organisational communication can be an effective tool in building trust and the prevention of conflict.

2.6 CONCLUDING REMARKS

In this chapter the concept of trust was defined as well as how trust manifests itself in the labour relations sphere of an organisation. The situational variables that impinge on labour relations in general and on the employment relationship in particular were discussed. In the following chapter the processes of collective bargaining in all its modes, structures and approaches will be discussed as well as the antecedents of organisational conflict.
# CHAPTER 3

**THE COLLECTIVE BARGAINING PROCESS**

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CHAPTER 3:
THE COLLECTIVE BARGAINING PROCESS

3.1 INTRODUCTION

In the preface to Unions and Collective Bargaining: Economic Effects in a Global Environment, Aidt and Tzannatos (2002), comment that labour is often the poor person’s main or only asset and that sound industrial relations between employers and employees can lead not only to the betterment of individual lives and the achievement of organisational goals but to a stable economy and prevent settlements that are detrimental to its functioning.

The above-mentioned authors believe that the achievement of this win-win scenario is premised on the building of institutional capacity and trust between the workers, employers and the government. The collective bargaining process is a useful tool in employee engagement and features prominently in the state’s efforts at promoting industrial peace. The case in point is the preference shown by the drafters of the Labour Relations Act 66 of 1995 (as amended), for collective bargaining to be a crucial instrument for dispute resolution at the workplace.

This intention is expressly stated in chapter 1.1 (c) which outlines one of the purposes for the promulgation of the Act as: To provide a framework within which employees and their trade unions, employers and employer organisations can collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest.

3.2 THE NATURE OF COLLECTIVE BARGAINING

In Mawu v Hart Ltd (1985) 6 ILJ 478 (IC) in Grogan (2005, p. 9) the Industrial Court differentiated between the processes of consultation and collective bargaining by stating that with consultation one is merely taking counsel, seeking information or advice and there is no implication that there will be some type of
agreement at the end, whereas with collective bargaining there is a search for agreement by means of haggling or wrangling through a process of give and take. At the heart of the collective bargaining process, therefore, resides a conscious, positive strive to reach some form of compromise.

One of the earlier authors in the field of labour relations, Salamon (2000, p. 323), defines the collective bargaining process as a method of determining terms of employment and regulating the employment relationship, which utilises the process of negotiation between the representatives of management and employees and results in an agreement which may be applied uniformly across a group of employees.

The above definition is an improvement on the definition advanced earlier on by some of the pioneers in this field of endeavour, Beatrice and Sidney Webb, who stated, simply, that the collective bargaining process is one method whereby trade unions could maintain and improve their members’ terms and conditions of employment (Bendix, 2010 p. 252).

Bendix (2010, p. 252) posits the definition cited below which aims to describe the nature of the collective bargaining process with its characteristic interactiveness, its reliance on power and its susceptibility to outside influences:

‘A process, necessitated by a conflict of needs, interests, goals, values, perceptions and ideologies, but resting on a basic interdependency and commonality of interest, whereby employees/ employee collectives, by the conduct of continued negotiation and the application of pressure and counter pressure, attempt to achieve some balance between the fulfilment of the needs, goals and interests of management on the one hand and employees on the other ...’

The above-mentioned author contends that central to the collective bargaining process are concepts such as the commonality of interest between the parties which is indicated by their stake in the future growth and development of the enterprise, conflict that is inherent and an unavoidable component of the relationship and power that is a tool often used by the parties to achieve their
collective bargaining objectives. Refer to Figure 3.1 below for a graphical representation of the collective bargaining process and the factors that influence it.

3.3 THE CHARACTERISTICS OF THE COLLECTIVE BARGAINING PROCESS

Grogan (2007, p. 8) views the process of collective bargaining as characterised by the following:

- It is collective – It is not individualistic but is about groups either representing the employer party or the employee party,
- It entails bargaining – It is a process of give and take through haggling or wrangling,
- Its objective is to reach some compromise or agreement,
- It is not supplication – It is not a begging exercise but a process of engagement by equal partners,
- Its outcome depends on the acceptance of the parties themselves and not by the dictates of a third party, and
- The employees use industrial action, primarily, to counterbalance the power that tends to reside with the employer.
FIGURE 3.1
ESTABLISHMENT OF THE COLLECTIVE BARGAINING RELATIONSHIP

PROCEDURAL AND SUBSTANTIVE AGREEMENTS

AGREEMENT

NEGOTIATION

POWER

CONFLICT

EMPLOYMENT RELATIONSHIP

EMPLOYERS

EMPLOYEES

Economic factors
Public policy
Social issues
Political issues

Technological changes
Demographic changes
Globalisation
Media

Needs
Goals
Interests
Values
Perception
Ideology

Needs
Goals
Interests
Values
Perception
Ideology

INTERDEPENDENCE
COMMON INTEREST
Organisational profitability
Organisational development
Organisational competitiveness

Source: Adapted from Bendix (2010, p. 261)

Chapter 3
3.4 THE OBJECTIVES OF THE COLLECTIVE BARGAINING PROCESS

Finnemore and van Rensburg (2002, p. 223) argue that the collective bargaining process has four main objectives, being:

- The provision of institutionalised structures and processes whereby potential conflicts over matters of mutual interest may be channelled and resolved in a controlled manner thus reducing unnecessary disputes,
- The creation of conformity and predictability through the development and commitment to collective agreements which establish the common substantive conditions and procedures,
- The promotion of employee participation in managerial decision making, and
- An enhancement of democracy, labour peace and economic development at a national and even at international level.

3.5 COLLECTIVE BARGAINING AND THE LAW

The International Labour Organisation (ILO) in its Convention no. 98 enjoins each member state to take steps to encourage and promote the full development and utilisation of machinery for voluntary negotiations between employers, employer organisations and worker organisations (Bendix, 2010 p. 101)

The South African Constitution in section 23 (5) states clearly that every trade union, employer’s organisation and employer has the right to engage in collective bargaining. Although the process of collective bargaining in South Africa is on a voluntary basis, the Labour Relation Act, in line with the wishes of the Constitution, promotes it, indirectly, in this fashion:

- The Act recognises the right of individuals to freedom of association and protects individuals who are affected negatively when they exercise this right,
• The Act creates institutional workplace forums and prescribes consultation and joint-decision making between the parties on certain issues,

• The Act affords organisational rights even to registered trade unions that have failed to secure a majority representation at the workplace,

• The right to strike is advanced and individuals protected from any harsh reactions or victimisation by the employer as long the strike has met certain specified conditions. This has the effect of keeping the parties in negotiations to avoid a strike with its potential prejudice to the organisation and to its employees, and

• Collective agreements are given statutory force and may, under certain conditions, be extended and, therefore, be binding even on non-parties.

Bendix (2001, p. 307), Du Toit et al. (2003, p. 227), and Grogan (2007, p. 85) argue that, except for the above situations and a few others, the Labour Relations Act says little about how, and over which issues the parties may negotiate and, therefore, has maintained the principle of voluntarism.

Todd (2004, p. 40) cautions scholars against this view by stating that voluntarism is, anyway, the preferred mode of free market economies. He cites labour laws in countries such as the United States, Canada and Japan which tend to compel employers and trade unions to negotiate in good faith in order to encourage them to regulate their own terms and conditions of employment and to discourage state intervention.

The above author further posits that the fact that the Labour Relations Act favours process voluntarism (no duty to bargain) does not detract from the reality that statutes made under it such as the Basic Conditions of Employment Act (BCEA) and sectoral determinations impose substantive conditions with minimum standards entrenched. This system that purports to be voluntary in nature does not allow, in these specified instances, for employers and their respective employee counterparts to bargain.
3.6 ORGANISATIONAL RIGHTS

Sections 11 to 22 of the Labour Relations Act comprise organisational rights that are afforded registered trade unions to enable them to participate in the processes of collective bargaining and dispute resolution. The Act allocates these rights according to the degree of representativeness of a trade union at the workplace. Disputes about organisational rights may be forwarded to the CCMA for conciliation. If the dispute remains unresolved, any party to the dispute can lodge a request for it to be resolved through arbitration.

Todd (2004, p. 25) outlines the procedure that a registered trade union that considers itself as entitled to organisational rights as the following:

- It must notify the employer, in writing, that it seeks to exercise one or more organisational rights,
- It must attach a copy of its certificate of registration to the notification,
- It must specify the workplace in respect of which it seeks to exercise the rights,
- It must specify its representativeness in that workplace,
- It must state the facts upon which it relies to demonstrate that it has the level of representativeness required to exercise those rights, and
- It must specify the rights it seeks to exercise and the manner in which it seeks to exercise those rights.

The parties are then allowed to come to some type of agreement regarding the drafting of a recognition agreement and may call upon the services of the CCMA to assist if there is any dispute in this regard. Refer figure 3.2: the path of disputes about organisational right.
FIGURE 3.2
FREEDOM OF ASSOCIATION DISPUTES FLOWCHART

Chapter II (Section 9)

FREEDOM OF ASSOCIATION

DISPUTE (1)

COMMISSION

COUNCIL (2)

CONCILIATION

FAILURE TO RESOLVE

APPLICATION TO LABOUR COURT

ORDER

Source: Labour Relations Act of 1995 (Diagram).
3.6.1 The rights of sufficiently representative trade unions

These are registered trade unions acting alone or in collaboration with others that are sufficiently representative of the employees at a particular workplace. The Act itself is devoid of any specific percentages that indicate sufficient representation. Practitioners, however, recommend a threshold of at least 30% as ideal.

Below are the rights accorded these trade unions:

- The right to enter the employer’s premises in order to recruit, communicate and or serve members’ interests,
- The right to hold meetings with employees outside of their working hours at the employers’ premises,
- The members of such a trade union(s) are entitled to participate in any ballot conducted by the trade union at the employer’s premises, and
- The employer has to effect stop order deductions for the payment of trade union dues when instructed to do so by the members.

These rights are granted subject to any conditions as to time and place that are reasonable and necessary to safeguard life or property or to prevent the undue disruption of work.

3.6.2 The rights of majority trade unions

These are registered trade unions acting alone or jointly that represent the majority of employees at a particular workplace. The majoritanian threshold is recommended at 50% + 1 employee representation. These trade unions enjoy all the rights conferred on sufficiently representative trade unions plus additional rights that they enjoy due to their higher degree of representativeness.

Below are these additional rights:

- The right to elect shop stewards,
- May set up, together with employer party, thresholds for representativity,
- The right to information (with certain limitations), and
The right to obtain leave for office bearers.

The right to information is limited under the conditions outlined below:

- When the information is legally privileged,
- When the employer cannot disclose without contravening a prohibition imposed on the employer by any law or order of the court,
- Information that is confidential and, if disclosed, may cause substantial harm to an employee or the employer, and
- Information that is private personal information relating to an employee, unless that employee consents to the disclosure of that information.

Disputes regarding the disclosure of information can also be entertained by the CCMA.

### 3.7 Collective Bargaining Structures

In order to ensure that organisational conflict is effectively managed, the Labour Relations Act introduces collective bargaining structures at central and at workplace level.

#### 3.7.1 Centralised bargaining structures

**Bargaining councils**

A bargaining council may be established by one or more registered employer party and one or more registered employee party who voluntarily come together and agree to bargain with each other.

Here below are a few of the powers and functions of bargaining councils as outlined under section 28 of the Act:

- To conclude collective agreements,
- To enforce these collective agreements,
- To prevent and resolve labour disputes,
• To perform the dispute resolution functions,
• To establish and administer a fund to be used for resolving disputes,
• To promote and establish training and education schemes,
• To establish and administer pension, medical aid, sick pay, holiday, unemployment and training schemes or funds for the benefit of the parties to the bargaining council or their members,
• To develop proposals for submission to Nedlac or any other appropriate forum on policy and legislation that may affect the sector and area,
• To determine, by collective agreement, the matters which may not be an issue in dispute for the purpose of a strike or a lockout at the workplace, and
• Confer on workplace forums additional matters for consultation

Statutory councils

Trade unions and employer organisations acting alone or in collaboration with others who enjoy a 30% representation in a sector or area, may apply to register a statutory council which, when approved, will have similar powers to a bargaining council, especially in relation to the dispute resolution processes.

The man difference between a bargaining council and a statutory council, according to Grogan (2007, p. 81), is that trade union or employer parties may, in the absence of agreement, be compelled to become members of statutory councils by a ministerial order.

Other non-statutory bargaining forums

The Labour Relations Act does not prohibit consenting parties the opportunity to make use of other bargaining mechanisms and forums provided such agreements are not in conflict with established bargaining or statutory council agreements.

Advantages of centralised bargaining

Finnemore and van Rensburg (2002, p. 229) outlines the perceived advantages of

Chapter 3
the centralised bargaining system as the following:

- Provision of protection to non-unionised employees who would otherwise be exploited;
- Provision of uniform wages in the sector prevents shifts of production to non-unionised sectors,
- Extension of bargaining council agreements prevents undercutting of wages by smaller operators,
- There are consistent conditions and standards throughout the sector,
- Economies of scale means that improved benefits such as medical aid and pension funds can be provided at as reasonably lower costs to the members
- Negotiations at bargaining council level are normally conducted by officials with the commensurate expertise,
- Comprehensive training programmes and facilities may be developed on a cost effective basis,

### 3.7.2 Decentralised bargaining structures

A trade union negotiates a recognition agreement at a certain plant or workplace to cover a particular bargaining unit and once these rights are secured, the trade union will engage in the collective bargaining process with management, at this level, on issues of common interest between its members and the employers. This level of collective bargaining is referred to as decentralised or plant-level collective bargaining.

**Workplace forums**

These structures are a typical example of the decentralised collective bargaining process in practice. They were created through the Labour Relations Act and were designed to enhance cooperation between management and employees in respect of matters of common interest. The major difference, according to Grogan (2007, p. 66), between trade unions and workplace forums is that, unlike trade unions, workplace forums are ‘in-house’ institutions operating within a particular
company or division and they draw their membership from the employees, which comprises all the different hierarchical levels of that particular plant or division, whereas membership of trade unions may extend beyond the gates of the establishment up to sector-level. In the next chapter there will be a more comprehensive discussion on workplace forums as structures to promote the principle of workplace democracy.

**Advantages of decentralised bargaining**

Bendix (2010, p. 269) outlines the advantages of the decentralised bargaining process as the following:

- Wages are differentiated according to a particular organisation,
- Benefits are tailor-made for individual needs,
- Training programmes are tailor-made to suit specific needs,
- It diffuses workplace tensions,
- It increases the power of workplace organisation, and
- It provides opportunity for greater democratic decision-making.

Some organisations utilise centralised bargaining forums to conclude agreements pertaining to wages and conditions of service whereas agreements on other issues of mutual interest are pursued at plant or workplace-level.

### 3.8 FACTORS THAT INFLUENCE THE TYPE OF STRUCTURE TO BE USED

There are a number of factors that may influence the preferences for certain bargaining units and levels. Outlined below are some of the factors that need to be considered (Bendix, 2010, pp. 270-271):

- Type of bargaining issue – Issues such as wages and conditions of service lend themselves more easily to centralised type of forums rather than debates on company productivity which may better be promoted and discussed at plant-level,
• Management organisation and policy – The decision-making hierarchy of an organisation may influence the choice of structure and level at which collective bargaining processes may take place. If the decision-making resides with top-level managers then a centralised bargaining forum might be preferred.

• Economic factors - The nature of the product and labour markets will play a crucial role in the choice of structure or level of engagement. In sectors where there is strong competition between different employers marketing the same product, the trade union(s) will tend to display a preference for centralised bargaining to prevent wage cost-cutting in the sector or industry.

• Government policy and legislation - By the power it has to impose a bargaining structure on participants and by making agreements concluded within that structure to be legally binding and enforceable, the government, directly or indirectly, influences the choice the participants will make regarding an appropriate structure or level.

• Employer influences - The choice and level of bargaining does not reside, unilaterally, with trade unions. Employers may also influence the choice of structure and level to be commensurate with the degree of power that they are most likely to wield within a particular structure or forum.

3.9 COLLECTIVE AGREEMENTS

Collective agreements are concluded between an employer or a group of employers and a trade union representing the employee party. This is an agreement that structures and formalises uniform terms and conditions of employment for all those employees that fall within the scope of such an agreement.

3.9.1 The legal effect of collective agreements

In section 23 of the Labour Relations Act the powers of collective bargaining agreements are clarified. These agreements, when they are concluded with a majority trade union(s), bind not only parties to the agreement and their members, but also extended to non-partiers if:
• The employees are identified in the agreement; and
• The agreement expressly binds the said employees.

Under the current Labour Relations Act the extension of council agreements to non-parties is possible under certain specified conditions. The effect of extension of a bargaining council agreement to non-parties is to render the non-party to whom it is extended, for all intents and purposes, a party to the agreement (Grogan, 2007, p. 112).

3.9.2 The conduct of collective bargaining agents

Bargaining agents are enjoined to ‘bargain in good faith’. This is an expectation that the parties will engage in collective bargaining with a *bona fide* intention to reach agreement (Todd, 2004, p. 46). This concept will be re-visited in the next chapter when the concept of bargaining in good faith is critically analysed as a crucial trust-building negotiating strategy. The implication is that, if agreement is feasible, the parties must do everything possible to reach it.

3.9.3 The collective bargaining agenda

There is no closed list of issues that may form the subject-matter of collective bargaining. Since bargaining is a consensual process, trade unions and employers may bargain over any issue that they agree to negotiate (Todd, 2004, p. 52).

Grogan (2007, p. 101), who is in agreement, argues that the current Labour Relations Act adopts a *laissez-faire* approach when it comes to the identification of appropriate issues for collective bargaining. It intentionally does not prescribe the agenda for collective bargaining and leaves it to the participants in line with its preferred principle of voluntarism. Although the same Act in section 64 (2) instructs disputing parties over ‘a refusal to bargain’ to refer their dispute to advisory arbitration before resorting to industrial action, it is devoid of any specifics.

As a consequence of this, employers will tend to perceive the collective bargaining
agenda in a narrow fashion in order to protect and retain their managerial prerogative to decide on organisational issues and processes. Meantime, trade unions will tend to demand consultation on all matters of ‘mutual interest’ between an employer and an employee before any managerial action is undertaken, unilaterally.

The core of the collective bargaining agenda remains salaries, wages and conditions of employment. Most trade unions have as a primary goal the negotiation of higher wages and other benefits for their members. These goals are usually the most stridently pursued as economic issues are generally the most pressing concern of members (Finnemore & Van Rensburg, 2002, p. 140)

3.10 COLLECTIVE BARGAINING MODES AND STYLES

3.10.1 Distributive bargaining

Finnemore and van Rensburg (2002, pp. 322 -323) describe this mode and style of bargaining as the one which occurs when the parties have competing interests and are involved in a process of dividing limited resources amongst each other. This is typical of wage negotiations in South Africa which are generally characterised by an adversarial style where one party opts to win all at the expense of the other. A win-lose scenario.

Todd (2004, p. 54) is in agreement that South Africa’s recent history has been characterised by high levels of adversarial bargaining which are indicated by the following:

- Predetermined mandates,
- Posturing,
- Unrealistic starting positions,
- Hiding and distorting information,
- Slow moves from concession to concession,
- Accusations of bad faith,
- Threats of and resort to power, and
- Dissatisfaction with the process and the outcome of negotiations.
3.10.2 Integrative bargaining

Bendix (2010, p. 265) contends that this style of bargaining occurs when both parties have the same preference for a successful outcome. The author cautions that this style does not imply that each party wins everything they desired but that both parties come out of the process as having won something. It is a joint problem-solving process. Attitudinal structuring which is a sub-process of collective bargaining is linked to this style of collective bargaining. It is a long-term process of building relationships and trust between the bargaining agents to decrease hostility and promote acceptance. In the next chapter attitudinal structuring will be discussed, fully, as a trust-building strategy.

3.10.3 Intra-organisational bargaining

It often occurs that within the trade union and the management collectives there may be different opinions and ideas about how the collective bargaining process needs to unfold and about the desirable outcomes of this process. It is recommended, for example, that the trade union representatives meet to negotiate amongst themselves to enable them to be on the same page regarding their mandate and the best way it can be achieved. The same applies to the employer representatives. During the process of obtaining mandates from their respective constituencies, the opinions and advice gained during the process is used to develop a negotiations strategy.

3.11 FACTORS THAT AFFECT THE COLLECTIVE BARGAINING PROCESS

There are several environmental factors that impinge on the collective bargaining process and its outcomes. Outlined below are some of these factors as identified by Katz, Kochan and Colvin (2008, pp. 77-101):

Bargaining power

The above-mentioned authors differentiate between total power which they view
as the total profits that are available to be shared between the employers and their employees and relative power which refers to the ability of either side to gain a larger share of the given amount of profits. The relative power of a trade union is, therefore, influenced by its strike leverage which is the degree to which that trade union (or employer body) is willing and able to sustain an effective strike.

The economic context

An organisation’s market power is influenced, amongst other things, by the degree to which external and internal market conditions exert pressure on business operations. In times of general economic upswings and high levels of organisational profitability trade union power is increased whereas in recessionary times coupled with relatively high rates of retrenchments the opposite prevails.

The legal framework

The country’s legal framework can be extremely influential on collective bargaining processes. The degree to which legislation encourages and supports the collective bargaining process results in the development of some form of power equilibrium between the collective bargaining agents. The effects of this direct regulation of employment conditions are the plethora of post-1994 labour-related legislation that has led to better protection for employees against the unilateral, unfair, exploitative and discriminatory actions of the employer, whilst employers tend to view the same legislative framework as pro-labour, restrictive and resulting in an inflexible labour force.

The demographic context

Katz et al. (2008, pp. 93-94) argue that the aging workforce and the growing number of working women will influence the needs and expectations of these workers and, by implication, the nature of collective bargaining processes in organisations. Job security and satisfaction for the ageing workforce, for example, will present challenges for future trade unionists as to how best to articulate and accommodate these needs in dialogues with the employer parties. The growing
power of women will ensure that their unique expectations, needs and aspirations are include in the collective bargaining agenda.

**Occupational and industry trends**

The greater shift to service-sector industries, part-time work and home-based industries is viewed, by the authors, as factors that, in combination, will lead to challenges for the union movement in that these workers tend not to display the same levels of loyalty to an organisation that the permanent staff normally possesses and due to this factor there may be reduced numbers of the unionised.

**The social context**

To what extent is the general public sympathetic to the collective bargaining processes and its resultant industrial action? Finnemore and van Rensburg (2002, p. 197) posits that there are differences in the public’s perceptions of industrial action by private sector employees as against the same activity by public sector employees. Industrial action by the private sector, according to these authors, is normally not viewed as harshly as when nurses, teachers, transport operators and municipal garbage workers down tools. The public is generally not sympathetic when nurses and teachers desert patients and pupils and garbage workers litter the streets in protest. This may be because these types of workers are paid for by public funds and any salary increase may lead to the state requiring higher individual taxes.

**The technological context**

Ongoing technological change affects jobs and employment conditions. Whilst some argue that technology leads to deskilling of jobs i.e. the lowering of the level of skills required in a job, others view the changes as leading to less hierarchy, higher-levels of skilled work and growth in real incomes. The authors suggest that studies of organisational behaviour in the USA’s automotive industries reveal that the highest productivity and the best quality are being achieved in the organisations that effectively integrate new technologies and manufacturing
practices with innovative human resource and industrial relations practices.

3.12 THE NEGOTIATION PROCESS

The negotiation process is regarded as a means employed by conflicting parties to resolve their dispute. It is a sub-process of the collective bargaining process.

Bendix (2010, p. 563) differentiates between the process of collective bargaining and the process of negotiations thus:

In practice, a fine distinction is drawn between negotiations and collective bargaining. The latter is understood to be a more abstract concept and to encompass the wider institutional arrangement for the resolution of conflict between employer and employee, while negotiations may be described as the practical implementation of particular collective bargaining arrangements by the representatives of employers and employees.

Anstey (2010, p. 68) has identified the following elements of the negotiations process:

- It is a verbal interactive process,
- Involving two or more parties,
- Who are seeking to reach an agreement,
- Over a problem or conflict of interest between them, and
- In which they seek as far as possible to preserve their interests, but adjust their views and positions in the joint effort to achieve an agreement.

3.13 STEPS IN THE NEGOTIATIONS PROCESS

Rao (2005, p. 517) has outlined the following steps of the negotiations process:

- The identification of the problem – It is important that the parties, prior to negotiations, are on the same page regarding the problem or issues for negotiations.
- Collection of data – Both management and the trade union need to collect
relevant data to assist with the negotiation process. Examples of data to be used would be data on:

- Grievances,
- Disciplinary actions,
- Transfers and promotions,
- Lay-offs,
- Overtime,
- Agreements on wages, benefits and working conditions,
- Current economic forecasts, cost of living trends,
- Regional wage rates across various occupations, and
- Competitive terms offered by rivals in the field.

Selection of negotiators - The success of negotiations is, according to this author, influenced by the choice of the negotiators. Considerable time needs to be invested in the recruitment and selection of people with requisite skills, knowledge and experience. These are, generally, some of the competencies required of effective negotiators:

- Working knowledge of trade union principles,
- Working knowledge of operations,
- Knowledge of economics,
- Knowledge of psychology,
- Good judge of human nature,
- People skills,
- Debating skills,
- Communication skills,
- Know when to listen,
- Know when to speak,
- Know when to stand their ground,
- Know when to concede,
- Know when to horse-trade, and
- Know when to make counter-proposals.
Climate of negotiations - Both parties need to decide on an appropriate time and climate for the negotiations. Is the tone for the negotiations going to be one of mutual trust or be one full of suspicion, distortions and misrepresentation?

Bargaining strategy and tactics - During this step the parties devise specific action plans for the negotiations. Below are some of the tactics that may be implemented during the negotiations:

- Likely union demands and management’s responses to them,
- A listing of management’s demands,
- Limits of concessions and anticipated union responses,
- Development of database to support proposals advanced by management and to counteract union demands,
- A contingency operating plan if things do not move on track,

Formalising the agreement - When a solution is found and an agreement is reached, a formal document is prepared expressing in a simple, clear and concise form all the elements of the agreement. After this the parties sign the agreement and abide by its terms and conditions during the entire term of the contract.

Enforcing the agreement - After the agreement is signed both parties have an obligation to abide by it and both need to monitor themselves and the other party to ensure compliance and raise objections when appropriate,

The best practice and trust-enhancing spirit for conducting effective negotiations is a topic that will be covered in the next chapter.

3.14 CONCLUDING REMARKS

This chapter commenced with a discussion of the nature of the collective bargaining process, its characteristics and the law that relates to it, collective bargaining structures and the factors that impinge on the process. This discussion was followed by an analysis of collective agreements, the approaches and modes of collective bargaining used by negotiators and the chapter culminated in a
discussion of the negotiation process, which is a crucial instrument used often by conflicting parties to resolve disputes amongst themselves. In the next chapter the concept of trust will be re-visited as well as the strategies revealed in literature that organisations can utilise to build trust in order to enhance collective bargaining processes.
# Chapter 4

## Trust and Trust-Building Strategies

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4.1 INTRODUCTION

A hot issue in today's organisations and international business is trust (Stone, 2005, p. 756). The author contends that trust remains an important factor in organisational success because employment and business relations depend on it. From colleague, subordinate, superior, client, customer to supplier relationships, to the development of employee commitment and social harmony.

Trust is also seen as crucial in commercial negotiations and collective bargaining processes. Six (2005, p. 66) argues that trust is able to foster and maintain cooperation, as it encourages information-sharing, enriches relationships, increases openness and mutual acceptance and enhances conflict resolution and integrative problem solving.

This chapter will commence with a discussion of what trust is in the context of this research study, the dynamic nature of trust will be outlined as well as the strategic institutional arrangements that can be jointly developed and implemented by the management and the trade union parties to enhance collective bargaining processes. Refer to Table 4.1.

The identified trust-building strategies will be discussed in full starting with a discussion of the relationship-building process for joint problem-solving which, it is proposed, should be at the core of the development of all organisational trust-building efforts. After this initial discussion the rest of the proposed institutional arrangements for trust-building will be discussed in this order:

- People management practices,
- Employment relations practices,
- Training and development practices,
• Leadership style and perspectives and lastly,
• Organisational communication practices.

Today’s organisations with an ever increasing focus on human talent discovery, management and conservation need to strategise as to the best ways and means of leveraging employee trust to achieve shared goals. Such an important ideal can best be served by, in the main, a strategic approach to the Human Resources Management function which will focus on the development of institutional arrangements (practices and policies) that will create an organisational space where trust can be encouraged to thrive and grow.

The strategic HRM objectives and plans outlined by Stone (2005, p. 21) synchronise perfectly with the objectives of this research study in encouraging the strategic design and development of institutional arrangements for trust-promotion and development at the workplace to benefit collective bargaining processes. Refer to Table 4.1.

Stone’s model containing organisational strategic objectives such as cost containment, customer service, organisational effectiveness, social responsibility and integrity and the corresponding human resources management objectives such as effective recruitment and selection systems, employee training and development, rewards and motivation, employee relations, equal opportunity, occupational health and safety, employment equity, affirmative action, ethical behaviour, fair treatment of employees, honesty in communications and honouring agreements are in line with the recommended Institutional Arrangements-Based Model with its emphasis on people management, employment relations, training and development, communication and leadership practices as important ingredients in trust-building efforts.

The conscious adoption of a consultative pluralist managerial strategy is premised on the contextual factors that today’s organisations have to deal with. Whilst the overriding business objective remains the promotion and maintenance of a profitable company, there is a general acceptance that such an objective can only
be achieved if commitment and satisfaction of employees is assured (Finnemore & van Rensburg, 2002, p. 179). Six (2005, p. 15) views trust as a psychological state where one expects certain behaviour from another whilst acknowledging that the other might disappoint you.

**TABLE 4.1**

**TRUST-BUILDING STRATEGIES: INSTITUTIONAL ARRANGEMENTS**

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<th>Trust-building Strategies: Institutional Arrangements</th>
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## Trust-building Strategies: Institutional Arrangements

<table>
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<td>Effective communication and trust.</td>
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### Strategic objectives

<table>
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<tr>
<td>Cost containment</td>
<td>Reduced headcount, Improved expense control, Improved productivity, Reduced absenteeism, Lower labour turnover.</td>
</tr>
<tr>
<td>Customer service</td>
<td>Recruitment and selection, Employee training and development, Rewards and motivation.</td>
</tr>
<tr>
<td>Organisational effectiveness</td>
<td>Organisational structure, Job design, Employee motivation, Employee innovation, Adaptability to change, Flexible reward systems, Employee relations.</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>Legal compliance, Equal opportunity, Occupational health and safety, Employment equity, Affirmative action.</td>
</tr>
<tr>
<td>Integrity</td>
<td>Organisational reputation, Ethical behaviour, Fair treatment of employees, Honesty in communications, Honouring of agreements.</td>
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Source: Adapted from Stone (2005, p. 21).
The above simplified definition encompasses the dynamics and challenges of trust as it pertains to the employment relationship in that an organisation will, at times, during the collective bargaining processes place itself at the mercy of the employees, hoping that their common interest in the efficient operations and development of the organisation will prevent them from embarking on activities that may cause substantial harm to the business or what Nooteboom refers to as opportunity costs.

4.2 THE DYNAMICS OF TRUST

Trust can contribute considerably to savings on transaction costs, speed up business processes and produce a work atmosphere which can be conducive to the innovativeness and creativeness of the organisation’s management and workforce (Nooteboom & Six, 2003, p.66). If trust is as important for organisational success as so many people claim, why do we not see predominantly high-trust work relations? (Six, 2005, pp. 3-6). The author advances the following reasons for this anomaly:

- There exist misunderstandings and confusions about what trust is;
  - There are several definitions and perspectives of what trust is.
- Trust-building in the organisational context is a reciprocal process;
  - It takes two to tango; Trust requires action and opens one to vulnerability, and
  - Trust needs constant nurturing and tending.
- Trust is complex and involves several asymmetries in that trust and distrust are both contagious and depend on positive feedbacks reinforcing the initial behaviour; Trust builds gradually and incrementally, reinforced by previous trusting behaviour and positive previous experiences.
- There is no absolute certainty that when you trust that trust will be honoured; whilst it is difficult to prove trustworthiness, it is relatively easier to find evidence of untrustworthy behaviour.
- Trust is, to an extent, based on predictability and perceived consistency of
behaviour yet the business world is inherently unpredictable. Rules are important in the organisational context to develop trust needed for effective cooperation and to prevent chaos, yet too many rules might stifle creativity and value creation.

The question the author poses is why is it important for us to be able to deal with trouble and distrust when we can focus our energies on improving our ex ante prevention of trouble. This is the context within which this research study is based. What type of strategies or institutional arrangements can organisations develop to enhance trust between the collective bargaining agents to ensure mutually benefiting outcomes and industrial peace?

Robbins and Decenzo (2004, p. 365) have advanced a theory of trust as comprising of five dimensions:

- Integrity - Honesty and truthfulness,
- Competence – Technical and professional know how and skills,
- Consistency – Reliability, predictability and good judgement,
- Loyalty – Willingness to save face for a person, and
- Openness – Willingness to share ideas and information freely.

This theory focuses on the nature and type of traits or trust dimensions that are ideal for organisational leadership to possess to create certain particular conditions that favour the possibility of trust to thrive. These traits are also characteristics of a specific leadership style that tends to earn trustworthiness and, simultaneously, the converse characteristics are antecedents of distrust.

4.3 TRUST-BUILDING STRATEGIES

Six (2005, p. 26) argues that a trust-enhancing organisational context (culture and climate) can be created when resonance of the normative frame is stimulated. This is relevant in the labour relations sphere where collectives representing different organisational stakeholders are encouraged to achieve their respective objectives
as well as the primary objectives of the organisation. The creation of an alignment between the normative frames of the employee and employer collectives (frame resonance) can best be achieved, according to Six, by the following institutional arrangements:

- The explicit formulation and implementation of those organisational norms and values that are relevant for operating within it,
- The socialisation process for new comers – The rate at which new comers to the organisation are effectively inducted increases trust between them and their tenured colleagues,
- The way people are controlled – The type and nature of the organisational leadership,
- The way people are functionally dependent on one another – The higher the functional interdependence, the greater the need is for a high-trust relationship to be developed and maintained, and
- Effective human resources practices – Opportunities must exist within the organisation for employees, at all levels, to improve their resources and in doing so, organisations must develop practices and policies that create conditions conducive for trust to thrive.

4.3.1 The Relationship-Building Process

Katz et al. (2008, p. 197) contend that the adversarial relations during collective bargaining processes which are indicated by threats, bluffs, grandstanding and exaggerated anger are hardly conducive to building rapport among the parties. Consequently, there is a need for the implementation of attitudinal structuring which is referred to as the degree of trust respective sides feel or develop towards each other.

The above-mentioned authors suggest that labour and management collective bargaining agents need to meet prior to the negotiation process in forums that facilitate an open exchange of views and concerns. If the parties meet on an ongoing basis to build trust, share information, develop employee participation
processes and consult on critical issues, a trusting relationship will ensue that may carry over into the collective bargaining process.

This process is also referred to as Relations by Objectives (RBO) and entails representatives of the trade union and the employer meeting offsite in an intensive session, facilitated by a team of mediators. These groupings hold a thorough and candid discussion to air all problems they experience and to reach a mutual understanding of the issues that ideologically separate them. Then they jointly develop a list of mutual objectives to overcome their problems.

**The Relationship-Building Session Objectives**

The session objectives are normally grouped under the following:

- Attitudes,
- Communications,
- Health and safety,
- Labour management relations,
- Operations,
- Practices and procedures, and
- Training.

Finnemore and van Rensburg (2002, p. 322) view the joint-problem solving process as involving the following:

- Avoiding a critical and blame-directed approach,
- Exploring other parties’ perceptions of the problem,
- Sharing information,
- Discussing perceptions each party has of one another, and
- Altering negatively perceived behaviour accordingly.

To successfully implement this approach several workshops may be planned to achieve shared objectives. The authors argue that, in a bid to be globally
competitive, many South African organisations are making use of this win-win mode of negotiations.

**Elements of the Relationship-Building Process for Joint Problem-Solving**

Finnemore and van Rensburg (2002) propose the following as crucial elements of this participative problem-solving approach:

- The facilitator, who is agreed to by both parties, meets with both parties together to clarify the expectations of the parties and the objectives of the workshop,
- The facilitator suggests and explains how a problem-solving process may work and asks for input and questions for clarifications,
- The parties agree on who will attend the workshop,
- At the outset of the workshop the proposed agenda is put forward for consideration and consequently agreed to with modifications if necessary,
- The expectations of all those attending are addressed,
- Rules for interaction in the workshop are agreed to after input by the participants,
- The objectives of the workshop must be clarified,
- The opportunities for and barriers to achieving the objectives are listed by the parties working in separate groups,
- The parties report back on their perceptions- no debates are encouraged at this stage,
- The parties then work in small groups comprising both management and trade union representatives to debate and propose potential solutions to achieve the identified objectives,
- Every participant is encouraged to participate,
- The groups present their proposals to the plenary session,
- The facilitator assists the parties in finding consensus on which proposals will be taken forward,
• Parties may seek mandates to support proposals,
• Action plans are agreed to and persons responsible for implementation as well as dates and times are specified,
• Evaluation is conducted at a follow-up workshop to assess the implementation of the action plans and further decisions may be taken.

Anstey (2010, p. 400) who refers to this process as Relationship-Building-Interventions (RBIs) acknowledges that whilst in the past this process was aimed mainly at ‘troubled organisations’, nowadays virtually any organisation that has a performance problem or that needs to improve organisational climate can utilise this process. He warns, however, that the process lends itself more to the solving of problems that exclude substantive issues like salaries and employment conditions.

It is hereby proposed, in this research study, that the process of attitudinal structuring or joint problem-solving be located at the core of the development of institutional arrangements for organisational trust-building as it opens parties to the ideas, concerns, and needs of the other and seeks to employ a win-win approach in dispute resolution.

As evaluation is continuous, the process has no discernible end and meetings between the parties, formal or non-formal, at different forums present the organisation with an alternative to conflict-borne adversarial relations. Variations of the process may be embarked upon to suit the unique circumstances of each organisation.

The process of relationship-building for joint problem-solving can be infused with the suggestions of Six (2005, p. 17) of how different normative frames can be stabilised to achieve shared goals:

• Suspend opportunistic behaviour – Take away distrust,
• Stimulate frame resonance – Create a trust-enhancing organisational context,
• Send positive relational signals – The joint creation and development of the institutional arrangements will tend to have positive effects and outcomes for trust-building within the organisation,

• Avoid negative relational signals – The open discussion of areas of discontent using the joint problem-solving process will enable the identification, prevention and transformation of organisational conflict.

The above author argues that if all four strategies are employed to stabilise normative frames, the more likely that interpersonal trust can be built successfully. The conscious strategic development of a ‘bundle’ (Marchington & Wilkinson, 2005, p.5) of institutional arrangements that are premised on organisational principles such as democracy, fairness, equity and inclusiveness will tend, it is hereby submitted, to create a trust-enhancing environment that will be conducive to the attainment of shared goals.

4.3.2 People Management Practices

In the attainment of a trust-enhancing environment due attention must be made on how people are recruited, selected, placed, trained and developed, motivated, remunerated, disciplined, promoted and treated in regard to all their interactions within the organisation. Below follows a discussion of some of the crucial elements of people management practices..

Recruitment and Selection

Rao (2005, p. 5) advocates for a strategic approach to human resource management operations because the challenges of deregulation and technological innovation have created a need for faster and more competitive organisations. Under these circumstances human resources management practices, according to the author, may be the tool to use to build competitiveness.

The above-mentioned author suggests the following as outcomes of good human resources management practices.
• Attract and retain talent,
• Train people for challenging roles,
• Develop skills and competencies,
• Promote team spirit,
• Develop loyalty and commitment,
• Increase productivity and profits,
• Improve job satisfaction,
• Enhance standard of living, and
• Generate employment opportunities.

Organisations need to develop recruitment and selection practices that are underpinned by principles of fairness and equity or they may find themselves not only in conflict with their trade union counterparts but in contravention of the law. Certain organisations based on numerical size and or the size of business that they generate annually, are enjoined to develop fair recruitment and selection policies due to the promulgation of the Employment Equity Act 55 of 1998. As has been mentioned before, this Act aims to force organisations to:

• Ensure fair treatment of all employees (including applicants) by eliminating unfair discrimination, and
• Implement affirmative action measures to address the consequences of past unfair discrimination.

Section 1 of the Act defines employment practices or policy as to include but is not limited to the following:

• Recruitment procedures, advertising and selection criteria,
• Appointments and the appointment process,
• Job classification and grading,
• Remuneration, employment benefits and conditions,
• Job assignments,
• The working environments and facilities,
• Training and development,
• Performance evaluation systems,
• Promotion,
• Transfers,
• Demotion,
• Disciplinary measures other than dismissals, and
• Dismissals.

One of the vital functions of the recruitment and selection section is to know and implement employment-related legislation. Without a keen awareness of current labour law changes, an organisation may find itself in contravention of the country’s laws with the resultant stiff penalties that it may incur let alone the conflictual and distrustful relationship that may emanate from this blunder.

Direct discrimination occurs when an employer uses one of the listed prohibited grounds mentioned in the Employment Equity Act as a criterion in its recruitment and placement practices. Job applicants are given, in terms of the Act, the same rights as employees. Those engaged in the recruitment and selections of people need, therefore, to ensure that the procedures and policies are not designed, directly or indirectly, to discriminate, unfairly, against any group of applicants or employees. As has been mentioned before, even job applicants are legally empowered to challenge an organisation’s recruitment and selection procedures and practices if they suspect that they are discriminatory. It is then up to the employer party to prove the opposite.

Indirect discrimination occurs when an employer purports to use a neutral criterion but which in practice is prejudicial to a specific group of the population, unless the employer can justify the criterion used as an inherent requirement of that specific job.

**Sexual Harassment Policy**

Commission define sexual harassment as unwelcome sexual attention, whether verbal or physical, that affects an employee’s job conditions or creates a hostile working environment.

The authors differentiate between three types of sexual harassment, being:

- Gender harassment – includes crude comments or sexual jokes and behaviour that is disparaging or hostile to someone’s gender,
- Unwanted sexual attention – involves unwanted touching, or repeated pressures for dates,
- Sexual coercion – implicit or explicit demands for sexual favours with threatening job-related consequences or promising job-related rewards.

Harassment in any form on any of the listed grounds is prohibited. A Code of Good Practice containing best practice in this regard is available from the Department of Labour to assist employers on how best to deal with sexual harassment. The Code provides employers with guidelines on how to create an environment that promotes human dignity and that also values diversity.

The Code of Good Practice on Handling of Sexual Harassment Cases, in its introduction, outlines its objectives as the following:

- To eliminate sexual harassment in the workplace,
- To provide appropriate procedures to deal with the problem and prevent its reoccurrence, and
- To encourage and promote the development and implementation of policies and procedure that will lead to the creation of workplaces that are free of sexual harassment where employees respect one another's integrity, dignity, privacy and right to equity in the workplace.

The Code defines sexual harassment as: “Unwanted conduct of a sexual nature.” This implies that behaviour of a sexual nature that is welcome and mutual is excluded from this definition. In section 3 (2) the Code outlines the type and nature of behaviour that will fall within the ambit of the above-mentioned definition.
as thus;

- If the unwanted sexual-oriented behaviour is persisted in, although a single incident might be considered as well,
- If the recipient has made it clear that the behaviour is considered offensive, and / or,
- The perpetrator should have known that the behaviour is regarded as unacceptable.

Organisations need to develop policies in this regard and communicate these policies to its employees, particularly its supervisory and managerial levels. Here are the guiding principles that need to underpin the development of such a policy:

- The creation of an environment in which the dignity of each person is respected,
- All charges of sexual harassment must be followed up,
- All employees, including managers, should refrain from committing acts of sexual harassment, Employers need to ensure that customers, suppliers, job applicants and others who have dealings with the business are not subjected to sexual harassment by the employer or its employees,
- Employers need to take appropriate action when instances of sexual harassment are brought to them,

A sexual harassment policy will have some of these elements:

- Top management’s commitment and philosophy regarding this conduct,
- A definition of sexual harassment,
- Forms of sexual harassment,
- Guiding principles,
- Policy statements,
- Procedures for reporting sexual harassment,
- Confidentiality commitments,
- Additional sick leave consideration for deserving cases, and
• Information and education.

An environment where the individual feels that they are treated fairly and without bias and which respects the dignity and privacy of individuals will tend to raise levels of job satisfaction and, as a by-product, trust is enhanced.

To prevent unfair discrimination the Act prohibits the medical testing of employees (including applicants) unless this is permitted or required by legislation or can be justified by medical facts, employment conditions, social policy, the fair distribution of employee benefits or the inherent requirements of the job. Only the Labour Court can grant permission allowing for the testing of HIV/AIDS, in all other instances such testing is illegal. Psychological tests and other assessment tests must be scientifically certified to be free of bias and be both valid and reliable before applicants are subjected to them.

**Affirmative Action Measures**

In line with the wording and spirit of the Constitution, the Act provides that measures to promote previously disadvantaged groups will not be regarded as constituting unfair discrimination. The designated groups referred to are black people, women and persons with disability. Designated employers need to consult with a trade union or if none exists with an employee group representing the interests of the employees regarding the design, development and implementation of a plan to transform the organisation to bring about equity and the progression of the designated groups within. The Employment Equity Plan will comprise some of the following:

- Affirmative action targets,
- Measures to identify and eliminate barriers to equity,
- Measures to promote diversity,
- Measures to accommodate people from designated groups,
- Measures to act promptly to remove barriers identified,
- Measures to train and develop people from the designated groups.
• Measures for the implementation and monitoring of the plan
• Measures on dispute resolution regarding the interpretation and implementation of the provisions of the Act.

Bendix (2010, pp. 150 – 151) outlines some of the factors that will be considered to judge the degree to which an organisation is achieving its employment equity goals:

• The extent to which the workforce reflects the demographic profile of the national and regional economically active population,
• The pool of suitably qualified people from the designated groups available for employment,
• Economic and financial factors relevant to the sector,
• The employer’s present and anticipated financial circumstances,
• The employers’ labour turnover,
• The number of present and planned vacancies that exist in the organisation,
• Progress made by other employers in comparable circumstances and in the same sector,
• Reasonable efforts made by the employer to comply, and
• Progress towards the elimination of barriers adversely affecting the employment of designated groups.

Section 51 of the Act protects employees from being victimised by the employer for exercising the rights under the Act. Finnemore and van Rensburg (2002, p. 392) provides pitfalls and critical success factors in the implementation of employment equity:

**Pitfalls to avoid:**

• Assuming that the only driver of employment equity (EE) is to comply with the legislation,
• Not making Employment Equity one of the strategic imperatives of the
organisation,

- Believing that the only goal of Employment Equity is to get the racial and gender numbers right regardless of quality and job satisfaction,
- Making human resources department solely responsible for results,
- Keeping the process and key statistics secret,
- Not involving stakeholders,
- Embarking in token consultation,
- Focusing on spending months developing an employment equity policy, and
- Achieving results only after policy development and a long planning process.

**Critical success factors:**

- Internalise and understand the moral reasons for employment equity,
- Develop a sound business case for employment equity,
- Place employment equity on the strategic objectives of the company,
- Develop a balanced set of targets that include non-numerical objectives
- Top management should take full responsibility for the process
- Be transparent, communicate and communicate more,
- Consult with all relevant stakeholders
- Spend more time on developing plans that include specific measures and actions, and
- Focus on quick-wins, initially to demonstrate commitment while developing holistic plans,

To succeed in employment equity, winning companies view the challenge holistically as employment equity does not impact only on organisations but has significance for economic growth of the country and the potential to make a great difference to individuals by providing an opportunity for people to reach their potential (Finnemore and van Rensburg, 2002, p. 389).

The correct balance should be created to enable organisations to identify, train
and develop, empower and support people from the disadvantaged groups whilst at the same time not putting an artificial ceiling on the aspirations of those deserving members of the non-designated group as this could lead to alienation and de-motivation, with resultant damage to organisational trust. Two cases illustrate the balance that must be maintained by the recruitment and selection organisational specialists:

In Coetzer & Others v Minister of Safety and Security & Others (2003) 2 BLLR 173 (LC) the gist of the dispute was that when the South African Police Services (SAPS) asked for applications from designated groups for posts in its bomb disposal unit none were forthcoming. The service refused to promote members from the non-designated group (white males) citing its employment equity policy and their objective in promoting affirmative action programmes. The courts disagreed and, in so doing, laid down some essential principles in this regard:

- No policy should be established as an absolute barrier to prospective members of the non-designated (white males) groups,
- The goals of representativity must be rationally pursued, and
- When a policy disadvantages the non-designated groups, but at the same time, no members of the designated groups are benefitting, that would be deemed an unfair labour practice.

**HIV/AIDS Policy**

The Labour Relations Act offers advice to employers by its Code of Good Practice: Key Aspects of HIV/AIDS and Employment. The Code’s primary objectives in section 2.1 are outlined as follows:

- To create a non-discriminatory work environment,
- To deal with HIV testing,
- To provide equitable employee benefits,
- To deal with dismissals, and
- To managing grievances.
It is advisable for organisations to develop an HIV/AIDS policy to ensure that employees affected are not unfairly discriminated against in employment policies. In its section 15 the Code provides measures on what organisations can do to deal with HIV/AIDS:

Develop a workplace HIV/AIDS policy. This is considered the first step towards the successful management of the epidemic and its outcomes at the workplace. These are some of the elements that an HIV/AIDS policy may contain:

- The organisation’s position on HIV/AIDS,
- An outline of the HIV/AIDS programme,
- Details of employment policies regarding HIV testing, employee benefits etc,
- Express standard of behaviour expected of employers and employees and appropriate measures to deal with deviations from these standards,
- Relevant grievance procedures,
- The means of organisational communication regarding HIV/AIDS,
- Details of the type and nature of available employee assistance,
- Details of implementation and coordination responsibilities, and
- Monitoring and evaluation mechanisms.

Policies developed should be the result of consultation with key organisational stakeholders such as trade unions, employee representatives, occupational health staff and the human resources department. The policy should reflect the nature and needs of the particular workplace.

Develop a workplace HIV/AIDS programme with these guidelines

- Hold regular HIV/AIDS awareness programmes,
- Encourage voluntary testing,
- Conduct education and training on HIV/AIDS,
- Promote condom distribution and use,
- Encourage health-seeking behaviour for sexually transmitted diseases,
• Enforce the use of universal infection control measures,
• Create an environment that is conducive to openness, disclosure and acceptance amongst all staff,
• Endeavour to establish a wellness programme for employees affected by HIV/AIDS,
• Provide access to counselling and other forms of social support for people affected by HIV/AIDS,
• Maximise the performance of affected employees through reasonable accommodation, such as investigations into alternative sick leave allocation,
• Develop strategies to address direct or indirect costs associated with HIV/AIDS, and
• Regularly monitor, evaluate and review the programme.

Employers should take all reasonable steps to assist employees with referrals to appropriate health, welfare and psycho-social facilities within the community, if such services are not provided at the workplace.

As the HIV/AIDS pandemic continues to be a factor in South African workplaces, the degree to which organisations develop fair, just, caring and equitable policies in this regard will go a long way in creating a positive corporate image for the organisation and boost the trust which employees will place on the organisation and its leadership.

**Performance Management Systems**

Nelson and Quick (2006, p. 192) define performance management as the process of defining, measuring, appraising, providing feedback on and improving performance. It is a process by which managers work to align employee performance with the firm’s goals (Ivancevich, 2003, p. 255). The latter views the performance management process as having the following purposes;

• Development - It can determine which employees need more training,
• Motivation – It can encourage initiative, responsibility and an improved performance,
• Human resource planning – It can serve as a valuable input into skills inventories and human resource planning,
• Communications – It can serve as a basis for an ongoing discussion between managers and subordinates regarding job related matters and performance,
• Legal compliance – It can provide performance evidence to justify promotions, transfers, rewards and dismissals,
• Human Research Management – It can be used to evaluate and validate selection tools.

Potential problems in performance evaluations

The performance management process has its problems and managers must be aware of them and guard against these challenges (Ivancevich, 2003, pp. 276 – 280):

• Opposition to evaluation – The system is sometimes not geared for identifying root causes of poor performance,
• Performance decisions - Raters have difficulty in reaching decisions about the performance levels of employees,
• De-motivation - Those who are not evaluated in the top performance bracket may be de-motivated,
• System designs and operating problems – Does the system focus on activities or results? Does it contain extensive written analysis?
• Rater problems
  o Varying standards of evaluation – Different raters perceive standards differently,
  o Halo effect – An overall general impression based on one area leads to an evaluation that ignores the other areas of performance,
  o Leniency or harshness error – some raters are ‘kind’ others ‘strict’ and
that affect the way they rate their subordinates,

- Recency of events error – Raters forget earlier behaviour patterns and focus only on recent behaviour,
- Contrast effects – If an outstanding performer is rated just before you are rated, that may affect the way you are rated, unless you are outstanding yourself,
- Personal bias – Personal bias of the rater, rating your favourites higher than everyone else.

One of the most crucial aspects of the performance management process are the performance feedback sessions. These sessions tend to be stress-inducing not only for the employee but for the supervisor as well. What is communicated during these feedback sessions tend to be just as important as how it is said. It can lead to an acceptance of identified developmental areas for the ratee and a highly motivated individual or a de-motivated, apathetic worker looking for the slimmest chance to jump ship.

Nel, Werner, Haasbroek, Poisat, Sono and Schultz (2008, p. 503) quoting Cascio (1995) suggest a framework of activities that the supervisor can utilise before during and after the performance feedback sessions;

Before the performance feedback session the rater must:

- Communicate freely with employees regarding their performance,
- Be trained in performance appraisal interviewing and feedback,
- Plan to use a problem-solving approach, and
- Encourage subordinates to prepare for the performance feedback session.

During the performance feedback session the rater must:

- Encourage rate participation,
- Judge performance not personality,
- Be specific,
• Be an active listener,
• Set mutually agreeable goals for future improvements, and
• Avoid destructive criticism.

After the performance feedback session the rater must:

• Communicate frequently to rates about their performance,
• Periodically assess progress towards goals, and
• Make organisational goals contingent on performance.

If properly handled and true to its developmental goals, this process can result in higher levels of motivation and job satisfaction. When these conditions exist, levels of trust tend to rise.

**Diversity Management**

Rapid and continuous changes in the makeup of the workforce regarding employee background, age, gender, race, ethnicity, disability, education, sexual orientation i.e. demographic changes, present an organisation with unique challenges. Organisations are becoming a more heterogeneous mix of people. How does an organisation adapt to people who are different? People do not leave behind their cultural values, lifestyle preferences, and differences when they come to work.

The challenge is for organisations to become more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles (Robbins, 2005, p. 7). Diversity management is being aware of characteristics common to employees, while also managing employees as individuals (Bohlander & Snell, 2004, p. 28).

Hitt, Miller and Colella (2006, p. 50) advances these factors as the reasons why diversity management fails in some organisations:

• Prejudice and discrimination - Where prejudice is about people’s negative
attitudes towards people who belong to a social or cultural group other than their own, discrimination is when we act out that attitude by treating people negatively, unfairly because they belong to a particular group,

- Stereotyping – Which is defined as generalised set of belief about the characteristics of a group of individuals,
- Differences in social identity – This is defined as the individuals affiliation and emotional attachment to a particular social or cultural group,
- Power differentials – Status and power that is assigned according to what group you belong to or closeness to the top level hierarchies of the organisation.
- Communication problems – When those who are less fluent in speaking a dominant language tend to talk less,
- Poor structural integration – Minority groups do not experience growth and development beyond certain hierarchy levels. An example of this is when females do not progress to top executive levels due to a ‘glass ceiling’,

The authors suggest the following action to effectively create and manage diversity:

- Commitment of the organisation’s leaders – Insincere support of diversity by top managers is damaging to organisational efforts,
- Integration with the strategic plan – Diversity must be linked to the organisation’s strategic plan with clear outcomes, timeframes and action plans,
- Associate involvement – All employee groups must be involved. Those in majority as well as the minority groups – Make use of focus groups, employee satisfaction surveys and cultural diversity audits.

Nelson and Quick (2006, p. 51) warn managers not to have a rosy picture of diversity as it also presents some problems for organisations. Here are some of these identified problems:

- Resistance to change – The authors argue that people tend to be more
comfortable with others like themselves and, because of this; there may be resistance to forced integration. Managers need to be prepared for this resistance and not assume that everybody accepts diversity,

- **Cohesiveness** – This is another problem identified by the authors. Due to the fact that diverse groups tend to take longer to become cohesive and cohesiveness being a factor in group morale, this implies that diverse groups may take longer to develop high morale,
- **Communication** – Misunderstandings due to communication barriers,
- **Conflicts** can also arise, and
- **Decision-making processes** may be slower in diverse groups.

**Health and Safety Practices**

The Occupational Health and Safety Act was promulgated in 1993 and it establishes institutions to promote and monitor health and safety in almost all areas where work is done. It establishes regulations, standards, sanctions and penalties if these standards are breached. The Act encouraged the education and participation of both employer and employee in preventative management of health and safety at the workplace.

In terms of the Act the employer’s general duty is to provide a working environment that is safe and that is without risk to the health of the employees. Here are some of the employer’s duties as expressly framed in the Act:

- The identification and removal of all potential hazards,
- The training of employees on health and safety issues,
- The enforcement of precautionary measures,
- The provision of protective equipment when a hazard cannot be practically removed or mitigated against, and
- To ensure that activities do not have an adverse effect on the general public.

Employees have a supplementary role to assist the employer and ensure that the
objectives of the Act are achieved. Here are the duties of the employees:

- To report dangerous situations,
- To cooperate with health and safety inspectors,
- To use the provided safety equipment appropriately, and
- Not to tamper with safety equipment or render it ineffective.

Those who design, manufacture, import, sell, erect and install safety equipment are enjoined to, amongst other things, ensure that:

- The equipment complies with the Act,
- They provide information on the risks associated with the use of the equipment, and
- They inform users of the appropriate way of using the equipment.

The Act enforces the appointment, at designated organisations, of safety representatives whose role is to:

- Monitor the effectiveness of health and safety methods at the workplace,
- Identify potential hazards,
- Investigate accidents,
- Handle complaints from fellow employees,
- Refer complaints to a safety committee,
- Conduct inspections,
- Accompany safety inspectors on official visits to the workplace,
- Be the contact between the workplace and the safety inspector, and
- Attend training on the Act’s health and safety provisions.

A safety committee must be established where there are two or more safety representatives that have been appointed. The role of a safety committee is to:

- Make recommendations to an employer or to a safety inspector concerning occupational safety, and
• Report in writing to an inspector on any accident in which anyone was killed, seriously injured or became seriously ill.

The Act obligates the Minister of Labour to appoint the chief safety inspector and other safety inspectors. Their role is:

• Enter premises,
• Question persons,
• Require persons to appear before them for interrogation,
• Order employer or manufacturers of equipment to discontinue any dangerous or potentially dangerous activity,
• Take steps to remedy any unsafe condition that has been identified,
• Conduct inquiries into any reported incidents or any other incident which they consider could have resulted in the death, injury or illness of a person.

The Act provides organisations with a framework that can be used to develop their own health and safety policy. Motivational theories of Maslow, Herzberg and others highlight the crucial role that working conditions play in job satisfaction or dissatisfaction (Schultz and Schultz, 2006, p. 225). When high degrees of job satisfaction are present trust tends to follow suit.

4.3.3 Employment relations practices

An organisation will have as one of its functional strategies the development of an employment relations policy. This policy will be developed taking into account the organisation’s mission, vision and purpose (Nel et al. 2008, p. 260). The policy will entail the top management’s philosophy and broad approach regarding labour relations.

The authors suggest that such a policy should include some of the following:

• Managerial principles relating to management’s right to manage its business and make operational decisions,
• Recognition of the principles related to pluralism,
• Recognition of employee’s rights and an undertaking to respect them at all levels of the organisation,
• Guidelines for the interaction between management, labour and the relevant representative structures,
• The role of procedures in resolving problems speedily and in a mutually acceptable manner,
• A commitment to the eradication of unfair, discriminatory labour practices.

In line with its employment relations policy an organisation will develop, together with its trade union counterparts, a disciplinary code and a grievance procedure to serve as a bottom-up communication tool to advise managers when there are feelings of discontent and perceptions of injustice. This helps the organisation to act promptly to resolve conflict before it escalates. An organisation’s employment relations policy is a commitment (a public declaration) by top management that employees will be treated fairly, equitably and with compassion.

**The Disciplinary Code**

The employee’s duty to obey the lawful instructions of his / her employer lies at the heart of the employment relationship. Obedience implies discipline, discipline implies rules, and rules, to be effective, imply the power to impose sanctions on those who break them (Grogan, 2005, p. 91).

The author argues that the power to prescribe standards of workplace behaviour and to initiate sanctions for transgressors is a jealously guarded territory for managers everywhere as it falls within the ambit of the managerial prerogative. Apart from the often divisive industrial action activities, the area of workplace discipline is a conflict-riddled hot spot that tends to keep both managers and trade union shop stewards extremely busy. If the disciplinary code and rules is to be workable, the author argues further, all disciplinary systems must enjoy legitimacy among those bound by them.

Due to the situation sketched above it is deemed best practice for an organisation,
in consultation with its trade union party, to develop clear guidelines regarding acceptable workplace conduct and the penalties or sanction that is possible for each transgression. The disciplinary code must be made available to each employee and be formally mentioned during the organisation’s induction programmes.

The Code of Good Practice: Dismissal in section 1 (3) expressly states that the key principle in this code is that employers and employees should treat one another with mutual respect. A premium is placed on both employment justice and the efficient operation of business.

The principles of corrective justice and progressive discipline are imbued within the Act and the Code. After an employee is found to have transgressed an organisational rule, for example, that offence should not automatically lead to a dismissal. Except for a few serious cases, the Code suggests that other measures short of dismissals need to be considered before resorting to a dismissal. In section 3 (2) of the Code this principle is expressly stated: “Efforts should be made to correct employees’ behaviour through a system of graduated disciplinary measures such as counselling and warnings.” The code enjoins all organisations to keep a record of all disciplinary cases.

**The Grievance Procedure**

The management of an organisation requires good communication. A good strategy in this regard would be a system where employee discontent and complaints are channelled, bottom-up, though a grievance system (Nel *et al.* 2008, 265).

The above-mentioned authors advance the following benefits of effective grievance handling:

- It is a safety valve that will release the tension and dissipate the latent aggression inherent in all businesses,
• It allows the raising and settlement of grievances for a worker without fear of retribution or victimisation,
• It makes for a more open and honest relationship between manager and worker,
• It allows managers to identify and remove legitimate cases of dissatisfaction and conflict,
• It allows the removal of conflict sources that make small problems escalate into major unrest,
• It facilitates the development of positive worker morale,
• It assists in promoting goal achievement by the business.

Bendix (2010, pp. 352 – 354) suggest the following steps for a grievance handling process:

**Step 1:** The employee verbally raises a complaint with his direct supervisor. The supervisor listens to complaint and promises to deal with it. If the suggestions and recommendations of the supervisor are not acceptable to the employee the employee moves on to step 2.

**Step 2:** The unsatisfied employee lodges a formal, written complaint assisted by a trade union representative. This is attended to by a section head, who is a level above his supervisor. The section head investigates and writes out a report with his suggestions and recommendations. If the employee is still not satisfied with the outcome, the dispute goes to a manager two levels higher than the supervisor.

**Step 3:** The unsatisfied employee goes to a senior manager such as a factory manager who receives the report from the section head who attended to the matter and does his or her own investigations and writes up a report with his recommendations and suggestions.

**Step 4:** The unsatisfied employee goes to the production manager who receives the report from the factory manager who attended to the matter and does his or her own investigations and writes up a report with his recommendations and
suggestions. At this stage there is a joint-problem solving exercise which include the trade union party. The human resource department may also be a participant at this level of a grievance.

Step 5: If the employee remains unsatisfied the dispute is taken to the final stage where top management becomes involved as well. All the parties, the employee, the trade union, the human resource department and top management negotiate a resolution the problem. Either, at this final stage, the employee accepts a compromised solution or refuses to back down and takes the grievance outside of the organisational dispute resolution framework. This will be undertaken taking into consideration the dictates of any existing collective bargaining agreements regarding dispute settlement measures.

**Collective Bargaining Practices**

The labour courts have used the unfair labour practice jurisdiction to develop jurisprudence concerning rules of the collective bargaining game and they have not hesitated to interdict bargaining practices that undermined the spirit of the collective bargaining process (Grogan, 2005, p. 365). Below are some of the undesirable tendencies that bargaining agents are refrained from as outlined by the author:

- Discrimination against employees for using their statutory rights,
- Refusing to provide the trade union information that they are entitled to,
- Refusing the trade union reasonable access to their members at the workplace,
- Employers bypassing trade union representatives,
- Employers hindering communication between the trade union and its membership,
- Attempts by employers to undermine the trade union by offering rewards to non-union members, and
- Subjecting trade union members to penalties.
Morgan (2002, p. 350) outlines conduct which he categorises as indicative of bad faith bargaining. He admits that a single incident, taken in isolation, might not be sufficient to be termed bad faith bargaining conduct. He argues that, when negotiators display a certain pattern of behaviour comprising of a certain number of the behaviours listed below one can infer that indeed bad faith bargaining has occurred:

- Have concessions been made?
- Has an adamant or flexible position been taken?
- What proposal and demands were made and when were they made?
- What counter-proposals were made?
- Were the counter-proposals reasonable?
- Was there a discussion of proposals?
- Did the parties meet and confer at reasonable times and intervals?
- How long did the negotiations endure?
- Have inconsistent positions been taken?
- Have there been withdrawals of offers?
- Have there been any withdrawals of concessions?
- Did either party attempt to delay negotiations?
- Has either party used evasive tactics?
- Has the employer made any unilateral changes in working conditions?
- Has the employer made any attempts to bypass the trade union and deal directly with the employees?
- Have the negotiators been given sufficient authority to carry on meaningful negotiations?
- Has any unfair labour practice been committed during the negotiations?
- Did the parties disregard significant bargaining items?
- Were there attempts to impose conditions that are so onerous or unreasonable to fulfil?
- Did the employer supply the trade union with all the relevant information for meaningful collective bargaining to take place? and
- Did either party just go through the motions without any real intent of completing a formal agreement?

Bendix (2010, p. 577) outlines some acceptable behaviour that is expected during the collective bargaining process;

- An offer, once made, cannot be withdrawn,
- Verbal offers and agreements are taken as given,
- There should be no denial of anything which has been accepted,
- Both sides should display willingness to negotiate,
- There can be no outside or informal settlement of a negotiable issue,
- Confidential or privileged information may not be abused during negotiations or later,
- Opponents should be left with some credit,
- No trickery should be employed in the final agreement, and
- Agreements will be implemented as they stand.

The above behaviours will go a long way in ensuring that the collective bargaining processes are embarked upon in a non-adversarial atmosphere ensuring the speedy resolution of problems. It may be advantageous for employers, especially, if they were to draw up rules of engagement, in consultation with the trade union party, prior to the commencement of negotiations to ensure that they start off within an appropriate trust-enhanced climate.

Tactics are calculated actions used by the collective bargaining negotiators to secure an agreement that will be favourable to them. Sometimes these tactics are used to mislead the other party. Outlined below are some of the tactics used by negotiators. Refer to Table 4.2 (Ivancevich 2003, p. 493).
TABLE 4.2
BARGAINING TACTICS

<table>
<thead>
<tr>
<th>Bargaining Tactics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conflict-based</strong></td>
<td>Uncompromisingly, resisting or opposing any compromise deal.</td>
</tr>
<tr>
<td><strong>Armed truce</strong></td>
<td>Each party views the other as an enemy but does not want to stray too far from the law.</td>
</tr>
<tr>
<td><strong>Power bargaining</strong></td>
<td>Each party accepts that there is a balance of power and refrains from eliminating the other.</td>
</tr>
<tr>
<td><strong>Accommodation</strong></td>
<td>Both parties adjust to each other with flexibility and compromise.</td>
</tr>
<tr>
<td><strong>Cooperation</strong></td>
<td>Each side accepts the other as a full partner in joint problem-solving processes</td>
</tr>
</tbody>
</table>


**Employee Participation**

Bendix (2010, p. 708) describes worker participation as the involvement of the employee in the organisation and planning of the work process, in the establishment of procedures and in the decision-making process at various levels within the organisation and policy making and management.

For the trade union movements the concept of employee participation presents unique challenges in that there are those who favour it and who see it as ushering in the type of workplace democracy that trade unions have tended to yearn for, meanwhile critics of employee participation claim that these lead to co-opted workers and the weakening of union representation (Katz et al. 2008, p. 318).

Finnemore and van Rensburg (2002, p. 244) outlines these objectives of employee participation:

- Enhancement of human dignity,
- Promotion of productivity,
- Extension of democracy, and
- Promotion of economic development on a regional and national level.
Employee participation may be direct or indirect. The author advances this distinction between direct and indirect types of employee participation;

Direct employee participation involves the following:

- Information sharing,
- Team participation, and
- Worker control through cooperatives.

Indirect employee participation is indicated in the following:

- Works councils,
- Collective bargaining processes,
- Board of directors, and
- Statutory bodies for policy development.

Bendix (2010, p. 710) has identified the following as examples of plant-level employee participation:

- Liaison committees - These are committees instituted by the company’s management where employees can bring their interests to the attention of the employers. Half of the members of these committees would be selected from the managerial levels and the other half from the employee component. Management has a 50% vote on decisions which negatively affect the influence these committees have,
- Workers’ committees – These are committees constituted by the workers themselves. Management will tend to listen to the voice of this committee because it represents the voice of the employees. They operate in instances where there are no trade unions,
- Safety committees – The Occupational Health and Safety Act enjoins designated companies to form safety committees that will meet regularly to discuss matters relating to organisational safety.
- Shop-steward committees – In unionised environments these are:
- Powerful committees that management is legally obligated to interact with,
- They are collective bargaining agents empowered to negotiate wages and working conditions with the employer.

As discussed previously, depending on the degree of representativeness they have, there are certain organisational rights that they enjoy which are enforceable,

- Co-management committees – This is where workers are represented at board level. This type of co-management is rare. Where management shares a considerable portion of their managerial prerogative for decision-making with the workers.
- Profit-sharing schemes – This is where a fixed proportion of the company’s profits are paid out to individual employees or paid into a fund established for the benefit of all employees.
- Share ownership schemes – This is where a portion of the shares of the business are allocated to the employees ensuring that they perceive themselves not only as workers but as part-owners of the business. This is aimed at increasing commitment and loyalty.
- Cooperative enterprises – This is a socialist experiment designed according to the theories and principles of Karl Marx. This form of worker participation occurs when enterprises are developed, run and managed by the workers themselves for their collective gain.

The author advances seven structural pillars that need to exist before an organisation embarks on democratisation of the workplace:

- Integrity,
- Trust,
- Transparency,
- Accountability,
- Co-responsibility,
- Commitment to the organisation and to change, and
• Continual, meaningful communication.

Whilst there may be debates about the suitability of and benefits to be derived from one form of employee participation versus another, there is general agreement in studies of worker motivation that, in order for any job to be motivating to the individual, an attempt must be made to identify and accommodate the individual’s specific needs and interests. In addition to that there also needs to be a way in which the individual is consulted on issues that have significance to him. When this occurs organisational trust is enhanced.

4.3.4 Training and Development Practices

One of the critical conditions for the promotion of job satisfaction, according to Robbins (2005, p. 91) is mentally challenging work. The author describes this concept as the tendency of people to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks for the individual worker. In order to arrive at this desirable outcome an organisation needs to plan for and implement a strategy on how to improve the level and quality of their workforce skills. One of the key elements of improving productivity in an organisation is also the improvement of skills (Finnemore & van Rensburg, 2002, p. 123,129).

These authors argue that competitiveness should not be based on cost but should be based on the effective and efficient utilisation of all productive resources. Whether one is referring to enhanced quality, good design, on-time delivery and rapid adjustments to consumer’s requests, all these require workers who are skilled.

Stone (2005, p. 168) argues that an important element of programmes to improve the quality of work life of employees is the development of human capabilities. The author contends that when you perceive organisational outcomes to be fair, trust is developed and when you trust your employer, you are willing to voluntarily engage in behaviours that go beyond your formal job requirements (Robbins, 2005, p. 25).
Benefits derived by the Employee from Training and Development Efforts

It is therefore important that an organisation that aims to create conditions conducive for the enhancement of trust needs to consider the strategic training and development of its employees at all levels. This is an important institutional arrangement for trust-building in that employees derive the following benefits from training practices, according to Erasmus et al. (2010, p. 3 – 4):

- They are empowered to make better decisions and solve problems more effectively,
- Motivational variables of recognition, achievement, growth and responsibility are internalised,
- Staff members are able to handle stress, tension, and conflict more effectively, and
- Job satisfaction is increased and knowledge, communication skills, and attitudes are improved

Benefits Derived by the Organisation from Training and Development Efforts

The same authors advance the following as the benefits that the organisation derives from training and developing its employees:

- The job knowledge and skills of employees at all levels are improved,
- Improved profitability and service,
- The corporate image is enhanced,
- Relationships between superiors and subordinates are improved,
- The morale of the workforce is improved,
- It contributes to organisational development,
- It contributes to increased productivity and quality of work,
- It helps to keep costs down,
- It improves labour – management relations,
- It improves the organisational climate,
- It helps employees to adjust to change, and
- A positive climate for growth and communication is created.

**The Objectives of a Training and Development Policy**

The above-mentioned authors argue that the success of an organisation’s training and development efforts is based largely on the organisation’s training and development policy. This policy is normally developed for the following reasons:

- To define the relationship between the objectives of the organisation and its commitment to the training function,
- To provide operational guidelines to management,
- To provide information to employees, and
- To enhance public relations.

Robbins (2005, p. 253) outlines the role of organisations regarding the training and development of their employees as the following:

1. Clearly communicating the organisation’s goals and future strategies – When people know where the organisation is going, they are better able to develop personal plans to share in that future,
2. Creating growth opportunities - Employees should have the opportunity to get new, interesting and professionally challenging work experiences,
3. Offering financial assistance – Organisations should encourage self-development by offering tuition reimbursements, and
4. Providing the time for employees to learn – Organisations must be generous in offering paid time off for employees attending off-the-job training.

The Skills Development Act enjoins organisations employing 50 or more employees to draw up Workplace Skills Plans and to elect a skills development
committee. The workplace skills plan is an organisational plan that outlines the training and development requirements and objectives of an organisation for a period of at least a year. Designated companies send this plan to the Department of Labour and send updated reports showing and measuring actual training and development achievements against training objectives.

**The Process of Drawing up a Workplace Skills Plan**

This is the systematic process of drawing up a Workplace Skills Plan:

- Conduct proper workplace planning,
- Conduct proper job analysis for each job,
- Utilise information gained for workforce planning,
- Conduct a workplace skills audit to determine the nature and extent of current skills,
- Compare the status of current skills to the identified organisational skills requirements,
- Define organisational skills priorities,
- Identify suitable training and development programmes to address the skills training needs,
- Implement the workplace skills plan,
- Monitor, evaluate and report on skills development progress,
- Establish a quality assurance system to ensure effective skills development.

All organisations, big or small, can benefit from a structured, formal approach to organisational skills development.

**4.3.5 Leadership Practice**

Fairholm and Fairholm (2009, pp. 102-109) argue that leadership is a task of teaching a common vision, common organisational principles and a process of instilling and encouraging trust. Gill (2006, p. 91) proposes an integrative, holistic model of leadership due to the various and varying leadership theories that are
being advanced. The question is what type of leadership will encourage the development of conditions where trust between collectives of the employee and employer parties can thrive? These are the leadership elements of the authors’ suggested model:

**Desirable leadership elements and behaviour**

- Vision and mission: Effective leaders communicate a meaningful and attractive vision of the future and the means by which that objective may be achieved,
- Shared values: Effective leaders also identify, display and reinforce values that support the vision and mission that followers share,
- Strategy: Effective leaders get commitment to and ensure the implementation of rational strategies that enable people to pursue the vision that reflects the values they share,
- Empowerment: Effective leaders empower people to be able to do what needs to be done,
- Influence, motivation and inspiration: Effective leaders influence, motivate and inspire people to do what needs to be done.

Hitt *et al.* (2006, p. 298) and Martin (2005, p. 363) in describing a transformational leadership style have captured most of what Gill (2006, p. 91) proposes and add the following:

- He eliminates unnecessary bureaucratic restraints,
- He modifies organisational structure and processes to promote key values,
- He instils pride, gains respect and trust, and
- He communicates high expectations.

**Leadership Style and Trust-Building**

Iivonen (2004, p. 35) quoting Shaw (1997) has presented these key perspectives in building high-trust organisations:
• Achieving results,
• Acting with integrity, and
• Demonstrating concern.

Robbins and Decenzo (2004 p. 346) advance six traits that differentiate effective leaders from their non-effective counterparts:

• Drive - They deliver a high effort, are ambitious and energetic,
• Desire to lead – They have a desire to influence others and take responsibility,
• Honesty and integrity – They develop trusting relationships,
• Self-confidence – They show self-confidence about the rightness of their goals,
• Intelligence – They devour vast quantities of information, and
• Job-related knowledge – They have vast knowledge, and technical know-how regarding the job and the industry.

Reina & Reina (2006, p. 10) place leadership style and behaviours at the core of their trust-building model. They argue that there are three types of what they refer to as transactional trust i.e. contractual trust, communication trust and competence trust. The behaviours and traits that they have identified for each of these types of transactional trust are not inconsistent with the traits and behaviours associated with the transformational leadership style that has been discussed above. Please refer to Table 4.3 for a breakdown of the three types of transactional trust that constitutes the Reina Trust and Betrayal Model.

Haynes (2004, p. 7) advances a simple guide to managers from the employee’s perspective. This, according to this author, is how ordinary employees want to be led and managed:

• Get trustworthy – Be honest and have integrity,
• Get real – Be respectful and empathetic,
• Get personal – Treat people like people,
• Get in the trenches – Show employees that you can also roll up your sleeves and perform when required,
• Get feedback – Provide feedback with an appropriate spirit,
• Get organised – Pick a vision and stick to it.

Nooteboom (2002, p. 75) regards an organisation as a ‘focusing device’ in that it aligns perceptions, interpretations and evaluations sufficiently in order to achieve a common goal. This, according to this author, is the primary role of an organisational leader. He contends that people can trust an organisation to behave responsibly regarding its stakeholders and the environment and that one’s trust in an individual may be based on one’s trust of the organisation.

The author posits that an organisation’s corporate image is influenced by the public conduct of the firm’s leadership. This is a pertinent observation because, although the negotiation teams comprise of individuals, through their respective mandates, they will tend to reflect, to an extent, the thoughts, ideas and perceptions of their respective constituencies.

The above author warns that, at the core of trust-building, is an understanding by the leader of those behaviours that beget trustworthiness. A leadership position, therefore, they argue does not entitle one to trust as trust needs to be earned incrementally over time.

4.3.6 Organisational communication

Martin (2006, p. 671) defines communication as a process of sharing information and creating relationships in environments intended for managing goal-oriented behaviour. Nelson and Quick (2006, p. 250) view it as simply the evoking of a shared or common meaning in another person. Effective communication is the lifeblood of any relationship. Communication as it relates to the labour relationship is not merely about the sharing of information, important as that is, it is about the creation of greater understanding between the parties that may lead to the accommodation of the other party’s position (Bendix, 2010, p. 323).
Hergie, Dickson and Tourish (2004, p. 1) cite a survey in which 2,600 United Kingdom employees expressed their view that, in their respective organisations, the most de-motivating factor of all was the lack of communication from managers. They alleged that this lack of communication is evidenced by:

- A complete absence of interaction,
- A general lack of feedback, and
- Meetings, generally, taking place behind closed doors

From the same survey issues that staff rated highly, which are all aligned to organisational communication, were the following:

- What is expected of us as employees?
- Are we going to be recognised for good performance?
- How are we going to be recognised for good performance?
- Does the supervisor care for us?
- Do our opinions matter?

Communication is an essential element in trust-building processes because one of the dynamics of trust is that it is self-reinforcing and this is evidenced in instances when people regard us as trustworthy there will be a tendency on our part, other things remaining equal, that we will aspire towards that ideal and reciprocate that trust.

This self-reinforcing characteristic of trust is promoted by honesty and openness i.e. giving appropriate information where distrust is characterised by withholding or distortion of information. Honesty and trust reinforce each other as suspicion and dishonesty do (Nooteboom, 2002, p. 95).

**Communication challenges**

Bendix (2010, pp. 323 – 327) highlights some of the communication challenges that are relevant to the labour relationship and to collective bargaining processes:
The message sender may not encode a message in the form in which the receiver may easily decode it. A manager who speaks of productivity margins and percentages must ensure that the receiver is familiar with such business terms and concept, otherwise communication breakdowns may occur. The sender needs, therefore, to ascertain that there is a common understanding.

**TABLE 4.3**

**TRUST AND BETRAYAL MODEL**

<table>
<thead>
<tr>
<th>Contractual Trust</th>
<th>Communication Trust</th>
<th>Competence Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Trust Of Character’</td>
<td>‘Trust Of Disclosure’</td>
<td>‘Trust Of Capability’</td>
</tr>
<tr>
<td>Manage expectations, Establish boundaries, Delegate appropriately, Encourage mutually serving intentions, Keeping agreements, and Be consistent.</td>
<td>Share information, Tell the truth, Admit mistakes, Give and receive constructive feedback, Maintain confidentiality, Speak with good purpose.</td>
<td>Acknowledge people’s skills and abilities, Allow people to make mistakes, Involve others and seek their input, and, Help people learn skills.</td>
</tr>
</tbody>
</table>

Source: The Reina Trust and Betrayal Model (Reina & Reina, 2006, pp. 15 – 75).

**Communication challenges**

Bendix (2010, pp. 323 – 327) highlights some of the communication challenges that are relevant to the labour relationship and to collective bargaining processes:

- Communicating through intermediaries can presents own challenges in that the sender is not distributing the message directly to its intended recipients but to shop stewards, who may relay a totally different message as misunderstandings and distortions might have tainted it.
- Both the sender and the recipient enter the communication situation with a certain mental set coloured by their own values, perceptions, interests, knowledge, attributes and attitudes.
- A relationship of animosity and suspicion may easily result in a distorted
message. Messages from those who lack credibility may be ignored or wrongly perceived.

- As the human mind can only consume a certain amount of information at a time. Communication overload may occur leading a person to misunderstand the gist of a message. There may also be other distracting environmental factors like noise, temperature, discomfort and distance that create physical barriers that affect the communication process.

- Communication is an extremely complex process and an effective communicator needs to consider factors such as feedback, the environment, the medium as well as the personal attributes of the recipient, amongst other things.

**Techniques for Improving Communication**

Suggestions for improving communication

- Adjusting to the world of the receiver – Be aware of the personal attributes of the receiver,
- Creating the correct mental set – Time and adjust the message so that it is easily digestible to the recipient,
- Follow-up and reinforcement – Check for understanding of the message,
- Utilisation of other forms of communication – Use a communication method and medium that is ideal and appropriate to the recipient,
- Using direct communication whenever possible – Personal communication is preferable than the use of an e-mail
- Using alternative channels of communication – You can use different channels to deliver the same message,
- Monitoring the flow of information – Do not send large chunks of information,
- Avoiding the problems of size – Too large an audience may lead to a dilution of the message and increase the possibility of interference.
- Establishing credibility and trust – The message is readily acceptable if it
comes from a credible and trustworthy sender,

- Awareness of barriers – Eliminate and or avoid possible communication barriers.

Nelson & Quick (2006, p. 252) advocate reflective listening as one of the tools used by an effective communicator. The authors define reflective listening as the skill of carefully listening to another person and repeating back to the speaker the heard message to correct any inaccuracies or misunderstandings. Reflective listening has these features:

- It emphasises the personal elements of the communication process,
- It emphasises the feelings contained in the message,
- It emphasises responding to the communicator not leading the communicator.

The authors outline four levels of verbal responses that are characteristic of the reflective listening technique:

- Affirming contact – By using simple statements such as “I see”, “Yes. I understand” and others.
- Paraphrasing the expressed – By using statements such as “ if i hear you correctly you ...”
- Clarifying the implicit – Sometimes the communicator ‘hides’ true emotions and a communicator can identify the implicit messages. “ I can sense that you are unhappy about ...”
- Reflecting ‘core’ feelings – Sometimes due to the nature and duration of the relationship a recipient may be able to identify deep unexpressed feelings and emotions of the communicator, and
- Silence – Silences may be used to give the sender time to fully and correctly express oneself whilst it gives time for the recipient to gather thoughts and reflect on the message sent.
- Eye contact – This is a non-verbal behaviour especially if it is used moderately in a non-aggressive manner may express openness.
Barriers to Communication

Buchanan & Huczynski (2004, pp. 184 – 185) have identified the following as the main barriers of communication:

- Power difference – Whilst superiors tend to lack understanding of employee roles, experiences and problems, employees tend to distort upward communication.
- Gender differences – Men tend to talk more and give information whilst women tend to listen more and reflect more,
- Physical surroundings – The size of the room, the layout, the brightness and our readiness to participate in discussions may affect communication,
- Language – Variations in accents and dialects,
- Cultural diversity – Different cultures have certain expectations and norms when it comes to formal and informal conversation.

Benefits of Effective Communication

Martin (2005, p. 672) outlines the following as the benefits of effective communication:

- Increased productivity,
- Better quality of services and products,
- More staff suggestions,
- Higher levels of creativity,
- Greater employee satisfaction,
- Decreased absenteeism,
- Reduced staff turnover,
- Less industrial conflict and fewer strikes, and
- Lower costs.
Effective Communication and Trust

In Rebuilding Trust through Communication, Cauldron (2008, p. 1) advances the following suggestions for companies that need to build or rebuild trust using the communication process:

- Get your leaders in front of people – Let your employees see their leaders handling the issues with candour, credibility and concern,
- Help your leaders avoid the spin – Do not shade the facts, be open and honest,
- Tell all the news you have, even the bad news - Share everything that you know with your employees without any delaying tactics,
- Connect with all stakeholders – Communicate with all your constituencies, especially your employees,
- Reach beyond the media – Do not just use print media or news reports, send people to talk directly to the employees,
- Offer the opportunity for dialogue – The translation and interpretation of messages happens through dialogue and demonstration,
- Balance high tech with high touch – Use humans instead of computers,
- Listen to your people – Ask for comments or queries,
- Communicate and involve more not less – Do not disappear. Be available.
- Remind people of the fundamentals – Tell people about the business operations and objectives and how they can contribute,
- Help people to see their role – Clarify roles and communicate the rewards that will follow employee efforts,
- Ask people to move on – There is a point when the organisation needs to focus on its core business. Ask employees to stop whining.

Robbins (2005, pp. 151 – 152) proposes the following when one is communicating with people from a different cultural background;

- Assume differences until similarity is proved – It is better for one to assume
that others are different and prepare your communication with that in mind rather than assuming that others are similar to us,

- Emphasise description rather than interpretation or evaluation – Delay judgement until you have had sufficient time to observe and interpret the situation taking the cultural factor into consideration,

- Practice empathy – Before sending out a message put yourself into the shoes of the receiver. What are his values, experiences and frames of reference? What do you know about his education, upbringing and background?

- Treat your interpretation as a working hypothesis – For important decisions or communications check, if you can, with other foreign and home-country colleagues to ensure that your interpretations are on target.

### 4.4 CONCLUDING REMARKS

In this chapter the concept of trust was defined in the context of this research study as well as the dynamics of trust. The process of developing trust within the employment relationship was discussed starting with the process of attitudinal structuring for joint problem solving. Institutional arrangements that organisations can develop, jointly, with their trade union counterparts were identified and explained.

The value of developing institutional arrangements such as fair and equitable personnel management practices, employment relations practices, training and development practices, leadership style and perspectives and organisational communication were discussed and related to the building of trust within the organisation. The next chapter will discuss, in full, the various theories and models consulted in the development of a proposed trust-building model for the enhancement of collective bargaining processes.
CHAPTER 5

THE DEVELOPMENT OF TRUST-BUILDING MODEL

5.1 INTRODUCTION

5.2 THE CONCEPT ‘MODEL’

5.3 VARIOUS MODELS AND THEORIES ADDRESSING TRUST, TRUST-BUILDING AND RELATIONSHIP-BUILDING

5.3.1 Six’s Relational Signalling Theory (RST)

5.3.2 Blunsdon and Reed’s Workplace Levels of Trust Model

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5.3.4 Robbins and Decenzo’s Five Dimensions of Trust Model

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CHAPTER 5:
DEVELOPMENT OF TRUST-BUILDING MODEL

5.1 INTRODUCTION

In the previous chapters the concepts of trust and trust-building processes were discussed. The dynamics of trust and its antecedents were considered. The importance of developing institutional arrangements as a strategy to create a trust-enhancing environment for successful collective bargaining processes was also discussed at length as well as the elements of best practice for the implementation of each institutional arrangement.

In this chapter a theoretical model for trust-building strategies to enhance collective bargaining processes is presented. The model is based on the theoretical and empirical research findings presented in the previous chapters. Various theories and models relating to trust, trust-building and relationship-building initiatives and processes discussed in the beginning of this chapter are also taken into consideration in the development and presentation of the proposed model.

The theoretical model for trust-building strategies forms the basis of the survey questionnaire used to establish the extent to which selected organisations have developed the recommended trust-enhancing institutional arrangements to enhance their collective bargaining processes. The results of the survey will be used to adapt, where and if necessary, the theoretical model presented in this chapter, to develop and integrated model for trust-building strategies to enhance collective bargaining processes in organisations.

Here is an outline of the chapter objectives:

- Firstly, the concept model is defined
- Secondly, various theories and models for trust and trust-building are discussed
• Thirdly, a theoretical model for trust-building strategies is presented.

5.2 THE CONCEPT ‘MODEL’

In an early work by Mason and Bramble (1989, p. 70) the construct ‘model’ is defined as the representation of the abstract ideas of a theory in real terms. Models are characterised by being less general and succinct compared with theories and laws and are used by researchers, in the main, to reduce reality to a manageable scale. Despite its apparent value to researchers, the authors warn scholars that model building is rarely a smooth process and that they may expect false starts, cul-de-sacs, puzzles and predicaments along the way.

5.3 VARIOUS MODELS AND THEORIES ADDRESSING TRUST, TRUST-BUILDING AND RELATIONSHIP-BUILDING

5.3.1 Six’s Relational Signaling Theory (RST)

Six (2005, pp. 11-14) proposes four conditions that need to exist for the building of interpersonal trust within organizations;

• The suspension of all opportunistic behaviour or the removal of distrust;
• The exchange of positive relational signals;
• The avoidance of negative relational signals or dealing with trouble and mistrust and,
• The stimulation of frame resonance or the introduction of trust-enhancing organizational policies.

The Relational Signaling Theory suggested by Six is based on the following basic assumptions:

• That human behaviour is goal directed, and
• That human behaviour is context-dependent.

The author explains the tenets of the Relational Signaling Theory as the following:
The Goal-Directedness Assumption

Individuals, according to the author, are rational, but their rationality is bounded, not only in the sense that they have too little information about trust objects but also with regard to their ability to make use of all the information at their disposal. This implies that, in simple terms, in any given situation demanding action, individuals are sufficiently rational to pursue one goal which will enjoy a predominant focus whilst others are relegated to the background. If the background goal(s) is congruent with the main goal, the author argues further, it will have a positive, reinforcing effect on the salience of that goal and when a background goal is incompatible with the main goal, it will have a negative effect.

To clarify this argument, let us suppose that a trade union negotiator has received a mandate to negotiate salary increases with a settlement range of between 8% and 10%. If the management contingent offers, after exhaustive negotiations, a final offer of a 9% salary increase, what are some of the factors that may influence the decision making processes of the trade union negotiator? If his salient goal is to achieve the best for his constituents without subjecting them to the risk of a protracted industrial action and his background goal is to abide by the mandate given in order to retain his current position as a shop steward, then in this particular scenario there is congruence between the salient goal and the background goal, resulting in a strong normative frame and a reduction of opportunistic tendencies by the said shop steward.

If, however, the negotiator's background goal is to be perceived by the constituents as a hardliner who is not a 'sell out', he may attempt to drag the rest of the team to decline the reasonable offer made and to resort to power displays owing to the discrepancy between his salient and background goals. The process by which an individual comes to a decision about trust objects is made difficult by the various goals that may be in congruence or otherwise leading to satisfactory outcomes or trouble.

The context of this theory of trust-building is that human behaviour is seen as goal-directed, because individuals or trust objects, sometimes, are easily distracted by
the seduction of short-term goals and they appear to find it difficult to resist such temptations even when they are against their very own long-term interest.

**The Context-Dependent Assumption**

The second assumption underpinning Relational Signaling Theory is that human behaviour is context-dependent, depending on the frame that the individual is in.

Six, quoting Lindenberg (2003) identified three main frames: hedonic frame, gain frame and normative frame.

- **The hedonic frame** – This occurs when the individual needs to feel good or better right now. It is thus a very short-term goal-directed frame focusing on states of the individual such as physical states (hunger, pain, excitement) and psychic or emotional states (sense of loss, fear, status, affection). This frame is preoccupied with the self.

- **The gain frame** – This occurs when an individual’s main goal is to improve one’s resources. These resources may be material such as money or immaterial such as improving one’s competencies. This is a long-term goal-oriented frame that is also directly linked to the interests of the individual i.e. it is also preoccupied with the self.

- **The normative frame** – This occurs when the main goal is to act appropriately. It is neither directly linked to the emotions nor to consequences for the individual. This frame, unlike the afore-mentioned, is not preoccupied with the self but with the other.

In human transactions trust is elusive precisely because one cannot guarantee, with certainty, that the normative frame of others will not give way to the hedonic and or gain frames. One will tend to look for signals in the behaviour of the other individual or trust object to decipher whether such behaviour indicates stability or instability of the normative frame, before a decision is made regarding the trustworthiness or otherwise of the trust object. In other words, they will seek to discern the degree to which the other individual is still interested in maintaining the relationship and is
worthy of their trust.

**Positive Relational Signals**

The author regards a positive relational signal as any behaviour by a first individual that contributes to the well-being of the second individual and a negative relational signal is any behaviour by a first individual that decreases the well-being of the second individual.

In an organisational context aspects of the Relational Signaling Theory are important in that, despite acknowledging that trust cannot be turned on and off at the behest of the trustor, organisational arrangements which are underpinned by positive relational signalling will tend to create a trust-enhancing environment rather than the opposite. When individuals are placed in a relational context where trust is involved, trust and action must mutually reinforce each other.

Whilst the Relational Signaling Theory espoused by Six focuses mostly at interpersonal trust-building processes, this research study relates to groups representing their constituents in collective bargaining processes. Whereas there may be a need for individuals within the teams to build trust, the predominant interest of collective bargaining is the development of a team rather than an individualistic negotiation strategy or approach.

Collective bargaining teams are chosen by their constituents and given a mandate to represent the best interests of those constituents by working in unison to achieve clearly defined negotiation objectives. There is an expectation that individuals, in these circumstances, will subjugate to a large extent, their individual interests and needs and promote the common good of their constituents. There was a need to develop an integrated model that takes into account this unique, dynamic and complex collective bargaining relationship.

Despite its considerable emphasis on inter-personal rather than inter-team relationships, this theory has significant implications for organisational trust-building initiatives because it provides a broad conceptual framework of how a
trust-enhancing environment can be cultivated.

Organisations are enjoined not to consider labour laws as the magic wand to deliver labour peace and prosperity, but rather it is the strategic choices of employees and their trade unions as well as employers and their organisations that will determine the success or failure of their relationships (Finnemore, 2002, p. 453). Refer to Table 5.1 for Six’s Trust-Building Theory which emphasizes positive relational signalling as a crucial element in trust-building efforts.

### TABLE 5.1

**SIX’S THEORY OF TRUST-BUILDING**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Relevant proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taking away distrust</td>
<td>For interpersonal trust to be built legitimate distrust situations must first be sufficiently reduced through interest alignment arrangements</td>
</tr>
<tr>
<td>Creating a trust-enhancing organisational context</td>
<td>For trust to thrive the organisation needs to put in place institutional arrangements: Strong norms and values, intensive socialization, normative control, strong functional interdependence, fair human resources practices.</td>
</tr>
<tr>
<td>Building trust</td>
<td>The more positive relational signals are exchanged by the parties, the easier it is to build trust. The more ambiguous a relational signal is, the more it will be perceived as a negative relational signal. Trust tends to improve when teams display the following characteristics: Awareness of true attitude towards the other, self-confidence, self-discipline and a high level of interpersonal skills.</td>
</tr>
<tr>
<td>Dealing with trouble</td>
<td>The more the parties avoid engaging in negative relational signalling, the stronger the relationship will be in withstanding inevitable trouble.</td>
</tr>
</tbody>
</table>

Source: Adapted from Six (2005, pp. 43 – 52).

### 5.3.2 Blunsdon and Reed’s Workplace Levels of Trust Model

In an article titled ‘The Effects of Technical and Social Conditions on Workplace Trust’ Blunsdon and Reed (2003, pp. 13 – 16) argue that aspects of the workplace and industrial conditions produce variation in employees’ overall levels of trust of the
managers in their workplace. The model they present aims to depict the influence of contextual factors on levels of trust, irrespective of the attributes of the trustor and the trustee.

The authors contend that the organisational context comprises of the following:

The technical system of production which is where work gets done through specification of tasks, whereas the social system of work is exemplified by problems of effort, compliance, conformity, and motivation processes.

The aim of the above authors’ study was to, amongst other things, analyse the relationship between the technical system of production, the social system of work and trust. Hereunder are some findings from this study that are relevant to the purposes of this particular research study;

- Trust was discovered to be lower in organisations were there was a history of industrial friction,
- The higher the levels of information dissemination, the higher the levels of trust,
- Trust-levels were found to be higher where managers devoted time to creating a corporate ethic.

The nature and type of leadership that exists within an enterprise has a crucial influence on the creation of a trust-enhancing environmental context. The above-mentioned study emphasizes the essential role that organisational leadership behaviour plays in laying the foundation for a trust-enhancing environment. Tillmar (2005, p. 57) in his trust typology refers to the concept of Goodwill Trust, Competence Trust and Commitment Trust which are the subject of the discussions below.

**5.3.3 Tillmar’s Nine-Variety Typology of Trust**

Tillmar (2005, p. 57) proposes a nine-variety typology of trust. This typology is depicted in Table 5.1. The author argues that one may trust people in society
generally based on the influence of societal institutional and cultural aspects. This he terms general trust. There is an intermediate level of trust which he refers to as that which is often directed at certain categories of people such as a trust of the leadership of a particular institution or a trust of women leaders of a particular organisation or, in the case of this research study, this could be a trust of a particular trade union or employer organisation. The last category is about trusting a particular individual within that organisation or institution.

**Goodwill Trust**

The vertical dimension comprises of the object of trust. This is type of behaviour that is trusted. The author defines goodwill trust as the expectations that transactions will be open, honest and discrete and that actors will not embark on opportunistic behaviour to breach trust. This object of trust is highly relevant in trade union–management transactions and in collective bargaining processes. When negotiations are imbued with the spirit of ‘goodwill trust’ negotiators are known to be bargaining in ‘good faith’.

**Competence Trust**

This object of trust is defined by the author as the expectation that actors will perform according to agreements. The concept of legislative supremacy of negotiated settlements and agreements has been discussed in previous chapters. When negotiating parties renege on collective agreements they not only open themselves up to litigation but to a breach of relationship trust that might have taken a substantial time, effort and cost to build.

**Commitment Trust**

This particular object of trust relates to the parties’ prioritising fulfilling their tasks by sufficiently committing themselves to joint interests and joint actions. It is proposed in this research study that this ‘commitment trust’ will not develop automatically and that conscious actions should be embarked upon, at a strategic
level, to create the fertile ground for it to generate and grow. The author concludes by warning that these varieties of trust are not mutually exclusive and do not exist independently of one another. It may be that the actual trust experienced by Person X is influenced by all nine varieties of trust in the typology. The recommended model has incorporated aspects of this thinking about trust and trust-development.

### TABLE 5.2

**TILLMAR’S NINE VARIETY TYPOLOGY OF TRUST**

<table>
<thead>
<tr>
<th>Objects of Trust</th>
<th>General</th>
<th>Levels of Trust Category</th>
<th>Levels of Trust Specific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>I trust the goodwill of people</td>
<td>I trust the goodwill of category x</td>
<td>I trust the goodwill of person x</td>
</tr>
<tr>
<td>Commitment</td>
<td>I trust the commitment of people</td>
<td>I trust the commitment of category x</td>
<td>I trust the commitment of person x</td>
</tr>
<tr>
<td>Competence</td>
<td>I trust the competence of people</td>
<td>I trust the competence of category x</td>
<td>I trust the competence of person x</td>
</tr>
</tbody>
</table>


#### 5.3.4 Robbins and Decenzo’s Five Dimensions of Trust Model

Robbins and Decenzo (2004, p. 365) in their model argue that trust comprises of five dimensions:

- **Integrity** – This dimension is defined as honesty and truthfulness and is aligned to several trust and trust-building models and theories that have been discussed in this chapter so far. It is aligned to Six’s Relational Signaling Theory, Six’s Theory of Trust-Building and Tillmar’s Nine-Variety Typology of Trust models. During collective bargaining processes, the negotiators at times need to traverse a fine line between the ‘game of negotiations’ which can entail ‘withholding’ certain information and allowing the other party to ask for it first before you advance it and outright deceit which is indicated where one deliberately cheats and lies to the opposing team.
• **Competence** – This dimension is defined as technical and professional know how. Similar to the integrity dimension, the competence dimension is also aligned to the models and theories that have been discussed in this chapter. In the selection of the negotiating team one will be guided by technical or professional expertise in allocating roles. Trust-levels, according to the afore-mentioned models and theories, tend to be raised when people are transacting with those who know what they are doing rather than with those who lack competence.

• **Consistency** - This dimension is described as reliability, predictability and good judgment. These are traits that are common to a certain leadership style that is consistent with perceptions of trustworthiness. This will be discussed under models on leadership practices.

• **Loyalty** – This dimension implies that a trust-enhancing leadership style is consistent not only with a concern for the self but a concern for the other. This is in line with Six’s ‘normative frame’ whose main goal is also to consider the needs and interests of the other. In management-trade union relationships this is indicated by a win-win approach to collective bargaining processes such as the granting of concessions to the opposing party and good-faith bargaining.

• **Openness** – Workplace relationships are improved by a spirit of openness whereas hiding information or preventing access to information tends to breed distrust (Reina & Reina, 2006, p. 36). In collective bargaining processes the granting of information, particularly to majority trade unions, is generally legally prescribed.

If one observes the Dimensions of Trust as proposed by Robbins and Decenzo (2004) and the Elements of Trust suggested by Von der Ohe and others (2004) discussed below and compare these theories and models with the Principles of Trust Framework depicted in Table 5.4 below, one will find a considerable number of commonalities between these theories on trust-building and these were important for the development of the recommended model. This is relevant for the strategic recruitment, selection, training and development of current and future
organisational management.

**TABLE 5.3**

**ROBBINS AND DECENZO’S FIVE DIMENSIONS OF TRUST**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity</td>
<td>Honesty and truthfulness</td>
</tr>
<tr>
<td>Competence</td>
<td>Technical and professional know how and skills</td>
</tr>
<tr>
<td>Consistency</td>
<td>Reliability, predictability and good judgment</td>
</tr>
<tr>
<td>Loyalty</td>
<td>Willingness to save face for a person</td>
</tr>
<tr>
<td>Openness</td>
<td>Willingness to share ideas and information freely</td>
</tr>
</tbody>
</table>

Source: Adapted from Robbins and Decenzo (2004, p. 365).

**TABLE 5.4**

**CIANCUTTI AND STEDIG’S PRINCIPLES OF TRUST FRAMEWORK**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closure</td>
<td>People need to be allocated specific roles and responsibilities</td>
</tr>
<tr>
<td>Commitment</td>
<td>People need to take their work seriously</td>
</tr>
<tr>
<td>Communication</td>
<td>There needs to be direct and open communication</td>
</tr>
<tr>
<td>Speedy resolution</td>
<td>There needs to be prompt tackling of unresolved issues</td>
</tr>
<tr>
<td>Respect</td>
<td>People need to treat each other with dignity and respect</td>
</tr>
<tr>
<td>Responsibility</td>
<td>People need to be accountable and responsible</td>
</tr>
</tbody>
</table>

5.3.5 Von der Ohe, Martin & Roode’s Credibility and Employer-Employee Trust Relations

In an article titled ‘The influence of credibility on employer-employee trust relations’, Von der Ohe, Martin and Roode (2004, pp. 11 – 15), the importance of certain personality factors and trust was established. This research study was aimed at investigating the relationship between the personality factors, trust relationship and credibility and to determine the most important explanatory variable of trust.

One of the most important findings from this research, amongst other things, was the confirmation of the importance of credibility as a crucial element in trust relationships. The high correlation between credibility and trust suggested by the findings highlights, according to the researchers, the role of listening skills, decision-making and allowing freedom to employees to express feelings, tolerating mistakes and ensuring that employees enjoy prestige and credibility in the organisation. Refer to Table 5.5 for a depiction of the Elements of Trust.

5.3.6 Gibson, Ivancevich & Donnelly’s Elements of Success for Team-Building and Trust Model

The proposed trust-building initiatives for collective bargaining are not unlike the team-building process suggested by Gibson, Ivancevich & Donnelly (2000, pp. 238 – 241). The authors contend that this is not a short-term strategy to reduce conflict. It requires a long-term commitment because it is an ongoing process that is never really completed.

The elements of success for team-building are identified by the authors as management commitment, trust, information-sharing, training and union participation. Refer to Table 5.5 for an outline of these crucial elements.

Throughout the phases of the recommended model there is an emphasis on ongoing trust-developing initiatives that rely, considerably, on management commitment and support. During the frame-alignment session, for example, it is recommended that a statement by top management declaring its commitment to
the process will go a long way in setting up a suitable space for trust-development.

**TABLE 5.5**

THE ELEMENTS OF TRUST BY VON DER OHE, MARTIN AND ROODE

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authenticity</td>
<td>Genuine intent, credible motives.</td>
</tr>
<tr>
<td>Credibility</td>
<td>Competences, right credentials, correct conduct.</td>
</tr>
<tr>
<td>Disposition belief</td>
<td>Other party is able and willing.</td>
</tr>
<tr>
<td>Communication</td>
<td>Task information and personal, empathy focus.</td>
</tr>
<tr>
<td>Information</td>
<td>Disclosing timely, accurate information.</td>
</tr>
<tr>
<td>Influence</td>
<td>Exposure to being influenced in decision-making.</td>
</tr>
<tr>
<td>Dependence belief</td>
<td>Goal to be achieved, due to added input from other party and necessity of other party’s input.</td>
</tr>
<tr>
<td>Fulfilment belief</td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>Dependence and vulnerability in belief.</td>
</tr>
<tr>
<td>Competence belief</td>
<td>Evaluation that the other party’s input is necessary.</td>
</tr>
</tbody>
</table>


**TABLE 5.6**

GIBSON ET AL’S ELEMENTS OF SUCCESS FOR TEAM-BUILDING AND TRUST

<table>
<thead>
<tr>
<th>Element</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>Top management commitment is needed</td>
</tr>
<tr>
<td>Trust</td>
<td>Interpersonal trust and institutional trust</td>
</tr>
<tr>
<td>Information-sharing</td>
<td>Honest and open sharing of information</td>
</tr>
<tr>
<td>Training</td>
<td>Individual and team training</td>
</tr>
<tr>
<td>Union participation</td>
<td>The trade union must be consulted</td>
</tr>
</tbody>
</table>

Source: Adapted from Gibson et al. (2000, pp. 238 – 241).
5.3.7 Anstey’s Relationship-Building Interventions (RBI)

Anstey (2010, p.399) views the Relationship-Building Interventions (RBI) as a process whereby third parties are invited to assist organisations with the resolution of divisive issues and, equally important, to focus on their relationship itself and their daily experiences at the workplace.

**Relationship-Building Interventions and the Collective Bargaining Processes**

Substantive issues tend to defile the labour relations atmosphere and polarise the workplace resulting in an adversarial ‘us’ and ‘them’ mentality. Whilst it is expected that a certain level of heightened passions is an inherent component of wage and conditions of service negotiations, the South African experience is one that is riddled with extreme destruction, mayhem, name-calling, petrol-bombing and, in some cases, even murder.

Various incidents of provocation and intimidation are common place during strikes such as non-striking workers being pushed off running trains (the SATAWU strike), houses of non-strikers torched to the ground (the South African Beverages strike) and extremely ill patients left in wards to fend for themselves if not being chased off hospital premises with knobkerries by those employed to care for them (the public sector strike). A considerable amount of industrial action in South Africa is, therefore, accompanied by extreme acts of destruction, vandalism and hooliganism that are located beyond the realm of acceptable or legitimate worker behaviour (Mail and Guardian Online newspaper of the 7th of April 2009).

Relationship-building interventions are neither an alternative to the collective bargaining process nor are they created to undermine the existence of trade unions at the workplace. Quite the contrary, they are infused with the pluralist notion that trade unions are important in the workplace as they foster interaction between the parties (Anstey, 2010, p. 412).

Whist issuing a warning that the RBI process should not be perceived as a
panacea to magically resolve all divergent issues at the workplace, the author argues that the healthy problem-solving experiences gained by the parties might rub-off on to the collective bargaining arena. This process-by-product may result in an improvement of the nature and manner with which the parties engage with each other. When this ideal occurs, this research study proposes, there will, eventually, be a new culture of engagement that will lead to the elimination of the despicable behavioural tendencies currently associated with our industrial conflicts.

**The characteristics of the Relationship-Building Intervention (RBI) process**

The above-mentioned author contends that this process is characterized by the following:

- It is a structured process,
- It is a facilitated process,
- It is a proposals-driven process,
- It is not appropriate for substantive bargaining,
- It seeks to assist parties to listen to each other in order to generate proposals for future relations based on shared interests,
- It seeks to create a platform for long-term relationship-building,
- It requires a base commitment to use it in good faith for relationship-building,
- It draws from many disciplines, including traditional mediation theory, organisational development, management buy objectives, change management, strategic management, system design, employee participation and leadership theory, and
- If the process is to be optimized, it requires a leadership style that is willing to break traditional relational patterns across stakeholder groups in the organisation.
Stages in the Relationship-Building Intervention (RBI) Process

This is a brief summary of the stages of the process and the relevant activities expected of the parties and the facilitators:

The Preparatory Stage

- A presentation to the trade union and management groupings highlighting the nature of the process,
- This session aims at reducing suspicions, information-sharing, query clarification and creation of common understanding about the process,
- Parties are required to sketch out their expectations in joint sessions or otherwise,
- An appropriate guiding statement is decided upon and drawn. An example of a guiding statement is:
  
  In order to build a competitive business:
  
  - Labour should …
  - Management should …

The Problem Analysis Phase

- The teams are separated and are asked to address the guiding statement,
- Each team is assisted in drawing up its list of objectives,
- Facilitators clarify, record items and draw up four lists containing the following:
  - Management thinks the union should (MU);
  - Management thinks management should (MM);
  - Union thinks management should (UM); and
  - Union thinks union should (UU).
- This is a proposals-driven process
- This is a problem-solving process rather than one that requires an adversarial approach;
• When the four lists are drawn parties get together to discuss them, clarify terms and meanings;
• Facilitators work overnight to compile a consolidated list of objectives; and
• The parties have to check that the facilitator has accommodated all their offerings.

The Action Planning Phase

• Groupings draw action plans from the objectives they have outlined;
• This is now a joint, combined endeavour;
• The focus has now moved from what people want to what people must do to achieve it; and
• There are joint agreements of action steps, assignment of responsibilities and the mapping out of deadlines for the achievement of each task.

The Implementation and Follow-Up Phase

• Facilitators check up on progress and help the parties;
• The facilitators undertake to meet with the parties at certain intervals to check up on progress and to assist whenever they are required.

The relationship-building intervention process is a very useful tool to be used not just for troubled organisations but for any organisation that aims at improving certain aspects of its operations and for those especially that require the improvement and or maintenance of satisfactory trust levels.

It is hereby submitted that this intervention can be at the centre of efforts at trust-building as an important by-product of improved relations is bound to be an improvement in trust levels. It is suggested that the process initially might be facilitated by a trustworthy (to both parties) facilitator who will teach the parties the ropes until the parties are familiar with the nature of the process, its spirit and its objectives. There is nothing that precludes the parties from meeting from time to time in organisational forums such as employment relations forums to expand on

Chapter 5
the successes of this process without relying on a third party as long as they have an experienced individuals in their midst who enjoy the trust of both sides.

5.4 PEOPLE MANAGEMENT PRACTICE MODELS

The Development of a Strategic Recruitment and Selection Policy
An important aspect of creating a trust-enhancing environment is to focus, amongst other things, on the manner in which the organisation recruits and selects people, how it trains and develops people, how fair it promotes and remunerates talent to how it improves the general well-being of its staff. A discussion follows on some of the important aspects of a human resource strategy as a vital trust-enhancing mechanism.

5.4.1 Rao’s Elements of Strategic Human Resource Management
As discussed in chapter 4, Rao (2005, p.5) advocates for a strategic approach to human resources management due to the changing and unpredictable dictates of the external environment in which today’s organisation has to operate in. The author outlines the following as some of the critical areas of such a strategy:

- Attract and retain talent,
- Train people for challenging roles,
- Develop skills and competencies,
- Promote team spirit,
- Develop loyalty and commitment,
- Increase productivity and profits,
- Improve job satisfaction,
- Enhance standard of living, and
- Generate employment opportunities.

The developed model has incorporated, as much as possible, these crucial aspects of strategic human resource management strategy in its conceptualisation.
The Development of a Sexual Harassment Policy

More and more women are entering today’s workplaces than was the case a decade ago. Women tend to be the most affected by sexual harassment and it is generally expected of today’s managers that they will create a conducive, non-sexist, non-discriminatory atmosphere that prohibits this undesirable practice and that will generate, at the same time, a trust-enhancing environment. Below are some aspects that managers can use in creating such an environment.

5.4.2 Aspects of the Code of Good Practice: Sexual Harassment

In line with Rao’s strategic human resource management orientation, good human resource management practices have been incorporated in the design of the recommended research model to ensure higher degrees of job satisfaction which, research has revealed, are consistent with higher degrees of organisational commitment and trust. In order to create a trust-enhancing environment organisations need to develop policies in this regard and communicate these policies to its employees, particularly its supervisory and managerial levels. Here are the guiding principles that need to underpin the development of such a policy:

- The creation of an environment in which the dignity of each person is respected,
- All charges of sexual harassment must be followed up,
- All employees, including managers, should refrain from committing acts of sexual harassment,
- Employers need to ensure that customers, suppliers, job applicants and others who have dealings with the business are not subjected to sexual harassment by the employer or its employees,
- Employers need to take appropriate action when instances of sexual harassment are brought to them,

An environment that is free of harassment and gender discrimination is conducive for trust-building and the recommendation is that each employee, in the
organisation, is made aware of the values of the organisation and that joint-development of policies in this regard be part of the strategic institutional arrangements to build trust.

The Development of an Employment Equity Policy

The joint-development of an employment equity policy incorporating the organisation’s philosophy and core values, underpinned by the provisions of the Employment Equity Act, is another trust-enhancing tool that the organisations can utilise for its ultimate benefit.

5.4.3 Finnemore’s Pitfalls and Critical Success Factors for the Implementation of an Employment Equity Policy

Due to the same reasons advanced above, organisations need to develop, together with their trade union counterparts, appropriate employment equity policies. The recommended model has included aspects of good practice in this regards as highlighted in the previous chapter.

Finnemore and van Rensburg (2002, p. 392) provides pitfalls and critical success factors in the implementation of employment equity:

Pitfalls to avoid:

- Assuming that the only driver of employment equity (EE) is to comply with the legislation,
- Not making Employment Equity one of the strategic imperatives of the organisation,
- Believing that the only goal of Employment Equity is to get the racial and gender numbers right regardless of quality and job satisfaction,
- Making human resources department solely responsible for results,
- Keeping the process and key statistics secret,
- Not involving stakeholders,
- Embarking in token consultation,
• Focusing on spending months developing an employment equity policy, and
• Achieving results only after policy development and a long planning process.

**Critical success factors:**

• Internalise and understand the moral reasons for employment equity,
• Develop a sound business case for employment equity,
• Place employment equity on the strategic objectives of the company,
• Develop a balanced set of targets that include non-numerical objectives
• Top management should take full responsibility for the process
• Be transparent, communicate and communicate more,
• Consult with all relevant stakeholders
• Spend more time on developing plans that include specific measures and actions, and
• Focus on quick-wins, initially to demonstrate commitment while developing holistic plans,

An environment that is free of discrimination and that affords equal treatment to all employees is ideal for trust-building and organisations need to ensure that appropriate jointly-developed policies are in place in this regard be part of the strategic institutional arrangements to build trust (Venter, 2006, p. 446).

**The Development of an HIV/ AIDS Policy**

As with the development of a sexual harassment policy there is a need for South African companies, especially, to develop appropriate policies relating to HIV/AIDS. One of the primary elements of any HIV/AIDS policies is the development of a trustworthy relationship between the employers and those affected and infected by the illness as stigmatisation is still a major challenge.
5.4.4 Aspects of the Code of Good Practice: HIV/AIDS

Due to the high prevalence of HIV/AIDS in South African workplaces, organisations need to develop policies in this regard. As discussed in the previous chapter, below are elements of good practice to guide organisations in their treatment of this challenge:

Develop a workplace HIV/AIDS programme with these guidelines

- Hold regular HIV/AIDS awareness programmes,
- Encourage voluntary testing,
- Conduct education and training on HIV/AIDS,
- Promote condom distribution and use,
- Encourage health-seeking behaviour for sexually transmitted diseases,
- Enforce the use of universal infection control measures,
- Create an environment that is conducive to openness, disclosure and acceptance amongst all staff,
- Endeavour to establish a wellness programme for employees affected by HIV/AIDS,
- Provide access to counselling and other forms of social support for people affected by HIV/AIDS,
- Maximise the performance of affected employees through reasonable accommodation, such as investigations into alternative sick leave allocation,
- Develop strategies to address direct or indirect costs associated with HIV/AIDS, and
- Regularly monitor, evaluate and review the programme.

Employers should take all reasonable steps to assist employees with referrals to appropriate health, welfare and psycho-social facilities within the community, if such services are not provided at the workplace. As the HIV/AIDS pandemic continues to be a factor in South African workplaces, the degree to which organisations develop fair, just, caring and equitable policies in this regard will go...
a long way in creating a positive corporate image for the organisation and boost the trust which employees will place on the organisation and its leadership.

The Development of a Performance Management Policy

The development of a sound and transparent policy, preferably designed and developed in consultation with organisational stakeholders, on how individual and group performance is going to be measured, rated and remunerated is crucial for trust-building efforts as this is a major source of distrust and conflict at the workplace. The following discussion offers some practical guidelines as to how this vital aspect of people management can be approached.

5.4.5 Cascio’s Best Practice for Conducting Performance Feedback

Performance management systems are a common source of conflict in organisations, particularly for those receiving negative feedback on their job performance. To be fair to the job-holder, performance management needs to be conducted in a trust-enhancing manner. As has been discussed in the previous chapter, Nel et al. (2008, p. 503) quoting Cascio (1995), suggested a framework of activities that the supervisor can utilise before during and after the performance feedback sessions;

Before the performance feedback session the rater must:

- Communicate freely with employees regarding their performance,
- Be trained in performance appraisal interviewing and feedback,
- Plan to use a problem-solving approach, and
- Encourage subordinates to prepare for the performance feedback session.

During the performance feedback session the rater must:

- Encourage rate participation,
- Judge performance not personality,
• Be specific,
• Be an active listener,
• Set mutually agreeable goals for future improvements, and
• Avoid destructive criticism.

After the performance feedback session the rater must:

• Communicate frequently to rates about their performance,
• Periodically assess progress towards goals, and
• Make organisational goals contingent on performance.

If properly handled and true to its developmental goals, this process can result in higher levels of motivation and job satisfaction. When these conditions exist, levels of trust tend to rise. The recommended model has incorporated this crucial aspect of strategic human resources management.

**The Development of a Diversity Management Policy**

With today’s workforce being more diverse than in the past, managers need to be sensitised as to the best ways of dealing with diversity. South African companies need to focus more on diversity management and awareness programmes in consideration of our racist and divided past. Perceived unfair and unequal treatment is a source of distrust at the workplace and it can easily generate conflict. The following discussion identifies weaknesses and provides valuable guidelines for the effective implementation of diversity management initiatives.

**5.4.6 Hitt, Miller & Colella’s Reasons Why Diversity Fails**

Hitt *et al.* (2006, p. 50) as discussed in the previous chapter, have advanced these factors as the reasons why diversity management fails in some organisations:

• Prejudice and discrimination - Where prejudice is about people’s negative attitudes towards people who belong to a social or cultural group other than their own, discrimination is when we act out that attitude by treating people
negatively, unfairly because they belong to a particular group,

- Stereotyping – Which is defined as generalised set of belief about the characteristics of a group of individuals,
- Differences in social identity – This is defined as the individuals affiliation and emotional attachment to a particular social or cultural group,
- Power differentials – Status and power that is assigned according to what group you belong to or closeness to the top level hierarchies of the organisation.
- Communication problems – When those who are less fluent in speaking a dominant language tend to talk less,
- Poor structural integration – Minority groups do not experience growth and development beyond certain hierarchy levels. An example of this is when females do not progress to top executive levels due to a ‘glass ceiling’.

The authors suggest the following action to effectively create and manage diversity:

- Commitment of the organisation’s leaders – Insincere support of diversity by top managers is damaging to organisational efforts,
- Integration with the strategic plan – Diversity must be linked to the organisation’s strategic plan with clear outcomes, timeframes and action plans,
- Associate involvement – All employee groups must be involved. Those in majority as well as the minority groups – Make use of focus groups, employee satisfaction surveys and cultural diversity audits.

The recommended model has also incorporated this crucial aspect of strategic human resources management in its design.

**The Development of a Health and Safety Policy**

A health and safety policy needs to be developed taking into account the current legal precepts and in collaboration with the trade union parties.
5.4.7 Aspects of the Occupational Health and Safety Act

In line with the provisions of the Occupational Health and Safety Act, organisations need to develop policies that will promote the general health and safety of their employees. In so doing such organisations are, simultaneously, creating trust-enhancing environments. Hereunder are some of the elements of good practice in this regard as discussed in the previous chapter:

Employees have a supplementary role to assist the employer and ensure that the objectives of the Act are achieved. Here are the duties of the employees:

- To report dangerous situations,
- To cooperate with health and safety inspectors,
- To use the provided safety equipment appropriately, and
- Not to tamper with safety equipment or render it ineffective.

In terms of the Act the employer’s general duty is to provide a working environment that is safe and that is without risk to the health of the employees. Here are some of the employer’s duties as expressly framed in the Act:

- The identification and removal of all potential hazards,
- The training of employees on health and safety issues,
- The enforcement of precautionary measures,
- The provision of protective equipment when a hazard cannot be practically removed or mitigated against, and
- To ensure that activities do not have an adverse effect on the general public.

The recommended model has also incorporated this crucial aspect of strategic human resources management in its design. Several motivation theories point to working conditions as some of the factors that underlie job dissatisfaction.
5.5  EMPLOYMENT RELATIONS PRACTICE MODELS

The Development of an Employment Relations Policy

A well developed policy relating to the handling of employment relations matters is crucial in the promotion of a trust-enhancing environment as it provides guidelines for both the employee and the employer and eliminates confusion. It becomes a dispute-resolution tool that aims at the elimination, if not the management of organisational conflict.

5.5.1  Nel, Kirsten, Swanepoel, Erasmus & Poisat’s Elements of a Labour Relations Policy

An organisation will have as one of its functional strategies the development of an employment relations policy. This policy will be developed taking into account the organisation’s mission, vision and purpose (Nel et al. p. 260). The policy will entail the top management’s philosophy and broad approach regarding labour relations.

The authors suggest that such a policy should include some of the following:

- Managerial principles relating to management’s right to manage its business and make operational decisions,
- Recognition of the principles related to pluralism,
- Recognition of employee’s rights and an undertaking to respect them at all levels of the organisation,
- Guidelines for the interaction between management, labour and the relevant representative structures,
- The role of procedures in resolving problems speedily and in a mutually acceptable manner,

A commitment to the eradication of unfair, discriminatory labour practices. In line with its employment relations policy an organisation will develop, together with its trade union counterparts, a disciplinary code and a grievance procedure to serve as a bottom-up communication tool to advise managers when there are feelings of
discontent and perceptions of injustice. This helps the organisation to act promptly to resolve conflict before it escalates. An organisation’s employment relations policy is a commitment (a public declaration) by top management that employees will be treated fairly, equitably and with compassion.

**The Development of a Disciplinary Code**

As with the employment relations policy, a disciplinary code is important and is used as a reference when conflict arises. It clears confusion and is used, generally, as an operational tool providing guidance for managers and employees.

**5.5.2 Aspects of the Code of Good Practice: Dismissals**

The employee’s duty to obey the lawful instructions of his / her employer lies at the heart of the employment relationship. Obedience implies discipline, discipline implies rules, and rules, to be effective, imply the power to impose sanctions on those who break them (Grogan, 2005, p. 91).

The author argues that the power to prescribe standards of workplace behaviour and to initiate sanctions for transgressors is a jealously guarded territory for managers everywhere as it falls within the ambit of the managerial prerogative.

Apart from the often divisive industrial action activities, the area of workplace discipline is a conflict-riddled hot spot that tends to keep both managers and trade union shop stewards extremely busy. If the disciplinary code and rules is to be workable, the author argues further, all disciplinary systems must enjoy legitimacy among those bound by them.

Due to the situation sketched above it is deemed best practice for an organisation, in consultation with its trade union party, to develop clear guidelines regarding acceptable workplace conduct and the penalties or sanction that is possible for each transgression. The disciplinary code must be made available to each employee and be formally mentioned during the organisation’s induction programmes.
The Code of Good Practice: Dismissal in section 1 (3) expressly states that the key principle in this code is that employers and employees should treat one another with mutual respect. A premium is placed on both employment justice and the efficient operation of business.

The principles of corrective justice and progressive discipline are imbued within the Act and the Code. After an employee is found to have transgressed an organisational rule, for example, that offence should not automatically lead to a dismissal. Except for a few serious cases, the Code suggests that other measures, short of dismissals, need to be considered before resorting to a dismissal. In section 3 (2) of the Code this principle is expressly stated, “Efforts should be made to correct employees’ behaviour through a system of graduated disciplinary measures such as counselling and warnings.” The code enjoins all organisations to keep a record of all disciplinary cases.

**The Development of a Grievance Procedure**

A grievance procedure is aimed at correcting perceived and actual inappropriate behaviour on the part of supervisors and managers against their subordinates. It is a good bottom-up communication tool and tends to be embedded with the values of fairness and justice as it addresses employee concerns and unhappiness with their leadership. When used effectively it is a trust-building tool.

**5.5.3 Nel, Kirsten, Swanepoel, Erasmus & Poisat’s Benefits of a Grievance Procedure**

The management of an organisation requires good communication. A good strategy in this regard would be a system where employee discontent and complaints are channelled, bottom-up, though a grievance system (Nel et al. 2008, 265).

The above-mentioned authors advance these benefits of effective grievance handling:
- It is a safety valve that will release the tension and dissipate the latent aggression inherent in all businesses,
- It allows the raising and settlement of grievances for a worker without fear of retribution or victimisation,
- It makes for a more open and honest relationship between manager and worker,
- It allows managers to identify and remove legitimate cases of dissatisfaction and conflict,
- It allows the removal of conflict sources that make small problems escalate into major unrest,
- It facilitates the development of positive worker morale,
- It assists in promoting goal achievement by the business.

This is another example of how an organisation can empower its employees by affording them an opportunity to apply bottom-up communication mode whenever they feel their interests are not well-served by their immediate supervisor or manager.

**The Development of an Employee Participation Policy**

In modern times there is a constant challenge to the managerial prerogative as employees and their trade unions want to be consulted on everything that will impact on their work life. In organisations with high degrees of employee participation and involvement in decision-making, potential conflict can be nipped in the bud and trust can, thus, be regained or maintained.

**5.5.4 Bendix’s Types of Employee Participation**

Bendix (2010, p. 710) has identified the following as examples of plant-level employee participation:

- Liaison committees - These are committees instituted by the company’s management where employees can bring their interests to the attention of
the employers. Half of the members of these committees would be selected from the managerial levels and the other half from the employee component. Management has a 50% vote on decisions which negatively affect the influence these committees have,

- **Workers’ committees** – These are committees constituted by the workers themselves. Management will tend to listen to the voice of this committee because it represents the voice of the employees. They operate in instances where there are no trade unions,

- **Safety committees** – The Occupational Health and Safety Act enjoins designated companies to form safety committees that will meet regularly to discuss matters relating to organisational safety.

- **Shop-steward committees** – In unionised environments these are powerful committees that management is legally obligated to interact with. They are collective bargaining agents empowered to negotiate wages and working conditions with the employer. As discussed previously, depending on the degree of representativity they have, there are certain organisational rights that they enjoy which are enforceable, Co-management committees – This is where workers are represented at board level. This type of co-management is rare. Where management shares a considerable portion of their managerial prerogative for decision-making with the workers.

- **Profit-sharing schemes** – This is where a fixed proportion of the company’s profits are paid out to individual employees or paid into a fund established for the benefit of all employees.

- **Share ownership schemes** – This is where a portion of the shares of the business are allocated to the employees ensuring that they perceive themselves not only as workers but as part-owners of the business. This is aimed at increasing commitment and loyalty.

- **Cooperative enterprises** – This is a socialist experiment designed according to the theories and principles of Karl Marx. This form of worker participation occurs when enterprises are developed, run and managed by the workers themselves for their collective gain.
Bendix (2010, p. 719) advances seven structural pillars that need to exist before an organisation embarks on democratisation of the workplace:

- Integrity,
- Trust,
- Transparency,
- Accountability,
- Co-responsibility,
- Commitment to the organisation and to change, and
- Continual, meaningful communication.

Employee participation is another tool that can be used by organisations to ensure that the employees’ needs, views and interests are considered.

**The Development of a Collective Bargaining Process Policy**

Organisational conflict is effectively managed when there are clear rules and guidelines regarding the conduct of the collective bargaining process. Opportunistic behaviour on the part of the role-players is curtailed when each party is made aware of its role and obligations and the legal ramifications of errant behaviour.

**5.5.5 Grogan’s Undesirable Bargaining Tendencies**

The labour courts have used the unfair labour practice jurisdiction to develop jurisprudence concerning rules of the collective bargaining game and they have not hesitated to interdict bargaining practices that undermined the spirit of the collective bargaining process (Grogan, 2005, p. 365). Below are some of the undesirable tendencies that bargaining agents are refrained from as outlined by the author:

- Discrimination against employees for using their statutory rights,
- Refusing to provide the trade union information that they are entitled to,
- Refusing the trade union reasonable access to their members at the
workplace,
- Employers bypassing trade union representatives,
- Employers hindering communication between the trade union and its membership,
- Attempts by employers to undermine the trade union by offering rewards to non-union members, and
- Subjecting trade union members to penalties.

5.5.6 Bendix’s Good-Faith Bargaining Conduct

Bendix (2010, p. 577) outlines some the behaviour that is expected during collective bargaining process:

- An offer, once made, cannot be withdrawn,
- Verbal offers and agreements are taken as given,
- There should be no denial of anything which has been accepted,
- Both sides should display willingness to negotiate,
- There can be no outside or informal settlement of a negotiable issue,
- Confidential or privileged information may not be abused during negotiations or later,
- Opponents should be left with some credit,
- No trickery should be employed in the final agreement, and
- Agreements will be implemented as they stand.

Organisations can include collective bargaining conduct as a part of the labour relations policy or the recognition agreement. This aspect can also be a stand-alone policy that focuses on the type behaviour that is acceptable to the parties and the responsibilities of management and the trade union in instances of industrial action or during the collective bargaining process.
Chapter 5

5.6 TRAINING AND DEVELOPMENT PRACTICE MODELS

The Development of a Training and Development Policy

Employees’ job satisfaction levels tend to increase when the job contains motivating factors such as opportunities for growth and development. Training and development affords employees a chance to be proficient in what they do and to be more marketable when suitable promotional prospects appear.

5.6.1 Robbin’s Organisational Role in Training and Development

Robbins (2005, p. 253) outlines the role of organisations regarding the training and development of their employees as the following;

1. Clearly communicating the organisation’s goals and future strategies – when people know where the organisation is going, they are better able to develop personal plans to share in that future,
2. Creating growth opportunities – employees should have the opportunity to get new, interesting and professionally challenging work experiences,
3. Offering financial assistance – organisations should encourage self-development by offering tuition reimbursements, and
4. Providing the time for employees to learn – organisations must be generous in offering paid time off for employees attending off-the-job training.

The Skills Development Act enjoins organisations employing 50 or more employees to draw up Workplace Skills Plans and to elect a skills development committee. The workplace skills plan is an organisational plan that outlines the training and development requirements and objectives of an organisation for a period of at least a year. Designated companies send this plan to the Department of Labour and send updated reports showing and measuring actual training and development achievements against training objectives.

Non-designated companies’ strategic interests will be better-served if they develop, voluntarily, a formal training and development policy, using the provisions
of the Skills Development Act as a framework.

5.7 LEADERSHIP PRACTICE MODELS

The Development of a Management Development Policy

Companies need to invest in the development of their managerial talent as managerial behaviour and style remains critical for motivating employees to achieve the higher levels of productivity required in this globalised world. Employee trust in leadership tends to be aligned to the nature and type of leadership they are exposed to.

5.7.1 Gill’s Integrative, Holistic Model of Leadership

An organisation can benefit tremendously because of the strategic way in which it identifies and prepares human talent to improve its performance. Potential leadership can be trained on the nature and type of leadership that inspires trust and has the ability to motivate subordinates to greater heights.

Desirable leadership elements and behaviour –

- Vision and mission: Effective leaders communicate a meaningful and attractive vision of the future and the means by which that objective may be achieved,
- Shared values: Effective leaders also identify, display and reinforce values that support the vision and mission that followers share,
- Strategy: Effective leaders get commitment to and ensure the implementation of rational strategies that enable people to pursue the vision that reflects the values they share,
- Empowerment: Effective leaders empower people to be able to do what needs to be done,
- Influence, motivation and inspiration: Effective leaders influence, motivate and inspire people to do what needs to be done.
5.7.2 Hitt, Miller & Colella’s Elements of a Transformational Leadership Style

Hitt et al. (2006, p. 298) and Martin (2005, p. 363) in describing a transformational leadership style have captured most of what Gill proposes and add the following:

- He eliminates unnecessary bureaucratic restraints,
- He modifies organisational structure and processes to promote key values,
- He instills pride, gains respect and trust, and
- He communicates high expectations.

5.7.3 Shaw’s Key Perspectives in Building High-Trust Organisations

Iivonen (2004, p. 35) quoting Shaw (1997) has presented these key perspectives in building high-trust organisations:

- Achieving results,
- Acting with integrity, and
- Demonstrating concern.

5.7.4 Robbins and Decenzo’s Six Traits of Effective Leaders

Robbins and Decenzo (2004, p. 346) advance six traits that differentiate effective leaders from their non-effective counterparts:

- Drive - They deliver a high effort, are ambitious and energetic,
- Desire to lead – They have a desire to influence others and take responsibility,
- Honesty and integrity – They develop trusting relationships,
- Self-confidence – They show self-confidence about the rightness of their goals,
- Intelligence – They devour vast quantities of information, and
- Job-related knowledge – They have vast knowledge, and technical know-how regarding the job and the industry.
5.7.5 Reina and Reina’s Trust and Betrayal Model

Reina & Reina (2006, p. 10) places leadership style and behaviours at the core of their trust-building model. They argue that there are three types of what they refer to as transactional trust i.e. contractual trust, communication trust and competence trust. The behaviours and traits that they have identified for each of these types of transactional trust are not inconsistent with the traits and behaviours associated with the transformational leadership style that has been discussed above. Please refer to Figure 4.1 for a breakdown of the three types of transactional trust that constitutes the Reina Trust and Betrayal Model.

5.7.6 Haynes’s Leadership Behaviour Model

Haynes (2004, p. 7) advances a simple guide to managers from the employee’s perspective. This, according to this author, is how ordinary employees want to be led and managed:

- Get trustworthy – Be honest and have integrity,
- Get real – Be respectful and empathetic,
- Get personal – Treat people like people,
- Get in the trenches – Show employees that you can also roll up your sleeves and perform when required,
- Get feedback – Provide feedback with an appropriate spirit,
- Get organised – Pick a vision and stick to it.

Nooteboom (2002, p. 75) regards an organisation as a ‘focusing device’ in that it aligns perceptions, interpretations and evaluations sufficiently in order to achieve a common goal. This, according to this author, is the primary role of an organisational leader. He contends that people can trust an organisation to behave responsibly regarding its stakeholders and the environment and that one’s trust in an individual may be based on one’s trust of the organisation.

The author posits that an organisation’s corporate image is influenced by the public conduct of the firm’s leadership. This is a pertinent observation because,
although the negotiation teams comprise of individuals, through their respective mandates, they will tend to reflect, to an extent, the thoughts, ideas and perceptions of their respective constituencies.

The above author warns that, at the core of trust-building, is an understanding by the leader of those behaviours that beget trustworthiness. A leadership position, therefore, they argue does not entitle one to trust as trust needs to be earned incrementally over time.

### TABLE 5.7

**THE REINA TRUST AND BETRAYAL MODEL**

<table>
<thead>
<tr>
<th><strong>Contractual Trust</strong></th>
<th><strong>Communication Trust</strong></th>
<th><strong>Competence Trust</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Trust of Character’</td>
<td>‘Trust of Disclosure’</td>
<td>‘Trust of Capability’</td>
</tr>
<tr>
<td>Manage expectations,</td>
<td>Share information,</td>
<td>Acknowledge people’s skills and abilities,</td>
</tr>
<tr>
<td>Establish boundaries,</td>
<td>Tell the truth,</td>
<td>Allow people to make mistakes,</td>
</tr>
<tr>
<td>Delegate appropriately,</td>
<td>Admit mistakes,</td>
<td>Involve others and seek their input, and,</td>
</tr>
<tr>
<td>Encourage mutually serving intentions,</td>
<td>Give and receive constructive feedback,</td>
<td>Help people learn skills.</td>
</tr>
<tr>
<td>Keeping agreements, and Be consistent.</td>
<td>Maintain confidentiality, Speak with good purpose.</td>
<td></td>
</tr>
</tbody>
</table>

Source: The Reina Trust and Betrayal Model (Reina & Reina, 2006, pp. 15 – 75).

### 5.8 COMMUNICATION PRACTICE MODELS

**The Development of a Communication Policy**

Organisational communication remains at the forefront of any trust-building efforts. Open, clear and honest communication tends to build trust.
5.8.1 Bendix’s Techniques for Improving Communication

Bendix (2010, pp. 327 – 329) advances these suggestions for improving communication:

- Adjusting to the world of the receiver – Be aware of the personal attributes of the receiver,
- Creating the correct mental set – Time and adjust the message so that it is easily digestible to the recipient,
- Follow-up and reinforcement – Check for understanding of the message,
- Utilisation of other forms of communication – use a communication method and medium that is ideal and appropriate to the recipient,
- Using direct communication whenever possible – Personal communication is preferable than the use of an e-mail,
- Using alternative channels of communication – You can use different channels to deliver the same message,
- Monitoring the flow of information – Do not send large chunks of information,
- Avoiding the problems of size – Too large an audience may lead to a dilution of the message and increase the possibility of interference.
- Establishing credibility and trust – The message is readily acceptable if it comes from a credible and trustworthy sender,
- Awareness of barriers – Eliminate and or avoid possible communication barriers.

Nelson and Quick (2006, p. 252) advocate reflective listening as one of the tools used by an effective communicator. The authors define reflective listening as the skill of carefully listening to another person and repeating back to the speaker what they heard the message to correct any inaccuracies or misunderstandings. According to these authors reflective listening has these features:

- It emphasises the personal elements of the communication process,
- It emphasises the feelings contained in the message,
• It emphasises responding to the communicator not leading the communicator.

5.8.2 Nelson and Quick’s Reflective Listening Technique

The authors outline four levels of verbal responses that are characteristic of the reflective listening technique:

• Affirming contact – by using simple statements such as “I see”, “Yes. I understand” and others.
• Paraphrasing the expressed – by using statements such as “if I hear you correctly you ...”
• Clarifying the implicit – sometimes the communicator ‘hides’ true emotions and a communicator can identify the implicit messages. “I can sense that you are unhappy about ...”
• Reflecting ‘core’ feelings – sometimes due to the nature and duration of the relationship a recipient may be able to identify deep unexpressed feelings and emotions of the communicator, and
• Silence – silences may be used to give the sender time to fully and correctly express himself/herself whilst it gives time for the recipient to gather thoughts and reflect on the message sent.
• Eye contact – this is a non-verbal behaviour especially if it is used moderately in a non-aggressive manner may express openness.

5.8.3 Cauldron’s Rebuilding Trust through Communication Model

In Rebuilding Trust through Communication, Cauldron (2008, p.1) advances the following suggestions for companies that need to build or rebuild trust using the communication process:

• Get your leaders in front of people – Let your employees see their leaders handling the issues with candour, credibility and concern,
• Help your leaders avoid the spin – Do not shade the facts, be open and honest,
• Tell all the news you have, even the bad news - Share everything that you know with your employees without any delaying tactics,
• Connect with all stakeholders – Communicate with all your constituencies, especially your employees,
• Reach beyond the media – Do not just use print media or news reports, send people to talk directly to the employees,
• Offer the opportunity for dialogue – The translation and interpretation of messages happens through dialogue and demonstration,
• Balance high tech with high touch – Use humans instead of computers,
• Listen to your people – Ask for comments or queries,
• Communicate and involve more not less – Do not disappear. Be available.
• Remind people of the fundamentals – Tell people about the business operations and objectives and how they can contribute,
• Help people to see their role – Clarify roles and communicate the rewards that will follow employee efforts,
• Ask people to move on – There is a point when the organisation needs to focus on its core business. Ask employees to stop whining.

5.8.4 **Robbin’s Culture-Sensitive Communication Techniques**

Robbins (2005, p. 151 – 152) proposes the following when one is communicating with people from a different cultural background;

• Assume differences until similarity is proved – it is better for one to assume that others are different and prepare your communication with that in mind rather than assuming that others are similar to us,
• Emphasise description rather than interpretation or evaluation – delay judgement until you have had sufficient time to observe and interpret the situation taking the cultural factor into consideration,
• Practice empathy – before sending out a message put yourself into the shoes of the receiver. What are his values, experiences and frames of reference? What do you know about his education, upbringing and
5.9 THE TRUST-BUILDING MODEL

Aspects of the Relationship-Building Intervention (RBI) model discussed by Anstey (2010, pp. 403 – 413) are centrally located in the proposed model because of the following reasons:

- The RBI process is a problem-solving initiative which is in line with the researcher’s contention that a low-trust management-employee relationship can easily translates into problematic, adversarial collective bargaining processes,
- The RBI process is imbued with the spirit of pluralism which perceives trade unions as important stakeholders in organisational development and performance,
- The RBI process, at least initially, makes use of a trusted third party to mediate and facilitate the process,
- The RBI process encourages a joint problem-solving approach in a blame-free environment. Those who identify problems / divisive issues are enjoined, at the same time, to develop possible solutions to the same problems / issues that they have raised,
- The RBI process encourages the open discussion of all fears, concerns, perceptions and ideas without the fear of victimisation. This process attribute is consistent with trust-building in the organisational context, and
- The RBI process thrives on top leadership commitment and support. This process is a strategic process that needs the open support and commitment of everyone in the organisation, especially, the top leadership. This is because people will tend not to judge change management efforts as serious if they perceive that they lack top leadership support and
commitment.

The envisaged model makes use of the RBI process as a tool to make the parties to open up to each other, identify common problems/ issues and, jointly, develop proposals for the resolution of these issues. The ultimate objective of this process is to improve the relationship between the parties so that individuals and the organisation thrive and grow, whilst the indirect benefit of this process is that an improved relationship tends to translate into an improvement in trust.

When the goals of a high-trust organisation are achieved this will tend to improve the collective bargaining climate with shared benefits for the negotiators and their constituents.

The recommended model, in its conceptualisation, is integrative in nature as it borrows relevant ideas, views and findings from a variety of sources to create a pragmatic approach to trust-building.

Below is a discussion of the recommended model for trust-building, its inherent phases and some aspects of the activities envisaged under each phase:

**PHASE 1: THE INTRODUCTORY FRAME ALIGNMENT SESSION**

Anstey (2010, p. 403) warns that it is advisable that before embarking on the process, there needs to be developed a common understanding of the nature of the process, its steps, its risks and its limitations. The researcher’s own experience is that this phase should also be used to declare the commitment of the parties to the process, particularly, the commitment of top management. The presence of top management, at least during the initial stages of the process, has a huge symbolic significance and conveys to the parties the seriousness with which it views the process and its outcomes for the organisation. Whilst separate sessions might be pursued in troubled organisations, the ideal is to have a joint-session comprising both management and trade union teams.

If the process is a relationship-building intervention, that needs to be perceived by
all parties as the ultimate objective of the intervention. The defining statement, therefore, needs to encapsulate the honest, ultimate intentions of the parties. This implies that a session aimed at making the organisation to be more competitive should not purport to be a trust-building exercise. The researcher’s experience in this regard is that trade unions tend, in general, to be wary of management’s motives which they tend to perceive, rightly or wrongly, as subtle means of encouraging higher productivity levels without a commensurate regard for higher wages and other employee needs and interests.

During this crucial frame-alignment phase in the relationship-building process, parties need to pronounce, clearly, on what they think needs to be done to improve their mutual relationship i.e. what they think trade unions should do and what they think management needs to do.

This phase is consistent with Six’s conditions for trust-building which has been discussed earlier on in this chapter. The author argues that for interpersonal trust to be built legitimate distrust situations must first be sufficiently reduced through interest alignment arrangements. In achieving this objective of interest alignment in troubled relationships, the facilitator’s key role during this phase is not only merely to explain the process to the participants but to sell its benefits for both the management and the trade union parties (Anstey, p. 403).

Another important element of this phase is for the facilitator to get commitment regarding the rules of engagement for the process. It would be ideal if the facilitator spends some time to elicit from the parties what they consider as acceptable conduct for the process to be conflict-free. This commitment to acceptable conduct helps the facilitator to re-focus the groups during heated debates and exchanges. Heated debates and exchanges are acceptable as well as expected as long as they are not in contravention of the rules of engagement that the parties themselves have helped to develop.

During this important introductory frame-alignment session a statement of intent and commitment, preferably in person, by the top leadership of the organisation
will tend to have a substantial impact on the seriousness with which the parties approach the process. This view of trust-building which is driven at top leadership level is consistent with the theories and models of Von der Ohe et al. (2000), Ciancutti and Stedig (2004), Robbins and Decenzo (2004) and Gill (2006), amongst others.

**Critical Activities:**

- Teams are advised of the nature and steps of the process,
- Teams are advised of the risks associated with the process,
- Teams are advised of topics which are excluded for discussion,
- Top management’s commitment to the process is stated,
- Commitment to the process is elicited from everyone,
- Teams are assisted to draw up rules of engagement or acceptable conduct,
- Teams are assisted in drawing up a defining statement that encapsulates the ultimate objectives of the session,
- Teams pronounce on what they need to do to improve the relationship,
- Teams pronounce on what the other team needs to do to improve the relationship,
- Facilitator opens up dialogue and re-focuses the group on its commonalities and monitors adherence to rules of engagement.

**PHASE 2: THE IDENTIFICATION OF SOURCES OF DISTRUST**

The sources of distrust in management-trade union relationships can be attitudes, issues, perceptions, positions, behaviour or lack thereof that, when left unclarified or unattended to, may result in the decreasing of trust and the development of distrust (Venter, 2006, p. 444). During this phase the parties are assisted by the facilitator to draw up lists of current and or potential sources of distrust in their relationship. The selection criteria for items to be included in these lists may include the following criteria:
The item must be feasible,  
The item must be legitimate,  
The item must be realistic,  
The item must be ethical,  
The item must not be about a substantive issue, and  
It must not be an attack on a person i.e. participants should rather ‘play the ball not the man’.

Anstey suggests that the lists should be drawn up in a proposal-like format such as the following:

- Management thinks the trade union should (MU);  
- Management thinks management should (MM);  
- Trade union thinks management should (UM); and  
- Trade union thinks the trade union should (UU).

Once all the lists have been drawn up, the parties are called upon to clarify and answer any queries regarding their lists. The items on the lists are vetted by the parties themselves to ensure that they conform to the criteria for inclusion. The facilitator’s role is to consolidate the submissions and to allocate each one to its proper category such as the following:

- Personnel management practices  
- Trust issues in the relationship,  
- Labour relations practices,  
- Training and development practices  
- Communication practices,  
- Leadership perspectives, styles and issues, and  
- Other matters.

**Critical Activities:**

- Teams are assisted to draw up lists containing sources of distrust, current
and potential,

- An item selection criteria is introduced for groups to vet their lists for conformity,
- Teams are assisted to draw up these lists in proposal format,
- Teams are called upon to clarify their inputs and answer any questions in this regard from the other party,
- The facilitator satisfies himself / herself that everyone is of the same mind regarding the contents of the lists,
- The facilitator consolidates the submissions and allocates the submissions to their appropriate categories.
- Teams are advised to peruse the consolidated lists and ensure that they contain all their submissions.

**PHASE 3: THE JOINT-DEVELOPMENT OF PROBLEM-SOLVING PROPOSALS**

This is the phase during which the parties develop, jointly, detailed action plans to resolve the issues identified as sources of distrust. Responsibilities are allocated and timelines are drawn as to when suggested actions need to have been completed. The facilitator will need to afford the participants sufficient time to develop, in a meaningful way, solutions to the identified problems and issues.

The challenge is that this must all be done without losing track of the positive inter-group ‘team spirit’ that must have been developed at this point, due to various team activities and other collaborative actions and efforts.

The time afforded must also take into consideration the development of institutional arrangements that will aim at the prevention of future inter-group conflict and the promotion of a trust-enhancing organisational context.

This is the subject of the next phase of this relationship and trust-building process.
Critical Activities:

- Teams are assisted to draw up, in a joint-setting, action plans for each item on the consolidated lists,
- Responsibilities for each action or activity are allocated,
- Timelines for the achievement of each action or activity are drawn,
- The facilitator ensures that the timelines are realistic, taking into account the nature of the task and other factors,
- The facilitator advises the group that they will need to work together to achieve the identified outcomes,
- The facilitator advises the group to work together to develop institutional arrangements to improve, strategically, their relationship and to build trust,
- The facilitator leaves his/her contact details to be contacted when needed,
- The facilitator sets up a follow-up up session with the groups.

PHASE 4: THE JOINT-DEVELOPMENT OF TRUST-ENHANCING INSTITUTIONAL ARRANGEMENTS

This phase constitutes a major departure between the recommended model and Anstey’s Relationship-Building Intervention (RBI) model. Whist the above phase is focusing on the development of problem-solving proposals to resolve identified sources of distrust, this phase is more strategic in nature. Whereas the previous stage focused on a somewhat reactionary approach to an identified problem and conflict, this one is more proactive and aims at the prevention of problems and conflict in future. It entails the joint-development of institutional arrangements i.e. rules, practices and policies that will tend to enhance trust in the future organisational context.

As explained previously, this phase of the process can be handled by a third party who may be selected from the organisation and who enjoys the trust of the protagonists. This individual will need to possess negotiation and be familiar with
the nature of the process, its spirit and its objectives. There is nothing that precludes the parties from meeting from time to time in organisational forums such as employment relations forums and others to expand on the successes of the relationship-building process and exploit the changed organisational climate.

This phase is considered by the researcher as a natural flow of the process into tangible outcomes that have a strategic orientation for trust and trust-building within the organisation. It is proposed that it must not be viewed as an add-on but an important element of the whole relationship and trust-building process.

Six (2005, pp. 43 – 52) contends that for trust to thrive, the organisation needs to put in place institutional arrangements characterised by the following:

- Strong norms and values,
- Intensive socialisation,
- Normative control,
- Strong functional interdependence, and
- Fair human resources practices.

Aspects of the above have been included in the developed of the recommended trust-building model.


During this phase there needs to be a joint-development of trust-enhancing institutional arrangements. The recommended activities to enable organisations to develop appropriate rules and policies to guide and communicate organisational values, norms, culture and general behaviour are outlined at the end of this chapter.

The practical outcomes of this phase would be ongoing strategic-oriented discussions relating to the development of policies relating to the following:
• Recruitment and selection
• Sexual harassment,
• Employment equity,
• HIV/ AIDS,
• Performance management,
• Diversity management,
• Health and safety,
• Employment relations,
• Disciplinary code,
• ‘grievance procedure,
• Employee participation,
• Collective bargaining process and conduct,
• Training and development,
• Management development, and
• Communication.

In line with Six's (2005) above-mentioned recommendations, all new employees need to be inducted and socialised regarding the organisational strategies, norms and values. All managerial employees as well as the trade union shop stewards need to be trained on some of the following:

• Effective communication techniques,
• Effective interpersonal skills,
• Effective negotiation skills,
• Effective leadership skills,
• Effective team-building skills,
• Effective talent management skills,
• Labour relations and labour law,
• Effective management of diversity,
• HIV/ AIDS awareness, and
• Sexual harassment awareness.
If strong norms and values are consistent with trust-development as revealed in literature, then the induction of new employees and the importance of the training and development function in future trust-building endeavours is underscored.

**Critical Activities:**

- The HRM department prints out or e-mails draft documents such as personnel management policies, labour relations management policies, training and development management policies and policies relating to collective bargaining conduct to the management and the trade union parties,
- The problem-solving proposals developed during phase 2 of the process are also printed out or e-mailed to the parties,
- The parties are enjoined to discuss the documents in their intra-group meetings and to propose changes, deletions or additions,
- The problem-solving proposals developed during phase 2 of the process are also discussed as important inputs in the development of future rules and policies,
- A session is arranged when the recommended changes and additions are to be discussed,
- During this session the recommended changes or additions are discussed,
- The management party, in particular, needs to honestly and seriously consider the suggestions advanced by the trade union party, although they are not obliged to agree with them,
- A new document is drafted containing all the accepted changes,
- This newly-developed document becomes the outcome of joint-consultation and worker participation, and
- This new document becomes the official document covering that specific area of operation.
PHASE 5: THE IMPLEMENTATION OF RECOMMENDATIONS AND CONTINUOUS MONITORING

During this phase action plans are implemented as recommended and there are monitoring tools developed to ensure that everything is going according to plan. Discussions between the parties commence regarding the development or updating of institutional arrangements such as the institutional policies and identified training and development interventions are scheduled and individuals nominated to attend. There are also monitoring tools installed to check on progress, regularly. Regular Inter-group meetings are used to identify new issues and to make use of the problem-solving skills gained during the process.

The groups can deliver the process themselves but when they confront a dispute that needs a third-party intervention, they may make use of such mediation and facilitation techniques as they deem necessary. The process of relationship or trust-building is a continuous process that has no identifiable end as new challenges will tend to appear from time to time to attack the developed inter-group trust. If the relationship-building exercise has any merit, the individuals or teams must have developed a new way of viewing their relationship and the appropriate collective bargaining conduct and principles must have been sufficiently internalised in order for the parties to deal, successfully, with future relationship challenges.

Critical activities:

- The parties implement their agreed to action plans,
- The HRM department monitors the development and implementation of recommendations,
- The teams meet in organisational forums to identify and resolve challenges using the internalised problem-solving approach,
- The teams monitor themselves and each other to ensure conformity to agreed action plans,
- The teams monitor the development of new policies or the updating of old policies.
- The process is ongoing and has no end.

The teams need to note that the attainment of their requirements and the existence of labour peace are premised on the improvement of their relationship and the resultant deepening of trust between them. This prevailing trust is certain to rub off on the conduct of the parties during collective bargaining processes, changing modes of conduct from adversarial to joint problem-solving.

A reference to Figure 5.1: The Institutional Arrangements-Based Trust-Building Model will show that the recommended model has encapsulated all the crucial elements discussed earlier on in this chapter.
Phase 1: Introductory Frame-Alignment

Phase 2: The Identification of Sources of Distrust

Phase 3: The Joint Development of Problem-Solving Proposals

Phase 4: The Joint Development of Trust-Enhancing Institutional Arrangements

Phase 5: The Implementation of Recommendations and Continuous Monitoring

FIGURE 5.1  THE THEORETICAL INSTITUTIONAL ARRANGEMENTS-BASED MODEL
A Description of the Model

The model has five phases that depict the trust-building process. The arrows indicate that there is a flow between the various phases of this process without implying that the phases themselves are static. During the trust-building processes issues relating to institutional arrangements may be raised and discussed hence the use of bi-directional arrows in the model. From the introductory frame-alignment phase to the last phase of the process that entails implementation of recommendations and continuous monitoring, the parties are engaged in discussing and resolving issues pertaining to the development of institutional arrangements, in the long term. The model shows that when the institutional arrangements have been developed, jointly, that will tend to increase trust levels within the organisation rendering an enhanced trust relationship. The model also shows that when the trust relationship is enhanced, this will tend to have a positive effect on the collective bargaining process. The link between trust-building processes, the development of institutional arrangements and the trust-building outcomes is clearly defined and depicted.

CONCLUDING REMARKS

This chapter commenced with a definition of the concept’ model’ followed by a discussion of the following: trust-building interventions, people management practice models, employment relations practice models, training and development practice models, leadership practice models and communication practice models.

The chapter culminated in the presentation of the recommended model: The theoretical Institutional Arrangements-based Model with its five phases. The first two phases, introductory frame-alignment and identification of distrust phases, focus on creating awareness, amongst the contending parties, of the real areas containing divergent views and perceptions as well as enlightening them of their commonalities.
After these phases are reasonably completed, the contending parties, **jointly**, design and develop problem-solving proposals and policies which, both at short and long-terms assist the organisation in developing trust-enhancing institutional arrangements to deal with potential and manifest conflict.

The final phase of this model entails the implementation of all the recommendations agreed upon and the continuous evaluation and monitoring to ensure compliance and the prompt correction of deviations. The next chapter will comprise the research methodology utilised by the researcher in order to achieve the stated research objectives.
CHAPTER 6

RESEARCH METHODOLOGY

6.1 INTRODUCTION

6.2 RESEARCH DESIGN

6.3 CONDUCTING THE EMPIRICAL STUDY

6.3.1 Research sampling strategies and types

6.3.2 Sample size

6.3.3 Descriptive survey method

6.3.4 The Development of the questionnaire

6.3.5 Validity of the measuring instrument

6.3.6 The questionnaire covering letter

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CHAPTER 6:
RESEARCH METHODOLOGY

6.1 INTRODUCTION

In the previous chapter various theories and models were identified and discussed that relate to the development of strategies for trust-enhancement in organisations. These theoretical underpinnings were integrated and further conceptualised to culminate in the development of a recommended integrative institutional arrangements-based model for trust-building in organisations.

This chapter focuses on the research methodology that was used to realise a satisfactory response to the main research problem outlined in Chapter 1 which was the following:

**What trust-building strategies can be adopted by organisations to enhance collective bargaining processes?**

In an attempt to resolve the main problem, the following sub-problems were identified:

1. What is trust and how crucial is it in the labour relationship in general and the collective bargaining process, in particular?
2. What are the sources of distrust in the employer-employee relationship?
3. What trust-building strategies are revealed in a literature study?
4. To what extent are selected organisations utilising trust-building strategies to enhance their collective bargaining processes?
5. How can the results from sub-problems 3 and 4 be integrated into a model that organisations can use to build trust and enhance collective bargaining processes?
Below is a discussion of how this research study attempted to resolve the main and sub-problems that have been identified:

- **Sub-problem 1:** In Chapter 2 a literature survey was undertaken to identify the nature and dynamics of the concept ‘trust’. The importance of trust in the employment relationship was discussed broadly including the environmental factors that impinge on trust at organisational level. In Chapter 3 the process of collective bargaining was discussed in full including its nature, structure, role-players and the levels at which the process is conducted.

- **Sub-problems 2 and 3:** In Chapter 4 trust-building strategies revealed in the literature study were discussed as well as the sources of distrust. Strategic employee-focused recruitment and selection processes, fair employment relations practices, learner-focused training and development practices, effective communication practices as well as transformative, inspiring leadership practices were identified as crucial as strategies for trust-enhancement, rendering contrary managerial practices and behaviour as sources of distrust.

- **Sub-problem 4:** The theoretical trust-building strategies outlined in Chapter 4 were used to develop the recommended trust-building model introduced in Chapter 5. The questionnaire used as a research tool was developed using the information that has been gathered in this regard. The perceptions of selected respondents regarding the extent to which they believe that their employing organisations concur with the theoretical were canvassed via the questionnaire.

- **Sub-problem 5:** The results obtained from the above were used to re-visit the model for the purposes of aligning it to the views and or recommendations of the majority of the respondents. In Chapter 5 the depicted theoretical model was designed after taking all these factors into consideration.
6.2 RESEARCH DESIGN

In order to answer the main research question which related to what trust-building strategies can be adopted to enhance collective bargaining processes in organisations, the following had to be done: Firstly, It was necessary to embark upon a literature study to determine what strategies exist that will tend to build trust in organisations in general. Secondly, after this objective is achieved certain selected organisations had to be identified in order to test their existing strategies or practices against those revealed in the literature study.

Hereafter is a description, in greater detail, of the methods tools and techniques used by the researcher to conduct the survey and the reasons why certain methods and techniques were selected.

6.3 CONDUCTING THE EMPIRICAL STUDY

The empirical study was conducted by means of a postal survey. A questionnaire was designed and developed and served as a research instrument for the collection of the data. The results of the questionnaire were programmed and statistically analysed in consultation with a resident statistician at the Nelson Mandela Metropolitan University.

6.3.1 Research sampling strategies and types

Sampling, according to Kerlinger & Lee (2002, p. 164), refers to taking a portion of a population or universe and considering it to be representative of that population or universe. These authors argue that the ideal situation would be when all the elements of a population form part of the research study, however there are obvious limitations in conducting this type of research such as prohibitive labour and administrative costs. Due to this reality it would make a lot of sense for samples that are representative of the population to be used. The researcher made use of a sample of the population in conducting this research.

McBurney (1994, p. 202) outlines four types of sampling:
**Haphazard samples** – This occurs when a researcher has control over whom to sample but uses haphazard methods of obtaining the respondents. An example of this type of sampling is a television station that may send a crew to interview 10 people in the street with instructions to include 5 women, 2 blacks, 3 teenagers and 1 little girl. These researchers would then include in their sample the first people they meet.

**Purposive samples** – This occurs when researchers will base a survey on a sample that is chosen to meet some particular definition. This is done non-randomly. An example would be a survey of the attitudes of school principals of a particular district about the changes to outcomes-based education.

**Convenience samples** – This is similar to the purposive sampling in that it selects a desirable group of people but differs to it in that it may not come to sampling of all elements of a population. An example would be a survey of the effects of integration on social development of children. The researcher, for the sake of convenience, may choose only to conduct this research using children from his / her own city.

**Probability samples** – This occurs when the researchers obtains their respondents in some manner such that he / she knows that the probability that any individual has an equal chance of appearing in the sample.

Salkind (1997, p. 104) has outlined the following types of sampling as well as the advantages and disadvantages of using each one type:

**Probability strategies:**

**Simple random sampling** – When the population’s members are similar to one another

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensures a high degree of representativeness</td>
<td>Time consuming and tedious</td>
</tr>
</tbody>
</table>
**Systematic sampling** – When the population’s members are similar to one another.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensures a high degree of representativeness; no need to use a table of random numbers</td>
<td>Less truly random than simple random sampling</td>
</tr>
</tbody>
</table>

**Stratified random sampling** – When the population is heterogeneous in nature and contains several different groups.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensures a high degree of representativeness of all the strata in the population</td>
<td>Time consuming and tedious</td>
</tr>
</tbody>
</table>

**Non-probability strategies:**

**Convenience sampling** – When the sample is captive.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient and inexpensive</td>
<td>Results in questionable representativeness</td>
</tr>
</tbody>
</table>

**Quota sampling** – When strata are present and stratified, sampling is not possible.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensures some degree of representativeness of all the strata in the population</td>
<td>Results in questionable representativeness</td>
</tr>
</tbody>
</table>

Taking into account the type and nature of this research study the most appropriate sampling strategy was probability sampling and the technique used was random sampling.
6.3.2 Sample size

Salkind (1997, P. 107) contends that the following factors need to be considered in estimating sample size:

- In general, the larger the sample (within reason), the smaller the sampling error,
- If you are going to use several sub-groups, ensure that your initial selection of subjects accommodate the eventual breaking down of subject groups.
- If you plan to use postal surveys, increase your sample size by between 40% and 50% to account for lost mail and uncooperative subjects, and
- Finally, remember that big is good but appropriate is better. Consider the prohibitive costs of a larger sample than you need.

Kerlinger and Lee (2002, p. 175) recommend that researchers need to use as large a sample as is possible noting the dictum that the smaller the sample the larger the sample error and the larger the sample the smaller the error will be. This however is followed by a caution that large samples are not advocated just because large numbers are good in and of themselves. Large samples, according to the authors, assist in the process of randomisation.

De Vos, Strydom, Fouche and Delport (2002, p. 200) recommend that in a population size of between 50 and 100 a sample size of between 32 and 45 is perfectly acceptable. The above-mentioned advice was considered in drawing up the sample size for this research study.

6.3.3 Descriptive survey method

The method chosen to gather information about existing organisational strategies or practices was the descriptive survey method. Salkind (1991, p. 11) describes this method as any survey that assesses the current status of anything.

Leedy (1993, p. 187) describes the structure of this type of survey as characterised by the following;
• It deals with a situation that demands the technique of observation as the principal means of collecting data,
• requires the population of the research study to be carefully chosen, clearly defined and specifically delimited in order to set precise parameters for ensuring discreteness to the research population,
• It requires the data to be organised and presented systematically so that valid and accurate conclusions can be drawn from it.

6.3.4 The development of the questionnaire

In this research study the tool that was used to collect the data was the questionnaire (refer Annexure B). Flick (2009, p. 103) describes the research questionnaire as the “door to the research field under study”. The essential criteria, according to this author, for evaluating research questions include their soundness and clarity, but also whether they can be answered in the framework of given and limited resources such as time, money and other considerations.

Salkind (1991, p. 150) has outlined the following as a recommended format for the development of effective questionnaires:

The basic assumptions are that the questionnaire;

• Does not make unreasonable demands on the respondents,
• Does not have a ‘hidden agenda’, and
• Requests information that respondents presumably have.

The questions themselves must be questions that can be answered and that are straight forward. The format of the questionnaire must subscribe to the following criteria:

• The items and the questionnaire must be presented in an attractive, professional and easy-to-understand format,
• The questions and pages must be clearly numbered,
• It must contain clear and explicit directions on how it should be completed
and returned,

- The questions should be objective,
- The questions should be arranged from easy to difficult and from general to the specific,
- Transitions should be used from one topic to the next, and
- Examples should be provided when necessary.

Erasmus et al. (2010, p. 132) outlines the following as the advantages and disadvantages of using questionnaires as information gathering tools:

**Advantages**

- They can reach large numbers of people in a short time,
- They are relatively inexpensive,
- They afford the respondents an opportunity of expression without fear of embarrassment, and
- The yield data can be easily summarised.

**Disadvantages**

- The questions are often poorly stated,
- The questionnaire makes little provision for free expression of unanticipated responses,
- The return rate is often low, and
- Questionnaires are of little value in getting to the root causes of problems or possible solutions.

The questionnaire seemed to be the best possible tool to use under the circumstances despite its stated disadvantages. And it was, therefore, developed taking into account the above recommendations.

### 6.3.5 Validity of the measuring instrument

Validity, according to Salkind (1997, p. 125) is the quality of a test doing what it is
designed to do. The primary aim of the research study is to investigate the degree to which the selected organisations utilise the trust-building strategies and practices revealed in the literature study. The measuring instrument, the questionnaire, was designed, therefore, in such a manner that it will lead to the resolution of this research question and nothing else. Kerlinger and Lee (2002, pp. 666-685) contend that poor measurement can invalidate any scientific investigation. The authors differentiate between these types of validity, which have been taken into account in this research study:

**Content validity** – This type of validity is referred to as the representativeness or sampling adequacy of the substance, matter and or topic of the measuring instrument. The question that is relevant in this regards is: is the substance or content of this measure representative of the content or the universe of content of the property being measured?

**Criterion-related validity** – This occurs when a researcher compares test or scale scores with one or more external variables or criteria known or believed to measure the attribute under study. This type of validity can be sub-divided into two types:

- Concurrent validity – This type of validity measures the criterion at about the same time, and
- Predictive validity – This type of validity involves the use of future performance of the criterion.

**Construct validity** – This type of validity occurs when researchers usually want to know which psychological or other properties can explain the variance of tests. The researchers often ask: Which factors or constructs account for variance in test performance?

The questionnaire was designed to assess the respondents’ perceptions regarding trust and trust-building processes within their respective organisations and it achieved that purpose due to the fact that it had content validity. It was aimed at
measuring a certain construct and it did exactly that.

6.3.6 The questionnaire covering letter

Kerlinger & Lee (2002, pp. 666-685) emphasise the importance of a good questionnaire covering letter which he describes as being able to establish a sense of authority and indicates, to the respondent, the importance of the research project. This advice was acknowledged in the design of the cover letter for this research study (refer Annexure A).

A good covering letter will display, according to Kerlinger and Lee, the following features;

- It is done on university letterhead,
- It is recently dated,
- It is personalised,
- It states the purpose of the research study,
- A time estimate is given by when the respondents are supposed to return it,
- Confidentiality is promised,
- Those respondents requiring a copy of the results are acknowledged,
- It has a clear expression of thanks, and
- It has the researcher’s signature.

6.3.7 Pilot study

Emory and Cooper (1991, p. 382) recommend that a pilot study be used before a questionnaire is developed and administered to the respondents. The draft questionnaire for this study was given to two experts in the Human Resource Management field at the Nelson Mandela Metropolitan University to look at the way it was formatted and the suitability of the questions posed.

After that the questionnaire was tested on three trade union organisers, the target respondents, to check the degree of its user-friendliness. After this test the draft questionnaire was given to a statistician at the Nelson Mandela Metropolitan
University to examine. When this process was finished a new refined questionnaire was developed taking into account all the various recommendations and advice of the afore-mentioned.

6.3.8 Administering the Questionnaire

The primary aim of the research study was to establish the perceptions of selected organisational collective bargaining role-players regarding existing trust-building strategies or practices within their respective organisations. These role-players comprised of some of the shop stewards, trade union organisers and managers that are routinely involved in collective bargaining processes at plant-level.

For the sake of convenience the research study was delimited, primarily, to involve NEHAWU-affiliated organisations operating within the Nelson Mandela Bay Municipality, because this trade union is one of the biggest in the COSATU stable and, unlike many others, it is a multi-sectoral and diverse institution. NEHAWU is active in the state health, private health, public education, private education, social development and non-governmental organisation (NGO) sectors.

Because of its non-involvement in the manufacturing sectors, organisations belonging to NUM, which is involved heavily in mining and construction industries and NUMSA, which is involved in motor manufacturing were also included. SATAWU, which is involved in the transport industry and SACCAWU, which is involved in commercial retail business sectors initially agreed to be involved in the research study, but when the time came for them to do so they claimed to be too busy with strike management activities to participate in a substantial way.

The secondary aim of the research study was to gather information about organisational trust-building strategies from organisations as diverse as those employing less than 50 employees to those employing hundreds or even thousands of employees. The proviso was that these organisations must have a high-level of plant-level collective bargaining processes and must have a valid recognition agreement with the selected trade unions.
The reason for this category of organisations to be ideal for this type of research study is that it is relatively easier to implement trust-building strategies to improve collective bargaining processes in decentralised bargaining settings as the role-players tend to be more familiar with each other, organisational policies, managerial style and behaviour, ‘burning issues’ within the organisation and are probably colleagues who will tend to share a common interest in the survival of the enterprise rather than the opposite. Collective bargaining processes for most public sector organisations and other large-sized private entities are governed by a high degree of centralisation rendering such organisations outside the scope of this investigation.

A list of organisations that met the criteria prescribed by the researcher was obtained from the secretary/organiser of each of the selected trade unions, NEHAWU, NUMSA, NUM, CEPPAWU, SATAWU and SACCAWU, whose regional offices are located at 166 Mercator House Building, Govan Mbeki Avenue, Port Elizabeth. These lists excluded all organisations that, in the opinion of the collective bargaining role players i.e. the trade union organisers and shop stewards, were characterised by highly centralised collective bargaining processes, consistent with the objectives of the study. The lists provided by the trade unions included the name of the organisation, the trade union organisers / shop stewards who are role–players in collective bargaining processes and some of the employer representatives that they normally negotiate with. The researcher, from the lists provided, selected, in a random fashion, 98 respondents who were to form part of the research study. According to the response rate statistics 77% of the respondents were trade union organisers and shop stewards as against 13% from the employer representatives.

6.3.9 Postal survey

McBurney (1994, p. 200) opines that the administration of postal surveys can take several forms i.e. they may be administered to a group, they may be dropped off or they may be mailed to the respondents. The identified respondents were telephonically contacted and their questionnaires either e-mailed (electronic
survey), hand delivered or dropped off on site as requested. Fifteen (15) out of the 98 questionnaires administered were electronically e-mailed to the respondents and twelve (12) of those were returned by the due date, rendering a return rate of 80%. The remainder of the questionnaires, which were hand delivered or dropped off on site in collaboration with the trade union organisers and shop stewards, totalled eighty three (83). Arrangements were made for the collection of the questionnaires by the researcher. Those that were e-mailed electronically were returned using the same medium. Below is a table that illustrates a breakdown of the questionnaires administered and the number of questionnaires received.

6.3.10 Response rate

McBurney (1994, p. 202) bemoans the poor return rate that is generally associated with postal surveys. While, generally, researchers may aim at response rates of between 50% and 90%, many will accept a lower return rate if ways of increasing the return rate are not practical. The author advises researchers in this regard to record research problems encountered such as refusal of target persons to cooperate, failure to return a questionnaire or unavailability of target persons. Refer to Table 6.1 for a breakdown of the return rate for this survey.

It is the opinion of the researcher that the timing of the research study was unfortunate in that it was conducted during times when some of the trade union organisers and shop stewards for trade unions such as SACCAWU and SATAWU were engaged in strike management activities and could not participate, fully, in the study as initially agreed.

Were it not for the decision of the researcher to arrange for the delivery and collection of some of the questionnaires from the respondents himself, the return rate would have been extremely poor. This mode of delivery also assisted in instances when questions were left unanswered, collection of questionnaires on site made it relatively easier for this aspect of the research study to be monitored.
### TABLE 6.1
RETURN RATE OF RESEARCH QUESTIONNAIRES

<table>
<thead>
<tr>
<th>Trade Union</th>
<th>Questionnaires Administered</th>
<th>Questionnaires Received</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEHAWU</td>
<td>44</td>
<td>30</td>
<td>68%</td>
</tr>
<tr>
<td>NUMSA</td>
<td>20</td>
<td>14</td>
<td>70%</td>
</tr>
<tr>
<td>NUM</td>
<td>20</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>CEPPAWU</td>
<td>8</td>
<td>5</td>
<td>63%</td>
</tr>
<tr>
<td>SACCAWU</td>
<td>3</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>SATAWU</td>
<td>3</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>98</td>
<td>57</td>
<td>58%</td>
</tr>
</tbody>
</table>

According to Emory and Cooper (1991, p. 333) a response rate of 30% is perfectly acceptable for postal surveys and the 58% response rate achieved in this research study is, therefore, viewed positively.

### 6.4 CONCLUSION

In this chapter the researcher described step-by-step how the research study strategy was implemented in line with its design. The discussion started with an outline of the research sample, the pilot study, the postal survey, the construction, testing and administering of the questionnaire and concluded with a breakdown, in table format, of the responses per participant trade union. In the next chapter the results of the empirical study will be presented and discussed.
CHAPTER 7

ANALYSIS AND INTERPRETATION OF THE EMPIRICAL RESULTS

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7.3.17 Question B5 (F) – The organisation’s leadership admits when it has made
7.3.18 Question B6 (C) – The organisation prefers person-to-person contact rather than the use of e-mails

7.3.19 Question B6 (D) – The organisation’s communication systems are sensitive to the background and culture of the employees

7.3.20 Question B6 (E) – The organisation allows employees to voice their opinion and ideas

7.4 REVIEWING OF QUALITATIVE ANALYSIS WITH A VIEW TO MODIFYING THE NATURE AND ELEMENTS OF THE THEORETICAL INSTITUTIONAL ARRANGEMENTS-BASED TRUST-BUILDING MODEL

7.4.1 Phase 1: Introductory Frame Alignment Session

7.4.2 Phase 2: The Identification of Sources of Distrust

7.4.3 Phase 3: The Joint-Development of Problem-Solving Proposals

7.4.4 Phase 4: The Development of Trust-Enhancing Institutional Arrangements

7.4.5 Phase 5: The Implementation of Recommendations and Continuous Monitoring

7.5 CONCLUDING REMARKS
CHAPTER 7:
ANALYSIS AND INTERPRETATION OF EMPIRICAL RESULTS

7.1 INTRODUCTION

In the previous chapter the research methodology that was used during this study was described. The purpose of this chapter is to analyse and interpret the empirical data received. Studying and interpreting the results obtained will assist in the resolution of sub-problem 4: 7.1

To what extent are selected organisations utilising trust-building strategies to enhance their collective bargaining processes?

Articulated differently the question is: To what extent are the existing strategies or practices within the selected organisations consistent with the practices and elements of the recommended theoretical trust-building model introduced in Chapter 5?

The findings are organised and arranged in tabular and or graphic form in the same order as the questions appear on the questionnaire. The data was processed and the results generated in collaboration with the resident statistician of the Nelson Mandela Metropolitan University.

7.2 ANALYSIS AND INTERPRETATION OF THE RESULTS OF SECTION A OF THE QUESTIONNAIRE: BIOGRAPHICAL DATA

Section A of the questionnaire required respondents to complete general biographical information. The questions were designed to highlight independent variables that could be used to facilitate comparisons to the dependent variables in
the responses to the questions in Sections B1 to B6. In this chapter tables and charts are utilised to underscore the differences in the variables followed by a brief discussion of the relevant data.

**CHART 7.1**

**RESPONSES ACCORDING TO ORGANISATIONAL SIZE**

The results show that the majority of organisations that participated in the survey are those employing less than 400 employees. This is consistent with the view that the majority of large-sized organisations tend to have a high degree of centralisation as far as their collective bargaining processes are concerned.
### TABLE 7.1
RESPONSES ACCORDING TO BUSINESS SECTOR

<table>
<thead>
<tr>
<th>BUSINESS SECTOR</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>8</td>
<td>14.29%</td>
</tr>
<tr>
<td>Private Health</td>
<td>7</td>
<td>12.50%</td>
</tr>
<tr>
<td>Motor Manufacturing</td>
<td>15</td>
<td>26.31%</td>
</tr>
<tr>
<td>Non-Governmental Organisations</td>
<td>14</td>
<td>24.56%</td>
</tr>
<tr>
<td>Building Construction</td>
<td>8</td>
<td>14.28%</td>
</tr>
<tr>
<td>Wood Manufacturing</td>
<td>5</td>
<td>8.92%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

The distribution and frequencies depicted in Table 7.1 shows, as intended, a spread of organisations allocated in different sectors.

### TABLE 7.2
RESPONSES ACCORDING TO REPRESENTATION

<table>
<thead>
<tr>
<th>REPRESENTATION</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management representative</td>
<td>13</td>
<td>22.81%</td>
</tr>
<tr>
<td>Trade union representative</td>
<td>44</td>
<td>77.19%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

### CHART 7.2
RESPONSES ACCORDING TO REPRESENTATION

Source: Table 7.2 converted to a pie chart.
The results show that 77% of the respondents were trade union representatives in comparison to 23% who were management representatives.

**TABLE 7.3**

**RESPONSES ACCORDING TO POSITION IN ORGANISATION**

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>12</td>
<td>21.05%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>2</td>
<td>3.51%</td>
</tr>
<tr>
<td>Clerical staff</td>
<td>5</td>
<td>8.77%</td>
</tr>
<tr>
<td>Operational staff</td>
<td>15</td>
<td>26.32%</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
<td>40.35%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

**CHART 7.3**

**RESPONSES ACCORDING TO POSITION IN ORGANISATION**

Source: Table 7.3 converted to a pie chart.

The survey results show that the majority of respondents i.e. 40% are made up of trade union organisers who are involved in collective bargaining processes.
**TABLE 7.4**

RESPONSES ACCORDING TO LENGTH OF SERVICE

<table>
<thead>
<tr>
<th>LENGTH OF SERVICE</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 yrs</td>
<td>24</td>
<td>42.11%</td>
</tr>
<tr>
<td>6 – 10 yrs</td>
<td>16</td>
<td>28.07%</td>
</tr>
<tr>
<td>Over 10 yrs</td>
<td>17</td>
<td>29.82%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

**CHART 7.4**

RESPONSES ACCORDING TO LENGTH OF SERVICE

The results depicted in table 7.4 and chart 7.4, respectively, show that 58% of respondents have over 6 years of experience in their jobs.
### TABLE 7.5
RESPONSES ACCORDING TO GENDER

<table>
<thead>
<tr>
<th>GENDER</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>39</td>
<td>68.42%</td>
</tr>
<tr>
<td>Female</td>
<td>18</td>
<td>31.58%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

### CHART 7.5
RESPONSES ACCORDING TO GENDER

Source: Table 7.5 converted to a pie chart.

The results show that 68% of respondents are male as against 32% that are female.
**TABLE 7.6**

**RESPONSES ACCORDING TO AGE GROUP**

<table>
<thead>
<tr>
<th>POSITIONS</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>12</td>
<td>21.05%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>2</td>
<td>3.51%</td>
</tr>
<tr>
<td>Clerical staff</td>
<td>5</td>
<td>8.77%</td>
</tr>
<tr>
<td>Operational staff</td>
<td>15</td>
<td>26.32%</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
<td>40.35%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

**CHART 7.6**

**RESPONSES ACCORDING TO AGE GROUP**

Source: Table 7.6 converted to a bar chart.

The stats show 64% of the respondents is between the ages of 41 and 60 years. This age category is generally regarded as middle-adulthood career phase.
TABLE 7.7
RESPONSES ACCORDING TO COLLECTIVE BARGAINING EXPERIENCE

<table>
<thead>
<tr>
<th>COLLECTIVE BARGAINING EXPERIENCE</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 2 yrs</td>
<td>12</td>
<td>21.05%</td>
</tr>
<tr>
<td>3 – 5 yrs</td>
<td>23</td>
<td>40.35%</td>
</tr>
<tr>
<td>Over 5 yrs</td>
<td>22</td>
<td>38.60%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

CHART 7.7
RESPONSES ACCORDING TO COLLECTIVE BARGAINING EXPERIENCE

Source: Table 7.7 converted to a bar chart

The results show that 79% of the respondents have more than two years experience in collective bargaining.
### TABLE 7.8
RESPONSES ACCORDING TO TRUST-BUILDING WORKSHOP ATTENDANCE

<table>
<thead>
<tr>
<th>TRUST-BUILDING WORKSHOP ATTENDANCE</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>29</td>
<td>50.88%</td>
</tr>
<tr>
<td>No</td>
<td>28</td>
<td>49.12%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

### CHART 7.8
RESPONSES ACCORDING TO TRUST-BUILDING WORKSHOP ATTENDANCE

Source: Table 7.8 converted to a pie chart.

The results show that a significant number of respondents: 49% have not attended any workshops or seminars aimed at building trust between representatives of management and those of the employees.
TABLE 7.9
RESPONSES ACCORDING TO NEGOTIATION SKILLS WORKSHOP ATTENDANCE

<table>
<thead>
<tr>
<th>NEGOTIATION SKILLS WORKSHOP ATTENDANCE</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>34</td>
<td>59.65%</td>
</tr>
<tr>
<td>No</td>
<td>23</td>
<td>40.35%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

CHART 7.9
RESPONSES ACCORDING TO NEGOTIATION SKILLS WORKSHOP ATTENDANCE

Pie Chart of A10

40% No
60% Yes

Source: Table 7.9 converted to a pie chart.

The results show that a significant number of respondents: 40% have been involved in collective bargaining processes without having attended any seminars or workshops on how to be an effective negotiator.
TABLE 7.10
RESPONSES ACCORDING TO TYPE OF COLLECTIVE BARGAINING

<table>
<thead>
<tr>
<th>TYPE OF COLLECTIVE BARGAINING</th>
<th>RESPONSE FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralised</td>
<td>5</td>
<td>8.77%</td>
</tr>
<tr>
<td>Plant-level</td>
<td>42</td>
<td>73.68%</td>
</tr>
<tr>
<td>Both</td>
<td>10</td>
<td>17.54%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57</td>
<td>100%</td>
</tr>
</tbody>
</table>

CHART 7.10
RESPONSES ACCORDING TO TYPE OF COLLECTIVE BARGAINING

The results show that a significant number of respondents: 92% are involved at collective bargaining at plant-level which is the focus of this research study.

7.3 ANALYSIS AND INTERPRETATION OF THE RESULTS OF SECTION B OF THE QUESTIONNAIRE

The analysis and interpretation of the results of section B of the questionnaire follows. Each sub-section will commence with a table comprising the perceptions of the respondents regarding the degree to which they agree or disagree with the
questionnaire statement followed with a breakdown of the means and standard deviations for the section. Thereafter the researcher will highlight and interpret certain issues and trends that he feels are significant.

SECTION B: TRUST AND TRUST-BUILDING STRATEGIES

SECTION B1: TRUST AND TRUST-BUILDING INTERVENTIONS

TABLE 7.11
TRUST AND TRUST-BUILDING INTERVENTIONS

<table>
<thead>
<tr>
<th>Trust and Trust-Building Interventions</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>n = 57</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The management-trade union relationship is characterised by high levels of trust</td>
<td>2 (3.51%)</td>
<td>14 (24.56%)</td>
<td>6 (10.53%)</td>
<td>19 (33.33%)</td>
<td>16 (28.07%)</td>
</tr>
<tr>
<td>Opposing negotiating team can be trusted</td>
<td>1 (1.75%)</td>
<td>17 (29.82%)</td>
<td>6 (10.53%)</td>
<td>22 (38.60%)</td>
<td>11 (19.30%)</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly before the collective bargaining process begins to build trust</td>
<td>1 (1.75%)</td>
<td>18 (31.58%)</td>
<td>9 (15.79%)</td>
<td>19 (33.33%)</td>
<td>10 (17.54%)</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to discuss, openly, all problems they experience before the collective bargaining process begins</td>
<td>3 (5.26%)</td>
<td>19 (33.33%)</td>
<td>9 (15.79%)</td>
<td>15 (26.32%)</td>
<td>11 (19.30%)</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to share information, openly, before the collective bargaining process begins</td>
<td>3 (5.26%)</td>
<td>13 (22.81%)</td>
<td>9 (15.79%)</td>
<td>19 (33.33%)</td>
<td>13 (22.81%)</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to develop action plans on how to solve their mutual problems before the collective bargaining process begins</td>
<td>2 (3.51%)</td>
<td>13 (22.81%)</td>
<td>9 (15.79%)</td>
<td>19 (33.33%)</td>
<td>14 (24.56%)</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.
TABLE 7.12
MEANS AND STANDARD DEVIATIONS FOR SECTION B1

<table>
<thead>
<tr>
<th>Trust and Trust-Building Interventions</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management-trade union relationship is characterised by high levels of trust</td>
<td>57</td>
<td>3.58</td>
<td>1.24</td>
</tr>
<tr>
<td>Opposing negotiating team can be trusted</td>
<td>57</td>
<td>3.44</td>
<td>1.17</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly before the collective bargaining process begins to build trust</td>
<td>57</td>
<td>3.33</td>
<td>1.15</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to discuss, openly, all problems they experience before the collective bargaining process begins</td>
<td>57</td>
<td>3.21</td>
<td>1.25</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to share information, openly, before the collective bargaining process begins</td>
<td>57</td>
<td>3.46</td>
<td>1.23</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to develop action plans on how to solve their mutual problems before the collective bargaining process begins</td>
<td>57</td>
<td>3.53</td>
<td>1.20</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.

7.3.1 Questions B1 (A) – The management-trade union relationship is characterised by high levels of trust

On Question B1 (A) – 35 of the respondents constituting a total of 61% disagree that the management and trade union relationship in their organisations is characterised by high levels of trust, with 28.07% of the respondents disagreeing strongly with that statement. Refer to table 7.13 for a breakdown comparing the responses of the management group against the trade union group on their perceptions regarding the status and level of trust within their relationship. The stats show that there is a substantial difference between the perceptions of trade union groupings when tested against the responses of the management collective. Whilst the managerial component was, in general, more upbeat and positive about the nature and level of their trust relationship the trade union component was more negative in its perception.
Whilst acknowledging that the respondents do not all come from the same organisation, it is still worrying that a possibility of over 71% (if one includes the almost 11% of the respondents who were non-committal on this question) of the respondents could not describe their relationship with their managerial collective bargaining parties as high on trust. This bodes ill for collective bargaining processes that have to begin in an environment lacking or devoid of trust.

**CHART 7.11**

RESPONSES TO QUESTION B1 (A)

![Chart showing responses to Question B1 (A)]

**TABLE 7.13**

GROUPING TESTS STATS FOR QUESTION B1 (A)

<table>
<thead>
<tr>
<th>Question</th>
<th>B1 (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean for trade union representatives</td>
<td>3.80</td>
</tr>
<tr>
<td>Mean for management representatives</td>
<td>2.85</td>
</tr>
<tr>
<td>T-value</td>
<td>2.54</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0138</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.11</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>1.41</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.

Chapter 7
7.3.2 Question B1 (B) – The opposing negotiating team can be trusted.

Question B1 (B) on whether the respondents trust their opposing negotiating teams almost 60% of the respondents disagreed with that statement which is in line with their general response to Question B1 (A). Questions B1 (A) and (B) are complimentary in that a high-trust employee-management relationship will tend to result in levels of trust being enhanced in areas such as collective bargaining as well. Refer to table 7.14 for a group perception comparison.

**CHART 7.12**

BAR CHART FOR QUESTION B1 (B)

![Bar Chart](chart7.12.png)

**TABLE 7.14**

GROUPING TESTS STATS FOR QUESTION B1 (B)

<table>
<thead>
<tr>
<th>Question</th>
<th>B1 (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean trade union representatives</td>
<td>3.68</td>
</tr>
<tr>
<td>Mean management representatives</td>
<td>2.62</td>
</tr>
<tr>
<td>T-value</td>
<td>3.12</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0029</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.12</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>0.96</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.
7.3.3 Question B1 (C) – Management and trade union negotiators meet regularly before the collective bargaining process begins to build trust

Question B1 (C) on whether the management and trade union teams meet regularly to build trust shows that more than 50% of the respondents disagreed with that statement. If one refers to Table 7.15 one will see a marked difference in perceptions between the management and the trade union respondents.

**TABLE 7.15**
GROUPING TESTS STATS FOR QUESTION B1 (C)

<table>
<thead>
<tr>
<th>Question</th>
<th>B1 (C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean trade union representatives</td>
<td>3.50</td>
</tr>
<tr>
<td>Mean management representatives</td>
<td>2.77</td>
</tr>
<tr>
<td>T-value</td>
<td>2.06</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0439</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.21</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.

**CHART 7.13**
BAR CHART FOR QUESTION B1 (C)

Source: Survey Questionnaire, Section B1.
7.3.4 Question B1 (D) – Management and trade union negotiators meet regularly to discuss, openly, all problems they experience before the collective bargaining process begins

More than half (50%) of the respondents disagreed with the statement in Question B1 (D). The mean score for this question is 3.46 with a standard deviation of 1.23 as depicted in Table 7.16. Again there is a substantial difference in perceptions in when comparing the management team against the trade union team. Refer to Table 7.15 for group tests statistics for this question.

TABLE 7.16
GROUPING TESTS STATS FOR QUESTION B1 (D)

<table>
<thead>
<tr>
<th>Question</th>
<th>B1 (D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean trade union representatives</td>
<td>3.45</td>
</tr>
<tr>
<td>Mean management representatives</td>
<td>2.38</td>
</tr>
<tr>
<td>T-value</td>
<td>2.88</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0056</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.23</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>0.96</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.

CHART 7.14
BAR CHART FOR QUESTION B1 (D)
7.3.5 Question B1 (E) – Management and trade union negotiators meet regularly to share information, openly, before the collective bargaining process begins

On Question B1. (E) 56% of the respondents disagreed with the above statement with 41% of those disagreeing strongly. Refer to table 7.17 for a breakdown of perceptions from management versus those from the trade union team.

**TABLE 7.17**

GROUPING TESTS STATS FOR QUESTION B1 (E)

<table>
<thead>
<tr>
<th>Question</th>
<th>B1 (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean trade union representatives</td>
<td>3.75</td>
</tr>
<tr>
<td>Mean management representatives</td>
<td>2.36</td>
</tr>
<tr>
<td>T-value</td>
<td>3.68</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0005</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.12</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>1.05</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.

**CHART 7.15**

BAR CHART FOR QUESTION B1 (E)
7.3.6 Question B1 (F) – Management and trade union negotiators meet regularly to develop action plans on how to resolve their mutual problems before the collective bargaining process begins

On Question B1 (F) 56% of the respondents disagreed with the above statement with 41% of those disagreeing strongly. Refer to table 7.18 for a breakdown of perceptions from the management versus those from the trade union team.

**TABLE 7.18**

**GROUPING TESTS STATS FOR QUESTION B1 (F)**

<table>
<thead>
<tr>
<th>Question</th>
<th>B1 (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean trade union representatives</td>
<td>3.82</td>
</tr>
<tr>
<td>Mean management representatives</td>
<td>2.54</td>
</tr>
<tr>
<td>T-value</td>
<td>3.76</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0004</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.13</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>0.88</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.

**CHART 7.16**

**BAR CHART FOR QUESTION B1(F)**

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>20</td>
</tr>
<tr>
<td>25</td>
</tr>
<tr>
<td>30</td>
</tr>
<tr>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.51%</td>
<td>22.81%</td>
<td>15.79%</td>
<td>33.33%</td>
<td>24.56%</td>
</tr>
</tbody>
</table>
Questions B1 (C), (D), (E) and (F) focus on trust-building interventions that need to precede collective bargaining processes in organisations. From the results it is quite clear that, on average, more than 50% of the respondents perceive that their respective organisations do not embark on any trust-building interventions to ensure that collective bargaining processes take place in a climate of trust. The 16% who on average are in the ‘neutral’ category regarding these questions can be ascribed to a number of factors including the following:

(a) They agree that there are joint meetings held but not necessarily regularly,

(b) The joint-meetings that are held do not have trust-building as a declared objective,

(c) The joint meetings held with management are not characterised by ‘open’ communication,

(d) The joint-meetings are not designed for joint problem-solving,

(e) Lack of clarity regarding what the question expects of them … etc.

The more than 50% of respondents who are dissatisfied with their organisational trust-building efforts validate the opinion in the field that not much is done to build trust between negotiating parties hence the alleged adversarial nature of South African labour relations.

An analysis of the mean and standard deviation of each variable in Table 7.12 reveals an aggregate mean of 3.43. Figures in Table 71.2 indicate the following variables’ distance from the aggregate mean:

- The management-trade union relationship is characterised by high levels of trust (mean= 3.58; co-efficient of variation=34.64)
- Opposing negotiating team can be trusted (mean=3.44; co-efficient of variation=34.01)
- Management and trade union negotiators meet regularly to develop action plans on how to solve their mutual problems before the collective
bargaining process begins (mean=3.52; co-efficient of variation=34)

The variable “the management-trade union relationship is characterised by high levels of trust” shows the greatest distance between its mean (3.58) and the high aggregate mean (3.43) and also reveals the greatest difference of opinion between respondents with a co-efficient of variation of 34.64.

SECTION B: TRUST AND TRUST-BUILDING STRATEGIES

SECTION B2: PEOPLE MANAGEMENT PRACTICES

TABLE 7.19

PEOPLE MANAGEMENT PRACTICES

<table>
<thead>
<tr>
<th>People Management Practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation’s recruitment and selection processes are not discriminatory</td>
<td>11 19.30%</td>
<td>7 12.28%</td>
<td>7 12.28%</td>
<td>16 28.07%</td>
<td>16 28.07%</td>
</tr>
<tr>
<td>The organisation has implemented effective affirmative action programmes to address past unfair discrimination</td>
<td>4 7.02%</td>
<td>14 24.56%</td>
<td>8 14.04%</td>
<td>16 28.07%</td>
<td>15 26.32%</td>
</tr>
<tr>
<td>Top management is committed to employment equity and the elimination of unfair discrimination</td>
<td>9 15.79%</td>
<td>14 24.56%</td>
<td>6 10.53%</td>
<td>13 22.81%</td>
<td>15 26.32%</td>
</tr>
<tr>
<td>The organisation has communicated to all the need for employment equity</td>
<td>6 10.53%</td>
<td>15 26.32%</td>
<td>12 21.05%</td>
<td>14 24.56%</td>
<td>10 17.54%</td>
</tr>
<tr>
<td>The organisation has developed effective plans to achieve employment equity</td>
<td>5 8.77%</td>
<td>12 21.05%</td>
<td>13 22.81%</td>
<td>17 29.82%</td>
<td>10 17.54%</td>
</tr>
<tr>
<td>The organisational systems designed to manage performance are fair</td>
<td>4 7.02%</td>
<td>12 21.05%</td>
<td>13 22.81%</td>
<td>13 22.81%</td>
<td>15 26.32%</td>
</tr>
<tr>
<td>The organisation has implemented an effective performance management policy / system</td>
<td>3 5.26%</td>
<td>12 21.05%</td>
<td>11 19.30%</td>
<td>17 29.82%</td>
<td>14 24.56%</td>
</tr>
<tr>
<td>The practices used by the organisation to promote people are fair</td>
<td>4 7.02%</td>
<td>11 19.30%</td>
<td>11 19.30%</td>
<td>16 28.07%</td>
<td>15 26.32%</td>
</tr>
<tr>
<td>The organisation’s recruitment and selection processes are not discriminatory</td>
<td>11 19.30%</td>
<td>7 12.28%</td>
<td>7 12.28%</td>
<td>16 28.07%</td>
<td>16 28.07%</td>
</tr>
<tr>
<td>People Management Practices</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Neutral</td>
<td>Disagree</td>
<td>Strongly disagree</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------</td>
<td>-------</td>
<td>---------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>The organisation has implemented effective affirmative action programmes to address past unfair discrimination</td>
<td>4 (7.02%)</td>
<td>14 (24.56%)</td>
<td>8 (14.04%)</td>
<td>16 (28.07%)</td>
<td>15 (26.32%)</td>
</tr>
<tr>
<td>Top management is committed to employment equity and the elimination of unfair discrimination</td>
<td>9 (15.79%)</td>
<td>14 (24.56%)</td>
<td>6 (10.53%)</td>
<td>13 (22.81%)</td>
<td>15 (26.32%)</td>
</tr>
<tr>
<td>The organisation has communicated to all the need for employment equity</td>
<td>6 (10.53%)</td>
<td>15 (26.32%)</td>
<td>12 (21.05%)</td>
<td>14 (24.56%)</td>
<td>10 (17.54%)</td>
</tr>
<tr>
<td>The organisation has developed effective plans to achieve employment equity</td>
<td>5 (8.77%)</td>
<td>12 (21.05%)</td>
<td>13 (22.815)</td>
<td>17 (29.82%)</td>
<td>10 (17.54%)</td>
</tr>
<tr>
<td>The organisational systems designed to manage performance are fair</td>
<td>4 (7.02%)</td>
<td>12 (21.05%)</td>
<td>13 (22.81)</td>
<td>13 (22.81)</td>
<td>15 (26.32%)</td>
</tr>
<tr>
<td>The organisation has implemented an effective performance management policy / system</td>
<td>3 (5.26%)</td>
<td>12 (21.05%)</td>
<td>11 (19.30%)</td>
<td>17 (29.82%)</td>
<td>14 (24.56%)</td>
</tr>
<tr>
<td>The practices used by the organisation to promote people are fair</td>
<td>4 (7.02%)</td>
<td>11 (19.30%)</td>
<td>11 (19.30)</td>
<td>16 (28.07%)</td>
<td>15 (26.32%)</td>
</tr>
</tbody>
</table>

**TABLE 7.20**

**MEANS AND STANDARD DEVIATIONS FOR SECTION B 2**

<table>
<thead>
<tr>
<th>People management practices</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation’s recruitment and selection processes are not discriminatory</td>
<td>57</td>
<td>3.33</td>
<td>1.49</td>
</tr>
<tr>
<td>The organisation has implemented effective affirmative action programmes to address past unfair discrimination</td>
<td>57</td>
<td>3.42</td>
<td>1.31</td>
</tr>
<tr>
<td>Top management is committed to employment equity and the elimination of unfair discrimination</td>
<td>57</td>
<td>3.19</td>
<td>1.47</td>
</tr>
<tr>
<td>The organisation has communicated to all the need for employment equity</td>
<td>57</td>
<td>2.79</td>
<td>1.31</td>
</tr>
<tr>
<td>The organisation has developed effective plans to achieve employment equity</td>
<td>57</td>
<td>3.12</td>
<td>1.28</td>
</tr>
<tr>
<td>The organisational systems designed to manage performance are fair</td>
<td>57</td>
<td>3.26</td>
<td>1.23</td>
</tr>
</tbody>
</table>

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Chapter 7
People management practices

\[ n = 57 \]

<table>
<thead>
<tr>
<th>The organisation has implemented an effective performance management policy / system</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>57</td>
<td>2.88</td>
<td>1.20</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The practices used by the organisation to promote people are fair</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>57</td>
<td>2.66</td>
<td>1.23</td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B2.

### 7.3.7 Question B2 (A) – The organisation’s recruitment and selection practices are not discriminatory

On whether the respondents think their respective organisation’s recruitment and selection practices are not discriminatory, 56% of the respondents disagreed. 50% of those strongly disagreed.

### TABLE 7.21

GROUPING TESTS STATS FOR QUESTION B2 (A)

<table>
<thead>
<tr>
<th>Question</th>
<th>B2 (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean trade union representatives</td>
<td>3.91</td>
</tr>
<tr>
<td>Mean management representatives</td>
<td>1.38</td>
</tr>
<tr>
<td>T-value</td>
<td>7.61</td>
</tr>
<tr>
<td>Df</td>
<td>55</td>
</tr>
<tr>
<td>P</td>
<td>0.0000</td>
</tr>
<tr>
<td>Valid number of trade union representatives</td>
<td>44</td>
</tr>
<tr>
<td>Valid number of management representatives</td>
<td>13</td>
</tr>
<tr>
<td>Standard deviation for trade union representatives</td>
<td>1.12</td>
</tr>
<tr>
<td>Standard deviation for management representatives</td>
<td>0.77</td>
</tr>
</tbody>
</table>
7.3.8 Question B2 (C) – Top management is committed to employment equity and the elimination of unfair discrimination

On whether the respondents think their respective organisation’s top management is committed to employment equity and the elimination of unfair discrimination 49% of the respondents disagreed with the statement whilst 40% of those polled agreed with the statement.
Questions B2 (A) and B2 (C) with mean scores of 3.33 and 3.19 respectively show that there is a considerable difference of opinion regarding the stated variables.

Analysis of Table 7.19 of Section B2 indicates an average mean of 3.10. Figures in Table 7.19 indicate that the following variables’ distance from the aggregate mean:

- The organisation’s recruitment and selection processes are not discriminatory (mean= 3.33; co-efficient of variation=44.74)
- Top management is committed to employment equity and the elimination of unfair discrimination (mean=3.19; co-efficient of variation=46.08)
- The organisation has communicated to all the need for employment equity (mean=2.79; co-efficient of variation=47)

The variable “The organisation has communicated to all the need for employment equity” shows the greatest distanced between its mean (2.79) and the aggregate mean (3.10) and also reveals the greatest difference of opinion between respondents with a co-efficient of variation of with a figure of 47. Though the variation of the variables “Top management is committed to employment equity and the elimination of unfair discrimination” and “The organisation’s recruitment and selection processes are not discriminatory” are lower than that of the variable “The organisation has communicated to all the need for employment equity” the figures of 44.74 and 46.08 respectively are still very high. This shows that there is considerable difference of opinion between respondents regarding the effects of the variable, though this may still be within tolerable levels.
SECTION A: TRUST AND TRUST-BUILDING STRATEGIES

SECTION B3: EMPLOYMENT RELATIONS PRACTICES

TABLE 7.22
EMPLOYMENT RELATIONS PRACTICES

<table>
<thead>
<tr>
<th>Employment Relations Practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation does not bypass the trade union and communicate directly to the union members</td>
<td>5 (8.77%)</td>
<td>26 (45.61%)</td>
<td>1 (1.75%)</td>
<td>14 (24.56%)</td>
<td>11 (19.30%)</td>
</tr>
<tr>
<td>The organisation does not implement work-related procedures and policies without firstly consulting the trade union</td>
<td>7 (12.28%)</td>
<td>16 (28.07%)</td>
<td>8 (14.04%)</td>
<td>15 (26.32%)</td>
<td>11 (19.30%)</td>
</tr>
<tr>
<td>The opposing negotiating team does not participate in bad-faith bargaining</td>
<td>5 (8.93%)</td>
<td>18 (32.14%)</td>
<td>7 (12.50%)</td>
<td>14 (25.00%)</td>
<td>12 (21.43%)</td>
</tr>
<tr>
<td>The management of the organisation hates trade unions</td>
<td>15 (26.32%)</td>
<td>8 (14.04%)</td>
<td>11 (19.30%)</td>
<td>11 (19.30%)</td>
<td>12 (21.05%)</td>
</tr>
</tbody>
</table>

TABLE 7.23
MEANS AND STANDARD DEVIATIONS FOR SECTION B 3

<table>
<thead>
<tr>
<th>People management practices</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation does not bypass the trade union and communicate directly to the union members</td>
<td>57</td>
<td>3.00</td>
<td>1.36</td>
<td>0.0001</td>
</tr>
<tr>
<td>The organisation does not implement work-related procedures and policies without firstly consulting the trade union</td>
<td>57</td>
<td>3.12</td>
<td>1.35</td>
<td>0.0025</td>
</tr>
<tr>
<td>The opposing negotiating team does not participate in bad-faith bargaining</td>
<td>57</td>
<td>3.18</td>
<td>1.34</td>
<td>0.0001</td>
</tr>
<tr>
<td>The management of the organisation hates trade unions</td>
<td>57</td>
<td>2.95</td>
<td>1.51</td>
<td>0.0015</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B2.
7.3.9 Question B3 (H) – The organisation does not bypass the trade union and communicate directly to the union members

On whether the respondents think their respective organisation’s management is guilty of bypassing the trade union 44% of the responds believed they are whereas 54% agreed with the statement.

**CHART 7.19**

BAR CHART FOR QUESTION B3 (H)

7.3.10 Question B3 (I) – The organisation does not implement work-related procedures and policies without firstly consulting the trade union

On whether the respondents think their respective organisation’s management is guilty of unilaterally introducing work-related procedures and policies without first consulting the trade union, 46% of the respondents believed they do but 40% of them disagreed, with 14% being neutral.
7.3.11 Question B3 (K) – The opposing negotiating team does not participate in bad-faith bargaining

On whether the respondents think their respective organisation’s management is guilty of bad-faith bargaining, 46% of the respondents believed they do but 41% of them disagreed, with 13% being neutral.
7.3.12 Question B3 (O) – The management of the organisation hates trade unions

On whether the respondents think their respective organisation’s management hates trade unions, there was an equal split in perceptions with 40% of the respondents believing they do but 40% of them disagreeing, with 19% being neutral.

**CHART 7.22**

**BAR CHART FOR QUESTION B3 (O)**

![Bar Chart](chart.png)

The strength of the relationships between the variables “The organisation does not bypass the trade union and communicate directly to the union members”, “The organisation does not implement work-related procedures and policies without firstly consulting the trade union”, “The opposing negotiating team does not participate in bad-faith bargaining” and “The management of the organisation hates trade unions” was tested on the data from Table 7.24 by means of Pearson’s correlation co-efficient.

The variables “The organisation does not bypass the trade union and communicate directly to the union members” and “The opposing negotiating team does not participate in bad-faith bargaining” show no correlation with figures of 0.0001 each and variables “The organisation does not implement work-related procedures and policies without firstly consulting the trade union” and “The
management of the organisation hates trade unions” calculated out 0.0025 and 0.0015 respectively. In all cases tested the calculated p-levels fell inside the critical region of \(-0.025 \leq p \leq 0.025\) indicating statistical significance.

SECTION B: TRUST AND TRUST-BUILDING STRATEGIES

SECTION B4: TRAINING AND DEVELOPMENT PRACTICES

TABLE 7.24

TRAINING AND DEVELOPMENT PRACTICES

<table>
<thead>
<tr>
<th>Training and Development Practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation has developed an effective training and development policy/practices</td>
<td>5 (8.77%)</td>
<td>15 (26.32%)</td>
<td>10 (17.54%)</td>
<td>16 (28.07%)</td>
<td>11 (19.30%)</td>
</tr>
<tr>
<td>The organisation creates opportunities for employees to grow and develop their potential</td>
<td>7 (12.28%)</td>
<td>15 (26.32%)</td>
<td>6 (10.53%)</td>
<td>14 (24.56%)</td>
<td>15 (26.32%)</td>
</tr>
</tbody>
</table>

TABLE 7.25

MEANS AND STANDARD DEVIATIONS FOR SECTION B 4

<table>
<thead>
<tr>
<th>People management practices</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation has developed an effective training and development policy/practices</td>
<td>57</td>
<td>3.23</td>
<td>1.28</td>
</tr>
<tr>
<td>The organisation creates opportunities for employees to grow and develop their potential</td>
<td>57</td>
<td>3.26</td>
<td>1.42</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B2.
7.3.13 Question B4 (A) – The organisation has developed an effective training and development policy / practices

On whether the respondents think their respective organisation's management has developed an effective training and development policy / practices, 35% of the respondents believing they do but 47% of them disagreeing, with 18% being neutral.

CHART 7.23
BAR CHART FOR QUESTION B4 (A)

7.3.14 Question B4 (D) – The organisation creates opportunities for employees to grow and develop their potential

On whether the respondents think their respective organisations create opportunities for employees to develop and grow, 39% of the respondents believing they do but 51% of them disagreeing, with 11% being neutral.
The aggregate mean of section B4 calculated out at 3.20. The figures indicate the following variables distance from the aggregate mean:

- "The organisation has developed an effective training and development policy/practices" (mean=3.23; co-efficient of variation=39.62)
- “The organisation creates opportunities for employees to grow and develop their potential” (mean=3.28; co-efficient of variation=41.46)

Variable “The organisation creates opportunities for employees to grow and develop their potential" shows the greatest distance of its mean (3.28) and the section aggregate mean (3.20) and a co-efficient of variation of 41.46 indicating greater difference of opinion between the respondents.
SECTION B: TRUST AND TRUST-BUILDING STRATEGIES

SECTION B5: LEADERSHIP PRACTICES

TABLE 7.26
LEADERSHIP PRACTICES

<table>
<thead>
<tr>
<th>Leadership Practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation’s leadership is honest and can be trusted</td>
<td>5</td>
<td>18</td>
<td>9</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>8.77%</td>
<td>31.58%</td>
<td>15.79%</td>
<td>22.80%</td>
<td>21.05%</td>
</tr>
<tr>
<td>The organisation’s leadership does not break promises made to its employees</td>
<td>7</td>
<td>14</td>
<td>12</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>12.28%</td>
<td>24.56%</td>
<td>21.05%</td>
<td>26.32%</td>
<td>15.79%</td>
</tr>
<tr>
<td>The organisation’s leadership admits when it has made a mistake</td>
<td>5</td>
<td>12</td>
<td>13</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>8.77%</td>
<td>21.05%</td>
<td>22.81%</td>
<td>29.83%</td>
<td>17.54%</td>
</tr>
</tbody>
</table>

TABLE 7.27
MEANS AND STANDARD DEVIATIONS FOR SECTION B 5

<table>
<thead>
<tr>
<th>Leadership Practices n = 57</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation’s leadership is honest and can be trusted</td>
<td>57</td>
<td>3.16</td>
<td>1.32</td>
</tr>
<tr>
<td>The organisation’s leadership does not break promises made to its employees</td>
<td>57</td>
<td>3.09</td>
<td>1.29</td>
</tr>
<tr>
<td>The organisation’s leadership admits when it has made a mistake</td>
<td>57</td>
<td>3.26</td>
<td>1.23</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B2.

7.3.15 Question B5 (C) – The organisation’s leadership is honest and can be trusted

On whether the respondents think their respective organisation’s leadership is honest and can be trusted, 40% of the respondents believing they are but 44% of them disagreeing, with 16% being neutral.
7.3.16 Question B5 (D) – The organisation’s leadership does not break promises made to its employees

On whether the respondents think their respective organisation’s leadership does not break promises made to its employees, 37% of the respondents believing they do, but 42% of them disagreeing, with 21% being neutral.
7.3.17 Question B5 (F) – The organisation’s leadership admits when it has made a mistake

On whether the respondents think their respective organisation’s leadership admits when it has made a mistake, 30% of the respondents believing they do but 47% of them disagreeing, with 23% being neutral.

**CHART 7.27**

**BAR CHART FOR QUESTION B5 (F)**

An analysis of the mean, mode and median of the figures in table 7.23 reveals the aggregate mean of 3.11. The median response is 3 (neutral) and that of the mode is 2 (agree). This shows that a majority of the respondents agree that there are positive leadership practices.
**SECTION B: TRUST AND TRUST-BUILDING STRATEGIES**

**SECTION B6: COMMUNICATION PRACTICES**

**TABLE 7.28**

**COMMUNICATION PRACTICES**

<table>
<thead>
<tr>
<th>Communication Practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation prefers person-to-person contact rather than the use of e-mails</td>
<td>8</td>
<td>13</td>
<td>15</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>14.04%</td>
<td>22.81%</td>
<td>26.32%</td>
<td>21.05%</td>
<td>15.79%</td>
</tr>
<tr>
<td>The organisation’s communication systems are sensitive to the background and culture</td>
<td>8</td>
<td>16</td>
<td>10</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>of the employees</td>
<td>14.04%</td>
<td>28.07%</td>
<td>17.54%</td>
<td>29.82%</td>
<td>10.53%</td>
</tr>
<tr>
<td>The organisation allows employees to voice their opinion and ideas</td>
<td>8</td>
<td>21</td>
<td>3</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>14.04%</td>
<td>36.84%</td>
<td>5.26%</td>
<td>29.82%</td>
<td>14.04%</td>
</tr>
</tbody>
</table>

**TABLE 7.29**

**MEANS AND STANDARD DEVIATIONS FOR SECTION B 6**

<table>
<thead>
<tr>
<th>Communication Practices</th>
<th>Number</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation prefers person-to-person contact rather than the use of e-mails</td>
<td>57</td>
<td>3.02</td>
<td>1.29</td>
</tr>
<tr>
<td>The organisation’s communication systems are sensitive to the background and culture</td>
<td>57</td>
<td>2.95</td>
<td>1.26</td>
</tr>
<tr>
<td>of the employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The organisation allows employees to voice their opinion and ideas</td>
<td>57</td>
<td>2.93</td>
<td>1.35</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B2.

**7.3.18 Question B6 (C) – The organisation prefers person-to-person contact rather than the use of e-mails**

On whether the respondents think their respective organisation’s leadership admits when it has made a mistake, 30% of the respondents believing they do, but 47% of them disagreeing, with 23% being neutral.
7.3.19 Question B6 (D) – The organisation’s communication systems are sensitive to the background and culture of the employees

On whether the respondents think their respective organisation's leadership admits when it has made a mistake, 30% of the respondents believing they do but 47% of them disagreeing, with 23% being neutral.
7.3.20 Question B6 (E) – The organisation allows employees to voice their opinion and ideas

On whether the respondents think their respective organisation’s leadership admits when it has made a mistake, 30% of the respondents believing they do but 47% of them disagreeing, with 23% being neutral.

**CHART 7.30**

**BAR CHART FOR QUESTION B6 (E)**

Analysis of Table 7.29 of Section B6 indicates an average mean of mean of 3.05. Figures in Table 7.29 indicate that the following variables’ distance from the aggregate mean:

- The organisation prefers person-to-person contact rather than the use of e-mails (mean= 3.02; co-efficient of variation=42.72)
- The organisation’s communication systems are sensitive to the background and culture of the employees (mean=2.95; co-efficient of variation=42.71)
- The organisation allows employees to voice their opinion and ideas (mean=2.93; co-efficient of variation=46.08)

Even though the variable “The organisation's communication systems are sensitive to the background and culture of the employees” has a mean that is greater than that of the variable “The organisation prefers person-to-person
contact rather than the use of e-mails”, the variation of opinions from the respondents of the respective variables are more or less the same (42.72 and 42.71) respectively.

SECTION B: TRUST AND TRUST-BUILDING STRATEGIES

SECTION B7: GENERAL COMMENT

In the questionnaire respondents were provided with space to share their opinions as to what can be done, within their organisations, to build trust. Below is a summary of the opinions and suggestions from those who answered this question as well as a breakdown showing the percentage of respondents who did.

<p>| TABLE 7.30 |</p>
<table>
<thead>
<tr>
<th>RESPONSES TO SECTION B 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of respondents</td>
</tr>
<tr>
<td>57</td>
</tr>
</tbody>
</table>

Section B7: Comments and Suggestions

Outlined below are some of the comments received under this sub-section arranged into sub-headings in line with the recommended model for trust-building introduced in Chapter 5.

Trust-building interventions

- “Trust is no problem in this organisation”
- “It is honesty, trust, integrity, good communication and be fair to its employees”
- “The organisation should sit down, look and listen to what the masses are saying”

Chapter 7
There is limited success that can be achieved because of the contradictory nature of employee demands and limited resources”

“Disclosing true financial figures will improve the relationship"

“Both parties must ensure that they are honest in all dealings”

“They must ensure that the negotiating team are people of integrity who are not in the team for personal gain”

“Have employee forums / suggestion boxes”

It is evident from some of the comments received for this particular question that some respondents felt that issues such as honesty, trust, open communication and integrity needed to be addressed within their respective organisations.

People management practices

“Organisations must have systems that are suitable to all race groups”

“Performance management is currently non-existent”

“There are trust issues relating to the performance management system”

“Employ competent people”

“They must pay all staff members equally, black or white”

Whilst acknowledging that not all the respondents answered this question the perceptions of the respondents, who are all tasked with the role of dispute resolution at organisational level, cannot be ignored if collective bargaining processes are to be conducted in a non-adversarial atmosphere. Their perceptions that some organisations’ people management practices such as performance management processes are not trustworthy.

Communication practices

“Its honesty, listening to advice and respect between each other”

“To give employees a chance to voice their opinions and ideas because the organisation can only grow when employees and management have equal rights at the workplace”

“If management can be transparent, labour is not a rival to management”
• “For them to build trust is to be open on what they are doing to improve the lives of the workers”
• “Open door policy is not really working”
• “Open channels of communication is one core issue”
• “Honest and open communication”
• “Communicating person-to-person rather than the use of e-mails”
• “The organisation must allow employees to voice their opinion and ideas”

Open, honest and transparent communication practices are advocated by the respondents and seem to be lacking, according to their perceptions, within their organisations.

**Training and development practices**

- “Remove every ... (obstacle?) for the development of the employees in the organisation”
- “To make sure that employees are getting training and developed in a fair procedure”
- “Organisational development models need to be people-focused”
- “Holistic and professional development of staff must be prioritised”
- “There must be training on business principles and team-building”

Those respondents who commented view training as important and enjoin the organisations to make training interventions to be people-focused and holistic and that these efforts must be prioritised.

**Employment relations practices**

- “Its honesty, listening to advice and respect between each other”
- “They must comply and follow all the labour laws”
- “It is implementation of policy in a good way, or the way that the policy was written and agreed upon”
- “Management should stick to promises made to the trade union”
- “Responses within given time is important”
• “There is a great need for management team to be fair and honest in dealing with the trade union collective by disclosing real financial figures”.
• “There must be more face-to-face conversations rather than mediated communication”
• “Management must negotiate in good faith”
• “Management must negotiate honestly and not use lawyers”:

The respondents’ comments around this specific area of operations indicate a certain level of displeasure with employment relations practices in general and collective bargaining processes in particular. There is a strong feeling that collective bargaining processes are not conducted in good faith.

**Leadership practices**

• “The management must have integrity first and openness in all company ...”
• “The organisation needs to be open-minded to the wider world”
• “Management needs to know that employees are as informed as management it is just a matter of various responsibilities assigned to people in the organisation”
• “There is no need to be sceptical of the employees’ input to the development of the organisation”
• “Necessitates the encouragement of creative and inspirational leadership so that we are able to benefit from the inherent wisdoms of all our peoples”
• “The organisation has all the necessary policies to achieve all its vision but the vision and the objectives of the organisation are hampered by managers who think they own the organisation”.
• “If the organisation can be tough on managers who do not comply with the policies, things could be much better. If one voices his or her opinion that person is subjected to persecution by his or her manager”:
• “The vision of the organisation has more meaning if we see the buy in from the top management”
• “The top management of the organisation is invisible and does not interact with the people”
• “More leadership-type training especially for academics as they tend to manage rather than to lead”

There is a clear call from the respondents for a leadership that is open-minded, inclusive, creative, inspirational, approachable and people-oriented.

The respondent’s recommendations outlined above will also form part of the contents of Chapter 8: Summary, Conclusion and Recommendations.

7.4 REVIEWING OF QUALITATIVE ANALYSIS WITH A VIEW TO MODIFYING THE NATURE AND ELEMENTS OF THE THEORETICAL INSTITUTIONAL ARRANGEMENTS-BASED TRUST-BUILDING MODEL

The gist of the discussion which will comprise this sub-section will entail an appropriate response to the question: To what extent is the nature and design of the recommended trust-building model to be modified in the light of the qualitative results and analysis? In attempting to answer the above question there is a need to re-visit the following: the research sub-problems, each element or phase of the recommended trust-building model and the respondents’ recommendations captured under sub-section B7.

7.4.1 Phase 1: Introductory Frame Alignment Session

Section B1 of the questionnaire focused on the perceptions of the respondents regarding the nature and levels of trust they experience within their organisations as well as trust-building interventions that are embarked upon prior to the commencement of collective bargaining processes.

The stats show that there is a substantial difference between the perceptions of trade union groupings when tested against the responses of the management collective. Whist the managerial component was, in general, more upbeat and positive about the nature and level of their trust relationship the trade union component was more
negative in its perception. A considerable proportion of the respondents, of over 71%, justify the inclusion of this phase in the recommended model.

7.4.2 Phase 2: The Identification of Sources of Distrust

Question B1 (B), for example, on whether the respondents trust their opposing negotiating teams almost 60% of the respondents disagreed with that statement which is in line with their general response to Question B1 (A). These responses in turn justify the existence of this phase in the recommended model as there is a need, after the contending parties have agreed to meet prior to collective bargaining to discuss all the issues, particularly those that divide them. Hereunder are some relevant comments extracted from Question B7 of the questionnaire:

- “The organisation should sit down, look and listen to what the masses are saying”
- “Disclosing true financial figures will improve the relationship”
- “Both parties must ensure that they are honest in all dealings.”
- “Management should stick to promises made to the trade union”
- “Responses within given time is important”
- ‘There is a great need for management team to be fair and honest in dealing with the trade union collective by disclosing real financial figures.
- ‘There must be more face-to-face conversations rather than mediated communication”
- “Management must negotiate in good faith”
- “Management must negotiate honestly and not use lawyers”:

7.4.3 Phase 3: The Joint-Development of Problem-Solving Proposals

If one accepts that the first two phases are crucial in the enhancement of organisational trust then it must follow that the contending parties need to sit down and discuss their ‘problem issues’ and, jointly, resolve them.

Finnemore (2002, p. 324) advises that south African comprises have been compelled by global imperatives to explore common interests in areas such as
restructuring to ensure the survival of the company. These negotiations, the author posits, are generally conducted in a win-win spirit of consensus-seeking.

- “Performance management is currently non-existent”
- “There are trust issues relating to the performance management system”
- “Employ competent people”
- “They must pay all staff members equally, black or white”
- To make sure that employees are getting training and developed in a fair procedure”

7.4.4 Phase 4: The Development of Trust-Enhancing Institutional Arrangements

Same comments as above.

7.4.5 Phase 5: The Implementation of Recommendations and Continuous Monitoring

This phase ensures that all the decisions, taken jointly, are implemented and there is constant monitoring to ensure that deviations are promptly identified and corrected. The recommended model is in line, in all respects, with all the aspects that have been revealed in literature as trust-enhancing.

7.5 CONCLUDING REMARKS

In this chapter the quantitative results were provided, analysed and interpreted. In the next chapter a summary of the results will be provided as well as the final conclusion and the researcher’s recommendations.
CHAPTER 8
SUMMARY, CONCLUSION AND RECOMMENDATIONS

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<th>Section</th>
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<th>Page</th>
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<td>PROBLEMS AND LIMITATION</td>
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<tr>
<td>8.4</td>
<td>RECOMMENDATIONS</td>
<td>242</td>
</tr>
<tr>
<td>8.5</td>
<td>CONCLUSION</td>
<td>244</td>
</tr>
</tbody>
</table>
CHAPTER 8:
SUMMARY, CONCLUSION AND RECOMMENDATIONS

8.1 INTRODUCTION

The purpose of this final chapter is to reflect on the research project, summarise its key findings, evaluate the extent to which it has achieved its main objectives and offer some recommendations. During this final discussion problems that were encountered will be identified as well as its limitations in order to open the door for future researchers to explore further.

8.2 PROBLEMS AND LIMITATIONS

There were no major problems encountered in the execution of this research.

Below are some problems that were encountered which were deemed minor because they did not prevent the achievement of the primary objectives of the study:

- Lack of cooperation by a few respondents in participating with the research project although there was initial agreement that they would. Despite a fair response time scheduled, were it not for the researcher’s willingness to drop off and collect the questionnaires himself, the return rate would have been low. However the return rate of 57 questionnaires out of a total of 98 is perfectly acceptable.
- Misinterpretation of instructions particularly in Section A of the questionnaire requiring biographical information. The few errors that were discovered were edited by the researcher after establishing the facts.
- It is the contention of the researcher that the generally high percentages of those who responded with a ‘neutral’ answer could have been substantially reduced by the utilisation of the interview method, but due to considerations
of costs and time this was not feasible.

8.3 SUMMARY OF RESEARCH FINDINGS

In this section the main research problem and the associated sub-problems will be re-visited to explain how they have been adequately resolved.

The main problem of this research project was:

**What trust-building strategies can be adopted to enhance collective bargaining processes in organisations?**

Modern managerial thought has elevated the importance of human capital management as a competitive advantage in today’s successful business enterprises. Dessler (2005, p. 5), as quoted before, views the changing environment in which the modern enterprise operates as triggering an avalanche of change where competitive advantage resides, amongst other things, in an **enthusiastic labour force**. For this ideal to be sustainable, in the long term, a sound relationship needs to be developed between employees and their employers. Blau (1964), Zucker (1986), Fukuyama (1995), Hosmer (1995), Deering and Murphy (1998) and Hollis (1998) as quoted by Six (2005, p. 3) all view trust as the lubricant for social relations which improves efficiency. Trust, therefore, is one of the key ingredients in developing sound relationships at the workplace. This is what prompted the researcher to investigate the nature of trust, its dynamics and how managers and employees can build it at organisational level in order to ‘lubricate’ workplace contexts for the achievement of their shared goals.

In order to resolve the main problem, sub-problems were developed and addressed in various chapters of this study. These sub-problems are outlined below, together with a brief discussion relating to each one:
SUB-PROBLEM ONE:

What is trust and how crucial is it in the labour relationship in general and the collective bargaining process, in particular?

In Chapter 2 various definitions of trust were provided as well as its importance in the labour relationship and in the collective bargaining process. The environmental factors that impinge on the employment relationship were identified and clarified. The legislative framework that has a substantial influence on the employment relationship was explained.

In Chapter 3 the collective bargaining process was discussed. Its nature, its objectives, the law that impinges on it, its structures, its modes and styles and the factors that affect it.

SUB-PROBLEM TWO:

What are the sources of distrust in the employer-employee relationship?

In Chapter 2 macro factors that affect the employment relationship were identified and explained. These are factors such as: the economic environment, unemployment, the political environment, the social environment, HIV/AIDS, labour force flexibility imperatives, the effects of globalisation, technological acceleration and the legislative environment. All of these factors have the potential to influence the day to day operations of a business and, due to that fact, they can easily be the sources of distrust, the same goes for micro-environmental factors such as: managerial vision and strategies, acquisitions, mergers, consolidation strategies, retrenchments, divestment strategies, organisational structure, job structure, managerial perspectives, organisational culture, employee participation and organisational communication practices.
SUB-PROBLEM THREE:

*What trust-building strategies are revealed in a literature study?*

In Chapter 4 the discussion focused on the dynamics of trust as well as trust-building interventions, relationship-building, people management practices, employment relations practices, training and development practices, leadership practices as well as communication practices.

SUB-PROBLEM FOUR:

*To what extent are selected organisations utilising trust-building strategies to enhance their collective bargaining processes?*

A postal survey was used to collect data relating to trust-building activities and strategies of selected organisations to determine the degree to which they comply with the recommended trust-building strategies revealed in the literature survey. The questionnaire used was based on the recommended model introduced in Chapter 5, the Institutional Arrangements-Based Trust-Building Model.

In Chapter 6 of the research study the data that was collected via a questionnaire was subjected to quantitative and qualitative analysis with the assistance of the resident statistician at the Nelson Mandela Metropolitan University. Section B of the questionnaire was sub divided as follows:

Section B 1: Trust and Trust-Building Interventions: Under this subsection respondents were asked about the extent to which their respective organisations embarked upon trust-building strategies before engaging in collective bargaining processes. 61% of the respondents disagreed with the notion that the management-trade union relationship of their respective organisations is characterised by high levels of trust. This figure is extremely high if one adds the 11% of the respondents who were non-committal. On whether the respondents felt that they could trust the opposing negotiating team, 58% of them responded in the negative with 11% of them
noncommittal.

On whether the respondents felt that their respective organisations embarked upon trust-building interventions such as meeting regularly as teams to build trust, openly discussing all their mutual problems, sharing information and developing joint action plans to resolve them, 53% of the respondents disagreed with that notion with an average of 16% of them being neutral. Again these figures indicate that a substantial component of collective bargaining processes believes rightly or wrongly that their respective organisations do little or nothing to build the crucial trust element that tends to ‘lubricate’ adversarial labour relations. Refer to table 7.11 again, as a reference, as it highlights the respondents’ responses to this important question.

**TABLE 8.1**

<table>
<thead>
<tr>
<th>Trust and Trust-Building Interventions</th>
<th>n = 57</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The management-trade union relationship is characterised by high levels of trust</td>
<td>2</td>
<td>14</td>
<td>6</td>
<td>19</td>
<td>16</td>
<td>33.33%</td>
</tr>
<tr>
<td>Opposing negotiating team can be trusted</td>
<td>1</td>
<td>17</td>
<td>6</td>
<td>22</td>
<td>11</td>
<td>38.60%</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly before the collective bargaining process begins to build trust</td>
<td>1</td>
<td>18</td>
<td>9</td>
<td>19</td>
<td>10</td>
<td>33.33%</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to discuss, openly, all problems they experience before the collective bargaining process begins</td>
<td>3</td>
<td>19</td>
<td>9</td>
<td>15</td>
<td>11</td>
<td>26.32%</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to share information, openly, before the collective bargaining process begins</td>
<td>3</td>
<td>13</td>
<td>9</td>
<td>15</td>
<td>13</td>
<td>33.33%</td>
</tr>
<tr>
<td>Management and trade union negotiators meet regularly to develop action plans on how to solve their mutual problems before the collective bargaining process begins</td>
<td>2</td>
<td>13</td>
<td>9</td>
<td>19</td>
<td>14</td>
<td>33.33%</td>
</tr>
</tbody>
</table>

Source: Survey Questionnaire, Section B1.
Section B2: People Management Practices: Under this subsection respondents were asked about the nature of people management practices within their respective organisations.

On whether:

- They thought that the recruitment and selection processes within their respective organisations are not discriminatory, 56% of them felt that, indeed, their respective organisations’ policies were discriminatory, with 12% of them in the neutral category.
- Their organisations have embarked upon affirmative action programmes to address past unfair discrimination, 54% disagreed that this is so with 14% in the neutral category.
- They believed that their top management is committed to employment equity and the elimination of unfair discrimination, 49% felt that their top management was not committed with 11% non-committal.
- They believed that the different cultural groups are treated equally the results were not clear-cut in that 47% disagreed with the statement whereas 40% agreed with the non-committal category being 12%.

Section B3: Employment Relations Practices: Under this subsection respondents were asked about the nature of employment relations practices within their respective organisations.

On whether:

- The organisation has developed a fair disciplinary code, the results indicated that the majority of the respondents, 46%, felt that was so as against 37% of the respondents who disagreed.
- The opposing team participates in bad-faith bargaining, 46% believed they did whereas 41% believed otherwise. These results were not clear-cut with 12% non-committal.
- The management of the organisation hates trade unions; the results were
even in that 40% believed they did, whereas 40% believed they did not hate trade unions.

The results of this subsection, which are, generally, not clear-cut, indicate to the researcher that the respective organisations do comply, to a great extent with, the dictates of the Labour Relations Act in that they have, in the main, developed institutional arrangements such as disciplinary codes, grievance procedures, labour relations policies and employee involvement initiatives. Yet this is not sufficient to develop trust because several of them also involve lawyers to participate actively in the collective bargaining processes. This is not the ideal situation in trust-building as there is a crucial need for the respective collective bargaining role-players to build trust amongst themselves first and only engage third parties, jointly agreed upon, to assist in resolving technical or labour law issues. A trade union organiser, commenting on this negative trend, said this to the researcher “this organisation does not breathe a single word to the trade union without a lawyer being present!”

Section B3: Training and Development Practices: Under this subsection respondents were asked about the nature of training and development practices within their respective organisations.

On whether:

- The organisation has developed an effective training and development policy, 47% disagreed with only 35% agreeing that this is so. 18% were ‘neutral’ which could indicate that, although the respondents agree that there is such a policy in existence, they do not agree that it is effective.
- The organisation creates opportunities for employees to grow and develop their potential, 51% disagreed with the statement with 39% agreeing that it is so with the ‘neutral’ category being 11%
- The organisation involves the trade union in the development and implementation of its training and development policy and plans, 53% disagreed with the statement with 37% agreeing that it is so with the
The results of this subsection indicated to the researcher that whilst the organisation might have training and development policies or plans in place, there is hardly any involvement of the trade union in their design, development and implementation.

Section B5: Leadership Practices: Under this subsection respondents were asked about the nature of leadership practices within their respective organisations.

On whether:

- The organisation’s leadership admits when it has made a mistake, 47% disagreed with the statement with 30% agreeing that it is so with the neutral category being 23%
- The organisation’s leadership is honest and can be trusted, 44% disagreed with the statement with 41% agreeing that it is so with the ‘neutral’ category being 15%
- The organisation does not break promises made to its employees, 42% disagreed with the statement with 37% agreeing that it is so with the ‘neutral’ category being 21%
- All managerial and supervisory staff have been trained in effective leadership skills, 47% disagreed with the statement with 32% agreeing that it is so with the ‘neutral’ category being 21%

The results of this subsection were not clear-cut and indicated an almost even spread of results between those agreeing and those disagreeing. What was significant regarding this subsection were the substantially high percentages allocated to the ‘neutral’ categories. These figures were higher than in other subsections. The average non-committal percentage for this subsection was 18% which indicated to the researcher that, amongst other things, despite assurances of anonymity and secrecy surrounding the survey, there was a substantial number of respondents (18% on average) who were either unsure or were afraid to reveal
their true attitudes and opinions regarding the nature of leadership practices that are existent in their respective organisations.

Section B6: Communication Practices: Under this subsection respondents were asked about the nature of leadership practices within their respective organisations. On whether:

- The organisation has developed an effective communication policy, 44% disagreed with the statement with 39% agreeing that it is so with the ‘neutral’ category being 18%.
- The organisation prefers person-to-person contact rather than the use of e-mails, there was an even spread of results with 46% disagreeing whereas 46% agreed with the statement with 8% in the ‘neutral’ category.

The results for this subsection were also not clear-cut indication an even spread of opinions and views regarding prevailing communication practices. Whilst there were differences they were not substantial enough to warrant special mention.

In section B7 the respondents (49%) indicated what they think their organisations should do to build trust between management and trade union collective bargaining teams. As has been discussed in chapter 7, these comments were divided into sub-groups in line with the recommended trust-building model. These comments, in the main, indicated low trust-levels within the participating organisations emphasising the crucial role that trust-building processes can play in this regard.

**SUB-PROBLEM FIVE:**

*How can the results from sub-problems 3 and 4 be integrated into a model that organisations can use to build trust and enhance collective bargaining processes?*

In Chapter 5 an Institutional Arrangements-Based Model of trust-building was
presented taking into account aspects of the literature survey that revealed various models and theories encompassing elements such as trust-building interventions, people management practices, employment relations practices, training and development practices, leadership practices and communication practices.

8.4 RECOMMENDATIONS

In order to complete this research study it is required that recommendations for the application of the research be provided as well as suggestions for future research endeavours in those areas related to the research problem.

The main problem to be researched in this project was the following:

**What trust-building strategies can be adopted to enhance collective bargaining processes in organisations?**

In order to achieve this objective the researcher conducted an extensive literature survey to discover what trust is, its dynamics and the environmental factors that impinge on it. Also the concept of collective bargaining was focussed on to attempt to understand its nature, levels, types and the environmental factors that influence it.

In the light of the research results that have been obtained and analysed and in line with the main problem of this research study, the researcher advances these recommendations:

**Trust and trust-building interventions**

That organisations drive away ‘divisive perceptions’ prominently displayed in the results of this study by embarking upon trust-building interventions as recommended by the model presented in Chapter 5. These interventions need to entail some of the following;

- The negotiating teams meeting regularly before they embark on collective
bargaining processes to build mutual trust,

- Scheduling meetings where all divisive issues are put on the table, openly, before any collective bargaining processes commence,
- Sharing honestly of information that is necessary for parties to engage in collective bargaining processes, and
- Developing joint action plans for the resolution of all divisive issues or sources of distrust.

This can be achieved by commencing on trust-building initiatives that can utilise, initially, the services of a trusted third party.

**The development of institutional arrangements**

That fair policies governing several aspects of the business operation be re-visited and or developed, **jointly**, to ensure the following trust-building outcomes:

- That all recruitment and selection policies and practices are not discriminatory,
- That employment equity and affirmative action policies are developed in consultation with the trade union party,
- That the organisation develops fair HIV/AIDS, sexual harassment, employee involvement, performance management, heath and safety and diversity management policies and practices.
- That employment relations practices include the involvement of trade unions in all aspects that affect their members,
- That all parties refrain from bad-faith negotiations and other behaviours that tend to breed distrust.
- That organisations create opportunities for employees to develop and grow,
- That all management and supervisory staff be trained on effective leadership skills,
- That communication practices be in person whenever necessary instead of the over-use of the e-mail system.
Lastly, it is common that the researcher concludes by identifying areas worthy of future research. Therefore, it is hereby recommended that future research be undertaken in the following areas:

- Although the empirical component of this research focused on selected trade unions in the COSATU stable, similar surveys could be conducted using trade unions from the other trade union federations such as FEDUSA and NACTU.
- The research was delimited to the Nelson Mandela Bay Municipal area whereas future research may include other areas in this or other provinces.
- Future surveys could include centralised bargaining structures which were not part of this research study.
- Future surveys could include the extent to which trade union organisers can be incorporated as part of an organisation’s trust-building initiatives.
- Future surveys could include the use of interviews as a research tool as they are regarded as, generally, having higher return rates than the postal method that was utilised in this research study. These may also assist in reducing the unacceptably high ‘neutral’ response category prevalent in this research study.

8.5 CONCLUSION

The primary objective of this research study was to identify trust-building strategies that can be utilised by organisations to enhance their collective bargaining practices. This objective was achieved by the design and development of an Institutional Arrangements-Based Trust-Building Model whose nature and elements were extensively discussed in Chapter 5 and subsequent chapters.

The overall impression gained from the empirical research study, the quantitative results of the survey as well as the comments of some respondents under Section B7 of the questionnaire, is that there is a need for trust-building strategies, at organisational-level, to improve the workplace climate and ensure ‘conflict-free’ collective bargaining processes, so that individual goals as well as those of the organisation are achieved.
REFERENCE LIST


Reference List


Prentice-Hall.


---

**Reference List**


Reference List
Dear Sir / Madam

SURVEY OF TRUST-BUILDING STRATEGIES TO ENHANCE COLLECTIVE BARGAINING PROCESSES IN ORGANISATIONS

Your assistance in filling in and returning the attached questionnaire relating to the above will be greatly appreciated. It should take no more than a few minutes of your time.

This information is needed for the completion of my doctoral studies.

It would be appreciated if you complete the questionnaire and return it to me in the reply-paid envelope by the 30th of October 2010.

Please inform me if you wish to receive a copy of the findings.

Yours sincerely

OSMOND TOLO NGALO

SENIOR LECTURER: HUMAN RESOURCES MANAGEMENT DEPARTMENT
APPENDIX B: QUESTIONNAIRE

SECTION A: BIOGRAPHICAL DATA

Please supply the following information regarding your organisation by indicating with an “X” in the appropriate box.

A1. Approximately how many employees does your organisation employ?

   

A2. The organisation is located in which sector?

<table>
<thead>
<tr>
<th>Sector</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Public health</td>
<td></td>
</tr>
<tr>
<td>Private health</td>
<td></td>
</tr>
<tr>
<td>State administration</td>
<td></td>
</tr>
<tr>
<td>Other: Specify</td>
<td></td>
</tr>
</tbody>
</table>

A3. Are you involved in collective bargaining processes as a:

<table>
<thead>
<tr>
<th>Role</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management representative</td>
<td></td>
</tr>
<tr>
<td>Trade union representative</td>
<td></td>
</tr>
</tbody>
</table>

A4. What position do you currently hold in the organisation?

<table>
<thead>
<tr>
<th>Position</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>Supervisor</td>
<td></td>
</tr>
<tr>
<td>Clerical staff</td>
<td></td>
</tr>
<tr>
<td>Operational staff</td>
<td></td>
</tr>
<tr>
<td>Other: Specify</td>
<td></td>
</tr>
</tbody>
</table>

Questionnaire
A5. For how many years have you held this position?

<table>
<thead>
<tr>
<th>Year Range</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 years</td>
<td></td>
</tr>
<tr>
<td>6 – 10 years</td>
<td></td>
</tr>
<tr>
<td>Over 10 years</td>
<td></td>
</tr>
</tbody>
</table>

A6. What is your gender?

<table>
<thead>
<tr>
<th>Gender</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
</tr>
</tbody>
</table>

A7. What is your age group?

<table>
<thead>
<tr>
<th>Age Group</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>21 – 30 years</td>
<td></td>
</tr>
<tr>
<td>31 – 40 years</td>
<td></td>
</tr>
<tr>
<td>41 – 50 years</td>
<td></td>
</tr>
<tr>
<td>51 – 60 years</td>
<td></td>
</tr>
<tr>
<td>Over 60 years</td>
<td></td>
</tr>
</tbody>
</table>

A8. How many years of experience do you have in collective bargaining for this organisation?

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 2 years</td>
<td></td>
</tr>
<tr>
<td>3 – 5 years</td>
<td></td>
</tr>
<tr>
<td>Over 5 years</td>
<td></td>
</tr>
</tbody>
</table>

A9. Have you attended workshops/seminars to build trust between representatives of management and representatives of the employees in the past three years?

<table>
<thead>
<tr>
<th>Attendance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
A10. Have you attended workshops / seminars on how to be an effective negotiator in the past three years?

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

A11. Which type of collective bargaining are you engaged in?

<table>
<thead>
<tr>
<th>Centralised</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant-level</td>
<td></td>
</tr>
<tr>
<td>Both</td>
<td></td>
</tr>
</tbody>
</table>
SECTION B: TRUST AND TRUST-BUILDING STRATEGIES

B1 Please indicate the extent to which you agree/disagree with the following statements regarding trust and trust-building interventions in your organisation.

<table>
<thead>
<tr>
<th>TRUST AND TRUST-BUILDING INTERVENTIONS</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The management-trade union relationship is characterised by high levels of trust</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>B Opposing negotiating team can be trusted</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>C Management and trade union negotiators meet regularly before the collective bargaining process begins to build trust</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>D Management and trade union negotiators meet regularly to discuss, openly, all problems they experience before the collective bargaining process begins</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>E Management and trade union negotiators meet regularly to share information, openly, before the collective bargaining process begins</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>F Management and trade union negotiators meet regularly to develop action plans on how to solve their mutual problems before the collective bargaining process begins</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

B.2 Please indicate the extent to which you agree/disagree with the following statements regarding people management practices in your organisation.

<table>
<thead>
<tr>
<th>PEOPLE MANAGEMENT PRACTICES</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organisation's recruitment and selection processes are not discriminatory</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>B The organisation has implemented effective affirmative action programmes to address past unfair discrimination</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>C Top management is committed to employment equity and the elimination of unfair discrimination</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>D The organisation has developed an employment equity policy / practices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>E The organisation has communicated to all the need for employment equity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>F The organisation has developed effective plans to achieve employment equity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>G The organisation has developed an effective sexual harassment prevention policy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
### PEOPLE MANAGEMENT PRACTICES

<table>
<thead>
<tr>
<th>Policy/practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>H The organisation has developed an effective HIV/AIDS policy/practices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I HIV/AIDS sufferers are not treated unfairly in the organisation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>J The organisational systems designed to manage performance are fair</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>K The organisation has implemented an effective performance management policy/system</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>L The practices used by the organisation to promote people are fair</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>M The organisation has developed an effective health and safety policy/practices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>N In the organisation all the different cultural groups are treated equally</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**B.3 Please indicate the extent to which you agree/disagree with the following statements regarding employment relations practices in your organisation.**

### EMPLOYMENT RELATIONS PRACTICES

<table>
<thead>
<tr>
<th>Policy/practices</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organisation has developed an effective employment relations policy/practices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>B The organisation has developed a fair disciplinary code</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>C The disciplinary code has been communicated and clarified to all employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>D The organisation has developed a grievance procedure</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>E The grievance procedure has been communicated and clarified to all employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>F No one is being discriminated against for being a member of a trade union</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>G No one is being discriminated against for being a shop steward</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>H The organisation does not bypass the trade union and communicate directly to the union members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>I The organisation does not implement work-related procedures and policies without firstly consulting the trade union</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>J The organisation does not offer non-union members better benefits than trade union members</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>K The opposing negotiating team does not participate in bad-faith bargaining</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>L The opposing negotiating team has good ethics and does not participate in corrupt behaviour</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>M Employees are encouraged to participate in decision-making</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>N The trade union is not expected to rubber-stamp decisions taken by the trade union</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>EMPLOYMENT RELATIONS PRACTICES</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Neutral</td>
<td>Disagree</td>
<td>Strongly disagree</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------</td>
<td>-------</td>
<td>---------</td>
<td>----------</td>
<td>------------------</td>
</tr>
<tr>
<td>O The management of the organisation hates trade unions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**B.4** Please indicate the extent to which you agree/disagree with the following statements regarding **training and development practices** in your organisation.

<table>
<thead>
<tr>
<th>TRAINING AND DEVELOPMENT PRACTICES</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organisation has developed an effective training and development policy / practices</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>B The organisation offers financial assistance to those who want to study further in approved fields</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>C The organisation has developed an effective Workplace Skills Plan (WSP)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>D The organisation creates opportunities for employees to grow and develop their potential</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>E The organisation involves the trade union in the development and implementation of its training and development policy and plans</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**B.5** Please indicate the extent to which you agree/disagree with the following statements regarding **leadership practices** in your organisation.

<table>
<thead>
<tr>
<th>LEADERSHIP PRACTICES</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A The organisation’s leadership has communicated their vision to all employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>B The organisation’s leadership has motivated their employees to achieve their vision</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>C The organisation’s leadership is honest and can be trusted</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>D The organisation’s leadership does not break promises made to its employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>E The organisation’s leadership has the required skills to lead people</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>F The organisation’s leadership admits when it has made a mistake</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>G All managerial and supervisory staff have been trained in effective leadership skills</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>H The organisation has an effective management development policy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Questionnaire
**B.6** Please indicate the extent to which you agree/disagree with the following statements regarding communication practices in your organisation.

<table>
<thead>
<tr>
<th>COMMUNICATION PRACTICES</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong> The organisation’s has developed an effective communication policy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>B</strong> The organisation’s listens to the voice of the employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>C</strong> The organisation prefers person-to-person contact rather than the use of e-mails</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>D</strong> The organisation’s communication systems are sensitive to the background and culture of the employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>E</strong> The organisation allows employees to voice their opinion and ideas</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>F</strong> The organisation has an effective management development policy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**B.7 GENERAL COMMENT**

Please outline what the organisation can do to build trust between management and the trade union collective bargaining teams:

..........................................................................................................................................................................................
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..........................................................................................................................................................................................
..........................................................................................................................................................................................

Name: ........................................................................... (optional)

E-mail address: ..............................................................

(If you wish to receive a synopsis of the research results)