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Conditions of Employment LABOUR RESEARCH SERVICE

**NUMSA Proposals on the ADE Co-ordinating Forum.**

**Consultation and the House Agreement.**

Management/employee consultative committees are an important tool for improving plant productivity, increasing employee involvement in decision making and preventing industrial disputes. Properly structured they are the basic building block of productivity.

Consultation, worker participation, co-ordinating forums and so on are all variations on the idea of establishing forums composed of management and labour to discuss a broader range of issues than "traditional" industrial relations. NUMSA believes that it is in neither side's long term interest to establish a Co-ordinating Forum that is not directly connected to the House Agreement negotiations.

Accordingly it is our view that the House Agreement should have a clause inserted specifically establishing the "Co-ordinating Forum" and describing its area and scope of operation.

This approach also ensures that there is recognised dispute resolution mechanisms through both the House Agreement and the main agreement. It also puts pressure on both parties to take the issues involved and any agreements arising from the Forum with the seriousness they deserve.

**The Co-ordinating Forum.**

Establishing the Co-ordinating Forum through the House Agreement effects the construction of the Forum's membership as technically only parties to the agreement could be members. NUMSA believes that it is essential that all stakeholders are able to input to the Forum. We suggest that the Forum be composed of an equal number of management and union representatives (including the Managing Director and the Local Organiser) and number of ex-officio members including staff et al.

As the decisions of the meeting are likely to be reached through negotiation and consensus the issue of voting right is likely to be of little importance.

The Forum should include an agreed mediation process to ensure rapid resolution of deadlocks.

The forum's principal parties should be entitled to bring in outside expertise as required and should have an established budget, specified in the facilitating clause of the House Agreement, with which to finance its activities.

### Forum Agenda.

The first activity of the Forum should be to develop a consensus view of the challenges and opportunities facing the company. To this extent NUMSA does not necessarily accept the separate sub-committees as represented in the employers draft proposal. This is not to suggest that we do not believe these are critical issues rather they may not be logical as sub-committees. It is our view that number and focus of a sub-committee structure will emerge from a joint exploration of the challenges and opportunities.

We therefore propose the following agenda following establishment of the Forum:

- Joint identification of the problems and possibilities of the company through research and information exchange. This should include:
  - Response to changing market environment, tariffs and competition;
  - Capital utilisation and the multi-shift system;
  - Levels of investment in both human resources (training and skills grading) and capital equipment;
  - Remuneration including productivity and grading systems;
  - Work organisation and in particular teams system and quality assurance methods;
- From the problems/possibilities identify priority areas for the establishment of sub-committees.
- Develop a work program and timetable for the committees and the Forum itself with targets for implementation.
- Take the above back to the entire workforce for explanation and involvement.

Much of the above could be achieved in a few days of an intensive Boseberaad if properly prepared and the overall concept is acceptable to the parties.

### The First Step.

Obviously there is the need to meet and discuss the management's initial proposals and our suggestions above. This meeting should include all potential stakeholder and the relevant local and national officials. The meeting should also be prepared to go further with issues should agreement on principles be forthcoming.

## DRAFT CO-ORDINATING FORUM CLAUSE FOR ADE HOUSE AGREEMENT

### I PREAMBLE:

- A. The emergence of a new political dispensation in South Africa has re-opened the country to new International economic pressures for our industry. In particular the Implementation of the new Motor Industry Development Program has major consequences for the company. The ability of the company to survive and grow and to provide secure employment and improved wages and working conditions for its employees in this new environment will require considerable restructuring of its operations.
- B. However, such restructuring should not be imposed unilaterally but needs to be implemented in a co-ordinated and planned manner involving the participation and consultation of its employees and the unions which represent them.
- C. Accordingly, the parties agree to enter into an agreement to govern the process of implementing workplace change arrangements so as to:
- improve the productive performance of the company and increase its ability to compete on international and domestic markets.
  - improve the material well being of its workforce through better wages , benefits and working conditions, including a narrowing of wage disparities between different categories of employees.
  - create more varied, fulfilling and interesting jobs for its employees.
  - establish legitimate consultative processes between the management and employees and their union representatives.
- D. The parties recognise that the process of workplace change is both comprehensive and complex and will require genuine commitments by both parties if it is to be implemented in a reasonably short period of time. Accordingly, the parties agree to commit themselves to an open and participative process requiring substantial commitments of resources.



- E. The parties also acknowledge that for the Agreement to offer the possibility of long term sustainable benefits to employers and employees alike, their needs to be a comprehensive and integrated approach to workplace change and not one that pursues a piecemeal approach.

## II. SCOPE OF THE AGREEMENT

The Agreement is limited to negotiations on the following areas of workplace change:

- change to product line and business strategy
- investment levels in human and capital resources
- work organisation, work processes
- working time in shift system
- introduction of new technology
- skills formation (including all matters affecting education and training policy and delivery (including ABE)
- benchmarks and targets
- grading and wage relativity's
- productivity and performance assessment
- workplace democracy and information sharing  
and any other matter agreed upon between the parties.

## III. CO-ORDINATING FORUM

- A. The parties agree to the establishment of ADE co-ordinating forum (A.C.F.) and a number of sub-committees as determined.
- B. The parties agree that the ACF will be the principal negotiating forum to negotiate, plan, co-ordinate and implement the areas of workplace change referred to in section 2 of this clause and that all proposals for change are submitted to the ACF for its consideration.
- C. The parties agree to participate in and engage in the deliberations of the ACF in an open and constructive manner, aimed at achieving genuine improvements in the economic and social relations for and between both parties to the organisation.
- D. The parties reserve the right to invite outside assistance (i.e. from consultants, the union and COSATU or business federations) to make input to ACF meetings provided there is agreement by the Committee at a previous meeting.

- E. The management agree not to seek to implement workplace change arrangements unilaterally in terms of the arrears referred to in section 2 of this Agreement, without the endorsement of the ACF
- F. The unions agree not to disrupt the workplace change process provided that it is executed in accordance with the terms of this agreement.
- G. As far as possible, agreement will be reached by consensus between the parties.
- H. The role and function of ACF is to:
- meet on a regular monthly basis (or more frequently if agreed by the parties) to discuss and agree on the details and substance of and a process for implementing workplace change at the workplace in terms of the areas specified in section 2 of this Agreement only, including specifying a timetable for tasks.
  - maintain a record of its meetings in terms of minutes which record the agreements and decisions of the parties.
  - elect a Chairperson and Secretary one of whom will be from management and the other from the unions and can be undertaken on a rotational basis.
  - be comprised of equal numbers (specify the number) of union and management representatives. The union representatives will be elected in proportion to their membership within the workplace.
  - the management group to include at least one representative of management who has the authority to make decisions affecting the workplace change process.
  - the union group to include at least one union official from each of the unions represented.
  - ex officio members that include staff
  - co-ordinate and oversee the allocation of tasks for collecting information and data relevant to the workplace change process.

- appoint, monitor and take reports from any consultants employed to assist the process.
- participate in any joint (or separate) training programmes intended to assist in the collection and analysis of data or in the implementation of workplace change whether or not such training is provided by the company, the union or an outside consultant.

- I. The parties understand that the union representatives on the A.C.F. do not displace substitute for the normal roles and functions of the shop stewards council within the workplace and that all matters not pertaining to those areas specified in section 2 of this Agreement (such as wage bargaining, working conditions and grievances) are to be handled by the shop stewards council, even though these shop stewards may / will be represented on the A.C.F.

#### IV INFORMATION SHARING

- A. The parties agree that there will be a commitment to genuine participatory dialogue and open and free exchange of information concerning company proposals (for change) and company / production conditions.

Such information shall include but not be limited to:

1. For grading systems
  - wage rates and non wage benefits by occupation and (existing) grading level, including those for management.
  - the total wage bill
  - wage relativity's between each grade (and bands within a grade).
  - wage comparisons by grade and occupation levels across different sections in the company.
  - current criteria for promotions and grading increases.
  - wage trends for the previous five years.

## 2. For training

- total expenditure on training and as a proportion of total payroll
- expenditure on training by grading level and occupational category
- training data on course programmes for each broad occupational category (management, supervisory, artisan, operational, clerical) in terms of:
  - length of courses
  - type of courses (induction, / ABE / technical)
  - training providers
  - certification status
  - accreditation status
  - method of training and assessment (competency, normative)
  - training expenditure for the previous five years
  - distribution of training time (in total hours) to each broad occupational category.

## 3. For work organisation

- proportion of labour costs (wages and non-wage benefits) to total costs
- breakdown of all costs of production (in percentage and absolute terms) showing proportion of all factors of production (labour, materials, equipment, marketing and sales, etc.) of total costs.
- rate of profit, turnover and sales
- rate of wastage / defect as a proportion of total value of production value / cost of wastage per unit / item and as a total
- value / cost of re-work on defective items and as a total
- employees / supervisor ratios by section and total value / cost of inventories / stocks as a proportion of total value of production based on weekly / monthly production rates.
- amount / cost of downtime on machinery in absolute hours per week and as proportion of total hours of production .
- identification of lines / sections / divisions where downtime / wastage / rejects occur.
- proportion of total product delivered late to customers. Average delivery delays in days / per



month  
number of customers complaints per month.

## V. PARTICIPATORY APPROACH

A. The parties agree that they will jointly participate in the collection, compilation and analysis of data and information relevant to the workplace change process and the management and co-ordination of tasks for this purpose. Such tasks can include but not be limited to:

- the development of a new (skill based) grading system)
- work organisation / process audit and plan
- skills needs assessment / analysis
- training plan
- company strategic plan
- performance measurement indicators

B. The parties acknowledge that consultants may be required to assist in this process but that all efforts should be made by the consultants to train the members of the ACF so as to maximise their participation in the data collection.