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Industrial Democracy In South African Industries.

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Introduction

Democratising all spheres of South African society is going to be one of the biggest challenges facing the new Government of National Unity. In some areas ability and willingness to democratise will fall squarely on the shoulders of the role players. One such area is industry. South African industries have been characterised by the most undemocratic forms of management. South African managers have enjoyed an inordinate degree of power not even comparable to those of their counterparts elsewhere in the world. Meaningful democratisation will involve challenging the taken-for-granted unilateral decision-making by managers and redistributing power in the workplace.

South Africa is currently moving towards an exciting but potentially dangerous era. One cannot downplay the strides that may be made in industrial relations. But it is equally difficult

to downplay the fact that workers may be excluded if they do not monitor the reconstruction and development process properly. One of the ways of keeping abreast of the reconstruction process is through industrial democracy. Furthermore workers need to be able to participate fully in their respective organisations to have impact on macro level negotiations. Workers in South Africa come from a tradition of paternalistic forms of management. Organisational structures are clearly hierarchical, rigid and result in forms of management that are incapable of responding to participative forms of leadership. The success of industrial democracy or worker participation depends on acceptance of the programmes by employees and their representatives.

The main focus of this paper is on worker participation and the need for industrial democracy in South Africa. The paper will begin by defining worker participation and industrial democracy. This will be followed by a discussion of the state of participation in South Africa. Central to the discussion will be the workers perception of the participation schemes and their propensity to participate. The discussion will be based on a case study done at Khangela Brewery.[1] Several factors which make industrial democracy necessary as opposed to just pure forms worker participation will then be discussed. Suggestions of some

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1. This is part of a broader study I did in 1991-1992 to assess worker participation initiatves at Khangela Brewery which is a subsidiary of National Sorghum Breweries in Durban.

key issues to consider in introducing worker participation and industrial democracy will form the last part of the discussion.

Worker participation and industrial democracy

The effects of work upon the well-being of individuals are increasingly receiving attention world-wide. Hence the introduction of participatory schemes and industrial democracy has proliferated. Much of the confusion about worker participation and industrial democracy results from the absence of precise definitions of the terms. There is a tendency to use the terms interchangeably, whereas worker participation is an extension of industrial democracy.

Worker participation is much narrower in focus than industrial democracy, it deals with participation of workers in the management of the enterprise. Worker participation can be defined as:

> "a philosophy or style of organisational management which recognises both the need and the right of the employees, individually or collectively to be involved with management in areas of the organisations decision making..."(Cohen, 1991:2)

Worker participation can be located at different levels of the enterprise. Nel(1984) and Torres(1990) identified three levels. Participation of workers can occur in the boards of companies

where policy issues and long-term executive issues are dealt with. Decisions related to the company include, diversification mergers and takeovers, retirement policy, profit sharing and decisions on purchasing of equipment. Workers may be involved in decision-making at the intermediate or plant level. Matters dealt with here could include flexitime, absenteeism, induction, training and working hours. Participation can be located at the shopfloor level concerning task related issues. Shopfloor issues could include quality control, waste reduction, customer complaints, protective clothing and personal tools. Participation can be direct in that it allows employees to be personally and actively involved in the decision making or indirectly through worker representatives.

A further aspect of worker participation is that it can be 'pseudo' meaning that it takes place in discussion not in decision-making. It can also be partial in that the two parties influence each other in the making of decisions but one of them has the prerogative of making a decision. Full participation only occurs where employees do not only influence decisions but determine the outcome of such decisions(Maree et al, 1989). Furthermore such participation needs to deal with controlling factors of the organisation in order to be real and meaningful.

Industrial democracy is a process which has broad social objectives. It aims at expanding employee rights and restricting the rights of the dominant industrial hierarchy(Jian, 1980). It also aims at exerting pressure on governments, making them more

responsive to employee and union views for redesigning the total economy toward more socially oriented goals.

Industrial democracy is more political in nature encompassing broader decision-making on macro-economic policy rather than just policies of individual enterprises. Decisions at the macro-economic level may include, for example, trade and tarrif agreements and legislation regulating labour relations. Participation at the macro-economic level is through representation. Nel(1984) points out that indirect participation restricts employees to relatively passive roles since they rely on employee representatives to carry out the active role of discussing and deliberating with management on their behalf. However, there are methods of ensuring the right message is put forward.

Worker Participation in South Africa

Forms and levels of participation tend to differ just as much as the predicted outcome of such arrangements. Torres(1991) states that Greenberg(1975) identified three distinct schools with different ideas on the purpose of participation, these being the management school, participatory democrats and participatory left. The "management school" according to Torres(1991) supports participation as an instrument to achieve certain goals for the enterprise. Management places emphasis on the production of goods and services at a profit. To them this can be achieved through team work and loyalty. Management has given the impression to

some extent, (according to theorists such as Torres(1991), Cohen(199) and Anstey(1990)) that participation is often introduced as a way of undermining trade unions and as a strategy for the survival of free enterprise.

The "participatory democrats", on the other hand, according to Torres(1991) place emphasis on participation as a learning process. Participation is seen as a way of achieving specific goals in decision-making. The major function of participation is an educational one. Experience is gained in democratic skills and procedures.

The "participatory left" call for a broader distribution of control within organisations. Both the "participatory left" and "participatory democrats" treat participation as a learning process, but they differ in that the end goal of participation for the former is the establishment of "worker controlled enterprises" and a move towards creating a socialist society. For "participatory democrats" the goal is mainly to afford workers an opportunity to learn and apply democratic processes

The implementation of workplace participation in South Africa has been dominated by the management perspective. Worker participation in South Africa so far has been driven by the need to increase productivity and efficiency. It has been viewed as a management strategy that can successfully ensure the transformation of labour power into actual labour, through a process of consent rather than coercion. Managers in South Africa

in the mid 70s found themselves faced with a crisis of legitimacy and threats to the survival of free enterprise. They responded by introducing recessionary measures such as retrenchment to deal with problems of productivity while encouraging participation schemes to win hearts and minds of workers. At times worker participation was introduced as a way of by passing trade unions.

It was hoped that through worker participation and a presumed increase in company loyalty workers would support the capitalist economic system. The survival of free enterprise would be ensured. Thus forms of participation introduced involved communication and consultation concerning task related issues, while decision-making remained intact in the hands of the employer. Such contradictory strategies by managers has in fact left them open to suspicion by workers. Workers are increasingly calling for democratisation. Several case studies done in South African companies show that there is little commitment to full participation and even more so to redistribution of power.

Common forms of participation are quality circles, briefing groups, Employee Share Ownership Plans, joint health and safety committees and a variety of communication schemes.

Workers Responses to Participation

The extension of participation in a number of European countries has been the policy of trade unions and political parties while

in this country the initiative has been ceded to employers. Workers and their representatives have until recently rejected any form of participation, regarding it as co-optation, with the exception of collective bargaining.

In the study done at Khangela it was confirmed that workers were suspicious of managements intentions when they introduced worker participation schemes. They were seen as a way of undermining trade unions and increasing productivity at the expense of workers. Although the company had changed in 1989 from a government owned business to black ownership levels of mistrust were still very high. The Human Resource Manager pointed out that workers were extremely suspicious hence the introduction of participatory schemes was initially a "tell and sell" situation.

Furthermore the study showed some significant factors that reduced the workers propensity to participate. Workers at Khangela to a certain extent did not question managements prerogative to manage. They felt more comfortable with managers making decisions on their behalf because it was managements duty to do so. Failure to identify areas in which they could make decisions in the company reduced their propensity to participate. There was general agreement that they did not have the skills and expertise to make significant decisions. None of the participants defined participation as including decision making in controlling factors of the organisation. It was defined as involving either collective bargaining or joint consultation.

It must be noted however, that whilst there was no explicit wish to challenge managers control workers felt managements power should be reduced. Due to low levels of literacy and training amongst workers it was difficult for them to realise that by identifying and making decisions in controlling factors of the organisation managements power would be reduced.

The propensity to participate was further reduced by their lack of understanding of the participative schemes available at Khangela, namely, ESOPs, briefing groups, monthly shop steward/management Meetings and collective bargaining. Workers clearly did not understand what was to be gained by buying shares in the company. They knew little or nothing about the scheme except that they were paying for shares. Workers did not realise that briefing groups had been introduced in the company at some point. Monthly meetings between shop stewards and management as well as collective bargaining were more familiar to them. One of the main reasons being that collective bargaining was the most developed form of participation. The study also showed that both management and workers were more comfortable dealing with collective bargaining rather than with participative schemes that required a change in the conflictual relationship to one of trust and co-operation.

Lately unions have come to realise that however they feel about these programs managers support for participation is unlikely to wane. Unions have to get into these programs and shape them to serve workers interests. Non-participation could prove to be

self-defeating. However, trade unions are looking at these programs extensively, but they have not yet wrestled the initiative from managers.

In spite of the fact that programs on worker participation have failed to show significant success there is a need to try and revise these schemes. My argument is that there are problems in industry that may require the need to make significant strides in both industrial democracy and worker participation.

Motivations for Industrial democracy

There are several factors which are readily identifiable for the urgent need to introduce forms of industrial democracy in South Africa which are both political and economic. South Africa is currently undergoing significant changes in the political, social and economic systems. Establishment of democracy based on diversity is the eventual political goal. Debates on democracy are not limited to the political sphere but extend to the workplace. Hence industrial democracy in this country will not only be introduced as a need to improve the quality of working life but to draw millions of people who have been excluded from the democratic process into participatory structures.

One can attribute part of the failure to at least partially democratise industry, even with the introduction of worker participation, to the absence of political democracy in the country. Participation of workers in decision-making in

enterprises on its own could not deliver industrial democracy. Especially in a country where the rules of the game in the social and political sphere were clearly undemocratic. The worldview of proponents of participation were still firmly fixed on the ideas of inequality and managerial prerogative. It is the overall societal and political context into which the programmes are introduced which is important to the successful development of worker participation or industrial democracy.

Now that some sense of political democracy has been achieved people's expectations are very high, evidently they wish to see significant changes occurring in the workplace. If the notion that the prerogative to manage belongs to managers is not challenged sufficiently it is likely that development will take place at the expense of workers again.

Furthermore, South Africa is currently facing a severe economic crisis. One of the explanations advanced for this crisis is that it is an over accumulation crisis dating back to 1974. The crisis is directly related to capital accumulation. The crisis has been expressed in the form of structural problems over the past 15-20 years in the productive sectors, namely:- industry, agriculture, mining and in the labour and financial markets. Evidently it is going to require a concerted effort to pull South Africa out of this crisis. It is important to both labour and capital to revitalise the economy although they may have different approaches to it. Industrial democracy is important in ensuring that all parties participate fully in determining the

reconstruction process. One of the ways of ensuring a just economy is to develop a practice of industrial democracy.

There is already evidence of changes in technology, work organisation and industrial relations in order to cope with reconstruction(Ewert, 1992). But success in these areas requires active participation and co-operation by employees. To gain maximum output from technology the workforce have to actively support the changes. Thus more attention has to be given to transforming corporate culture and management styles.

One of the key principles of the Reconstruction and Development Programme(RDP) of the African National Congress is the democratisation of South Africa. An active process enabling everyone to contribute to reconstruction and development is envisaged. Labour is invited to play an effective role. The RDP has identified that central to the building of the economy is the question of workers rights and the need to redress the imbalances of power between workers and employers. Legislation is to be created which will enable worker-participation and decision-making in the workplace. One has a sense that this will not remain at the level of rhetoric especially if the workers lead the process.

Key Issues to Consider for the Development of Industrial Democracy

Worker participation and industrial democracy evidently have to be explored more fully in South Africa. At the moment existing

programs do not challenge managers control, they in fact extend that control. The study carried out at Khangela Brewery supports this assumption. There is a lack of commitment to participation and problems are meaningless and disjointed. Managers are not ready to share decision-making. They have only been interested in introducing participation for purposes of increasing productivity. When the programme introduced does not bring changes in productivity support for that programme dwindles.

Industrial democracy can be a powerful means to strengthen democracy in the society at large. However several factors have to be taken into account in order to develop industrial democracy in this country.

One of the challenges to the development of industrial democracy is the low levels of literacy and training among the majority of workers. Not only do workers need to be trained for participation but literacy levels have to be increased.

In order to enable workers to deal with decision making at the macro economic level they have to participate fully in their respective organisations. The fact that the majority of managers are unwilling to enable workers to participate fully at all levels of the company makes them lose out on gaining the experience and skill required. Worker participation programmes need to have clearly set objectives. There has to be joint agreement between all parties about the extent of participation. Participation schemes must constantly be evaluated by to ensure that they are functioning properly.

Managers have the advantage of controlling decision-making at this juncture because they have the expertise and information about production and human relations. A key challenge to the democratisation process will be information disclosure. Both labour and managers have different ideas about what information should be disclosed and the depth of the information provided. The state may have to play a major role in discussion on the extent and depth of information disclosure.

Conclusion

Reaping the productivity benefits from industry will not automatically flow through increased aid, investment and introduction of new technology. Careful consideration has to be given to the role of individuals working in these firms. Since the workers constitute the majority of the disadvantaged people in this country it is in their best interest to be able to map out the direction which will ensure that the economy is more socially oriented. State policy or legislation supporting moves towards industrial democracy will require an input from workers hence it is important that they are able to contribute effectively.

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