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The relationship of labour relations on entrepreneur's firm's performance in Gauteng South Africa

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Abstract

This study looks at labour unrest at automobile manufacturing plants in Gauteng South Africa. It is a qualitative study whereby management representative's, workers and trade union representatives were interviewed about their challenges about their relationship in the workplace.

Solutions are then discussed amongst the various stakeholders and a futurist view is then given to the researcher about the relationship. The idea of this topic came because of the high labour unrest in South Africa and the worry was its impact on private companies especially in the motor manufacturing industry where global markets play an essential role in terms of demand.

Trade unions in South Africa have played a pivotal role in dismantling apartheid injustices in the workplace. Trade unions now in a democracy have to find their new sense of purpose in a democratic South Africa while protecting worker's rights at the same time. This balance becomes very difficult especially with the current economic climate in South Africa.

Entrepreneurs in South Africa are sceptical about hiring large amounts of labour in South Africa due to the threat of trade unions at their workplace. All of this becomes the fear of the unknown and a balance of power then erupts at the workplace and entrepreneurs fear the worst in investing in factories in the country because of this.

This study finds the balance between these two powerful forces on how best can they work together so that ultimately more jobs can be created and the economy can benefit in the long run. This study opens the stereotype mind-sets people have of each other as a country and helps us find the common goal in achieving the best results for our companies and country.

Definitions or Abbreviations

1.**Labour relations** – The relationship between the management of a company and its workforce.

2. **Entrepreneurial firms** – Companies that were founded by entrepreneurs and are now organisations that employ over a hundred employees.

3.**Worker**- A person engaged in employment for remuneration from the employer on a weekly or monthly basis.

4.**Management** – A representative chosen by the board/owner to run and lead the company.

5.**Labour Unrest**- Industrial action, strikes- illegal or legal, go slows, stay away's,

6.**Trade Unions** – Organisation representing workers at the workplace.

7.**Shop Steward** – Trade union leader chosen by the workers at the workplace.

8.**Firm's performance** – How the company performs financially annually and quarterly.

9.**Apartheid** – It's an oppressive regime towards black people who are the majority race in South Africa that took place from 1948 until 1994 favouring the white race who were the minority.

10**.ANC** – African National Congress a political party which governs the country and is a majority in parliament able to pass laws.

11.**NBF agreement** – National bargaining forum agreement for the Automobile manufacturing industry which is between Automobile manufacturers employers (AMEO) and the National union of metal workers of South Africa (NUMSA)

12**.AMEO** – Automobile manufacturers employers in South Africa consisting of Mercedes Benz SA, BMW SA, Ford SA, Isuzu SA, Nissan SA, Toyota SA and Volkswagen SA.

13.**NUMSA**- National union of metal workers of South Africa headquartered in Johannesburg South Africa.

14.**BMW SA**– Bavarian Motor works a German automobile manufacturer in South Africa based in Rosslyn Pretoria.

15.**FORD SA**- An American automobile manufacturer in South Africa based in Silverton Pretoria.

16.**Nissan SA** – A Japanese automobile manufacturer in South Africa based in Rosslyn Pretoria.

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Table of Contents

Contents

Chapter 1: Frames of Reference 14

1.2 Background to the study 14

1.3 Problem Statement 16

1.4 Research Questions 16

1.5 Aims and Objectives 17

1.5.1 Aims 17

1.5.2 Objectives 17

1.5 Proposition of the study 17

Chapter 2 Literature Review 20

2.1 Introduction 20

2.2 Impact of firm's performance on workers 23

2.3. Impact of Trade Unions on the firm's performance 24

2.4 What process are followed to manage labour relations 25

2.5 How does labour relations affect firm's performance 27

2.6. Alternative methods in labour relations for South Africa 28

2.7 Morale of the workers 28

2.8 Low performance output in companies 29

2.9 The relationship of Labour relations on performance 29

2.10 South Africa needs change 30

2.11 Trade Unions popularity in South Africa 32

2.12 Trade Unions Popularity in other countries 33

2.13. Conceptual Framework Model 35

2.14 Conclusion 37

Chapter 3: Methodology 37

3.1 Introduction 37

3.2 Research Paradigm 38

3.3 Research Approach 39

3.4 Research Design 40

3.5 Description of Research Site 41

3.6 Target Population and Sampling 42

3.7 Research Tools 42

3.8 Research Analysis 44

3.9 Validation 44

3.10 Conclusion 45
3.10.1 Methodological reflections 45
Chapter 4: Presentation of Results 47
4.1. Overview 47
4.1.2 Brief Introduction 47
4.1.3 Thematic Themes 48
4.1.3.1 Advantages 48
4.1.3.2 Disadvantages 48
4.2 Background profile of Respondents and Process Followed 49
4.3 Background of Process Followed 51
4.4 Presentation of Findings and Data 52
4.5 Coding Analysis 53
4.5.1 How is coding done 53
4.5.2 Codes 54
4.5.3 List of overall codes 56
4.5.4 Categorizing Codes 57
4.6. Global Categories 58
4.7 Coding Elimination 60
4.7.1 Defining the Codes 61
4.8. Thematic Network 62
4.9 Impact of labour unrest 64
4.10 Extent of labour unrest in your firm? 64
4.11 How often does labour unrest happen in your firm? 64
4.12 How has labour unrest affected your firm's performance? 65
4.13 How does labour unrest affect you as worker? 65
4.14 How does the firm's performance affect you as a worker? 66
4.15 How does the firm resolve labour unrest? 67
4.16 What are the processes followed by the firm to manage labour unrest? 67
4.17 What are the barriers to the firm not following labour relations processes? 68
4.18 What can be done differently to avoid labour unrest? 70
4.19 What will be the benefits of no labour unrest in the firm? 71
5 Conclusion 71
Chapter 5 Discussion of Results 72
5.1 Introduction 72
5.1 Impact of labour unrest 73
5.2 Extent of labour unrest 73

5.3 Consequences of Labour Unrest 74
5.4 Performance of Firm on the workers 75
5.5 Impact of trade unions on labour relations 75
5.8 Relationship of Trade unions and Firms 76
5.9 Process followed by firm to manage labour relations issues 76
5.10 Impact of labour of labour relations on firms' performance 77
5.11 Alternative Methods 78
6.Conclusion 78
Chapter 6: Conclusion and Recommendation 79
6.1 Introduction 79
6.2 Major findings 79
6.3 Key Conclusions 80
6.4 Recommendations for stakeholders 81
6.5 Suggestion for future research 82
Reference list 83

Table of Figures

Figure 2 Conceptual Framework Model 35

Figure 3 Map of Gauteng 41

Figure 4a Number of People 50

Figure 4b Race 50

Figure 4c Number of Respondents 51

Figure 4d Rossyln Pretoria & Ford SA Silverton 52

Figure 4E BMW SA Rosslyn Plant 52

Figure 4F Codes 60

Figure 4G Thematic Network 62

Figure 4H Production Output vs Workers Income 66

Figure 4I Ford SA Silverton Pretoria 66

Figure 4J Strike Process 67

Figure 4K NUMSA members outside BMW 68

Figure 4L NUMSA Logo 68

Figure 4M How to reduce labour unrest 69

Figure 4O Labour Unrest Consequences 69

Figure 4P Strikes vs No Strikes 70

Figure 5a Labour Unrest Consequences 74

Figure 5b Strike Process 76

List of Tables

4.5.2 Codes …….....53

4.5.3 Overall Codes …….....…56

4.5.4 Categorizing …….....57

4.6 Global Categories ……..…58

List of Annexures

1. BMW South Africa vs National Union of Metal Workers of SA 2011.
2. National Union of Metal Workers of SA vs Volkswagen South Africa 2007.
3. Mercedes Benz in Slumber land by Jerome Ngwenya Legal advisor& IR Advisor (MBSA) 1990.
4. Mercedes Benz Strike Chronology by Jerome Ngwenya 1990.
5. Respondent 1 Signed Consent Form
6. Respondent 2 Signed Consent Form
7. Respondent 3 Signed Consent Form
8. Respondent 4 Signed Consent Form
9. Respondent 5 Signed Consent Form
10. Respondent 6 Signed Consent Form
11. Respondent 7 Signed Consent Form
12. Respondent 8 Signed Consent Form
13. Respondent 9 Signed Consent Form
14. Respondent 10 Signed Consent Form
15. Respondent 11 Signed Consent Form
16. Respondent 12 Signed Consent Form
17. NUMSA Constituency Meeting Agenda at BMW SA 15th February 2019

The relationship of labour relations on entrepreneurial firm's performance in Gauteng South Africa

Chapter 1: Introduction

1.2 Background to the study

This study explores the relationship between labour relations and entrepreneurial firms' performance in Gauteng South Africa. Entrepreneurs are people who have taken a financial risk by setting up a business hoping to make a profit. Entrepreneurs set up firms which are companies that provide employment and remuneration (Tilly, 2017a). The entrepreneurial firms employ workers/employees and pay them wages or a salary (Casson, 2003). In South Africa, companies that employ more than ten people are allowed to join trade union. Trade unions are an organization or association of workers in a trade, formed to protect and regulate the rights of the workers in a workplace (Chan, 2010) by making sure that all the stakeholders adhere to the rules and regulations. The conduct of the rules and regulations is referred to as labour relations which governs the relationship between employers and employees. Example of labour relations issues include employee disciplinary misconducts and employer and employee conflicts which can lead to labour unrest. Labour unrest involves strike action(s) or industrial action(s) taken by the trade unions against a company (Dhliwayo, 2012).

This research study is therefore important in that there is a gap between labour relations and the performance of the company in that the two can have severe consequences for all the stakeholders if they do not work well together (Haroon Bhorat, 2012). The gap is that when there are labour relations issues in a company and workers end up protesting or exercising strike action, the entrepreneur is always the last person to know about this phenomenon and by then it is too late to fix it because a lot would have been broken in the relationship. This gap then persists and creates a barrier for growth because of lack of trust amongst the stakeholders (Haroon Bhorat & Cheadle, 2009)

In the global context, labour relations issues can be avoided by entrepreneurial firms. Entrepreneurial firms avoid labour relations issues by firstly outsourcing their production departments to developing countries such as China, India, Brazil and some African countries (Harmse, Blaauw, & Schenck, 2009). Secondly, entrepreneurial firms avoid labour relation issues by subcontracting the labour component to temporary employments services agencies (Haroon Bhorat, Pauw, & Mncube, 2009). Thirdly they avoid labour relation issues by using other companies as a means of production, and instead of employing their own workers for production purposes in their countries (Haroon Bhorat & Cheadle, 2009).

However, these are not the solutions because they do not assist companies in dealing with labour relations issues. Instead they are an avoidance mechanism which does not create employment in our companies and country making them unsustainable in the long term for any company and country respectively (Bond, 2002).

The manner in which South African trade unions and workers deal with labour relations issues is largely counterproductive because the consequences thereof affect the workers highly as many lose their jobs after protest actions. South African trade unions tend to be motivated in labour unrest easily by taking strike action or protesting rather than trying to solve the problems first with an employer or entrepreneur. South African companies cannot also adopt global methods because of the country's high unemployment rate. Entrepreneurs need to create jobs to turn around the country growth. This then creates a research gap because of the two stakeholders causing and taking different actions. Global methods like outsourcing production work to other countries that are currently being used to curb labour relations issues will not help our current situation in the country where unemployment is very high (Tilly, 2017a).

Locally in South Africa the trade unions' current methods that are being utilised in dealing with the labour relations are protesting legally or illegally (toyi toying), go slows (working in a slow-motion effect) and stay away's to name a few in South Africa (Dhliwayo, 2012). Through comparison of global and local methods used to prevent labour relations it is evident that there is a huge gap in the two and the researcher explores a possible solution that may be applied to the South African market. The researcher's positionality is from an entrepreneur's point of view.

The researcher will look at this topic as adding to the body research for labour relations currently experienced in entrepreneurial firm's performance in South Africa. This study will help explore one of the most important challenges entrepreneurs face which is labour relations.

1.3 Problem Statement

A research problem is an area of concern, a gap in the existing body of knowledge or a deviation of the existing norm with a need for further understanding and investigation (Benjamin, Bhorat, & Cheadle, 2010). With this study the researcher's area of concern is the high rate of protests at entrepreneurial firms in South Africa. The extremely low output performance of the firms which ultimately threaten worker's jobs and lives. The serious animosity-ridden relationship between trade unions and entrepreneurs and why they cannot function well together.

All of these factors then negatively impact growth for the companies and the country at large. This then becomes a fundamental problem in trying to deal with labour relations issues in South Africa as a young innovative company.

1.4 Research Questions

Research questions are an answerable inquiry into a specific concern or issue (Blundell & MaCurdy, 1999). This is the initial step in a research project, it provides a focus for the study. The questions the researcher will ask are descriptive, observational, relational and casual – cause and effect questions which will help the study with answers (Chan, 2010). Here are the following questions:

- To what extent is the impact of labour unrest and its consequences thereof in entrepreneurial firm's performance.
- In what ways does the firm's performance impact the workers.
- What impact does trade unions have on labour relations and how does it impact on firms' performance?
- What are the process followed by firms to manage labour relations issues?
- How do labour relations affect firm's performance?

- How can this study encourage South African trade unions to welcome these alternative methods for labour relations as oppose the status quo?

With all these questions answered, this study will then provide a platform for entrepreneurs to bring solutions in their companies based on the various challenges mentioned.

1.5 Aims and Objectives

1.5.1 Aims

The aims of the study are:

- It is to understand how labour relations affects entrepreneurial firm's performance.
- Investigate the process followed by the firm to manage labour relations.
- To unpack the impact of trade unions on labour relations and understand its impact of the firm's performance.
- The consequences after the strike action has finished for the entrepreneurs and workers at the companies.

1.5.2 Objectives

The objectives of the study are:

- To explore the relationship between labour unrest and company performance.
- To explore the relationship of entrepreneurs and trade unions.
- To explore the relationship between the entrepreneurs and his/her workers.
- To explore the relationship between the trade unions and the workers and their influence in the workplace.
- The cause, why and how it leads to labour relations issues at the workplace.

1.5 Proposition of the study

The researcher's proposition is that when there is a negative relationship between entrepreneurs and trade unions this relationship impacts badly on the company's performance.

1.6 Assumptions of the Study

An assumption is an unexamined belief like what we think we realize, without realizing we think it (Lewis, 2015). Our inferences are often based on assumptions that we have not critically thought about (Casson, 2003). A critical thinker however is attentive to all these assumptions because they are sometimes misguided or incorrect (Grossett & Hills, 2003).

1.7 Limitations of the Study

Limitations are influences that the researcher cannot control, they are short comings, conditions or influences that place restrictions on the methodology and conclusion (Kothari, 2004). The expected limitations to this study entailed a concern that workers may not willingly and whole-heartedly participate and tell the truth when being interviewed for fear of reprisals and victimisation either from the company where they worked or from the trade union body that they belong to. Also, there were expected resistance from the trade unions – resisting to be part of the process – because of the nature of the case study of the research on labour relations and its impact on Entrepreneurial firm's performance in Gauteng South Africa. Here, the choice of a qualitative approach was crucial towards understanding the depth of these issues.

With regards to the noted concerns, the researcher managed to counter act those limitations by offering the firms assurance of secrecy by signing an indemnity form with each one of the participants before the interviews are conducted at their workplace. The same assurance was given to the trade unions and the entrepreneurs respectively.

1.8 Ethical Considerations

Ethics are norms or standards of conduct that distinguishes between right or wrong they prevent against fabrication or falsifying of data (Mahoney & Goertz, 2006). It promotes the pursuit of truth and knowledge which is the primary goal of research. Important ethical concerns are anonymity, confidentiality and informed consent (Kumar & Phrommathed, 2005).

The ethics is an accumulation of the values and principles that will address what is good and bad in this research study. These ethics pertains to doing good and avoiding harm (Bond, 2002). Quality and integrity needs to be ensured for this research study (Haroon Bhorat, Van der Westhuizen, et al., 2009). All participants will participate in the study voluntarily (Abor & Quartey, 2010). Any harm to the participants of the study will be avoided (Mumford, 2006).

1.9 Conclusion

This thesis is divided into six chapters. The next chapter provides a literature review; chapter 3 covers methodological issues; chapter four explores the research questions, chapter five looks at analysis and the last chapter looks at the major findings.

In summary the researcher is of a positivist view that the data collected from the population proposed will be helpful in firstly identifying the problem of labour relations across all stakeholders. The proposition of the study is that there is a negative relationship between entrepreneurs and trade unions and this affects the company's performance badly.

The aims and objectives of the research study will paint a picture of the study and emphasis what needs to be accomplished. The limitations of the study will be dealt with accordingly in that the researcher has devised means to overcome the limitations. Ethical considerations are the values and principles that will address good and bad of the Research study.

The researcher is hopeful from the qualitative research tool adopted the results will be authentic and explanatory.

Chapter 2 Literature Review

2.1 Introduction

Literature review is a survey of books, scholar articles and any other sources relevant to the area of research and by so doing it provides a description, summary and critical evaluation of these works related to the research problem being investigated (Dhliwayo, 2012). In this chapter the researcher explores scholarly contributions pertaining to the question of the impact of labour relations on entrepreneurial firms' performance in Gauteng South Africa. The researcher also explores debates on themes like: the impact of labour unrest on entrepreneurial firms' performance; the firms' performance impact on the workers; the impact of trade unions' labour relation on firms performance; the process followed by the firm to manage labour relations; how labour relations affirm firms performance; how can this study encourage alternative methods for labour relations, the morale of the workers, the low performance output in firms and the trade unions popularity in South Africa. These themes will help outline what is important in the literature review.

Labour relations in the workplace has been defined as the effectiveness and efficiency of a trade union in a work environment (ÖKE, 2000). Some scholars have defined it as participation of workers, productivity and the firm's environment (Levine, 1990). For the purpose of this research I will be using H. Bhorat's (2009) definition that labour relations is the relationship between the management of a company and its workforce.

The significance of this literature review is to find what governs the employer-employee relationship and the trade union relationship in the workplace. Research is like a journey to the mind as it allows a way of thinking. In this journey the researcher will looks into the global context of labour relations and funnel into the South African experience of labour relations. This entails an in-depth exploration of the extent of the impact of labour unrest on entrepreneur's firm's performance. This will enable the study to arrive at possible ways of understanding the ways by which the firm's performance also impacts the workers. Through this study for labour relations the researcher aims to add value to the body of knowledge in this field of labour relations to help future generations of entrepreneurs in handling the labour relations at the workplace with all the stakeholders involved.

The researcher will then outline the conceptual framework as per the research topic and its associated variables. The variables are labour relations, entrepreneurial firm's performance, trade unions and workers. Through this conceptual framework the researcher is going to investigate the relationship of all these variables and how they work well together including establishing if there is a research gap.

2.2 Impact of labour unrest on firm's performance

Labour relations is the relationship between employer and employee and its governance is solely based on the rules and regulations set up by the management of the company (Bhorat & Cheadle, 2009). The misconducts of this relationship would be disciplinary measures ,strikes (illegal and legal), go slow (working in a slow motion) and stay away's as a form of protest in the company which will all affect the firms performance (Blundell & MaCurdy, 1999).Entrepreneurial firms are firms that employ a hundred or more workers and are allowed to have a trade union within the organization to strengthen the labour relations with the employers under the Labour relations act 66 of 1995 (Grossett & Hills, 2003). The relationship with all these different stakeholders being the entrepreneur, worker and the trade union is highly important as it affects the company's performance should there be a misconduct arising from the rules and regulations of the firm (Harmse, Blaauw, & Schenck, 2009). These misconducts will then escalate to labour unrest or strikes, and this would then spiral out of control and create job losses ultimately closing the company down. South Africa has been notorious for these labour strikes in the world and more specifically in Gauteng where most business are situated (May & Govender, 1998).

Industrial revolutions have been the cornerstone of any country since the nineteen century (Commons & ContributionS). Striking and quitting were expressions of labour relations (Cornfield, 1985). Writers such as Elton Mayo, John Commons and Sumner Slichter (Commons & ContributionS) condemn the large corporation for engineering in the 1800's unrest by failing to restore the sense of community typical of small firms of an erstwhile era of entrepreneurial capitalism (Commons & ContributionS) (Cornfield, 1985). Labour strikes have always come with industrial revolution. Increasing competition, rapidly changing technology, changing work force characteristics and how to increase productively are pressing issues for individual firms and the entire US economic systems (Parks, 1995).

Since the beginning of the industrial revolution, practitioners, researchers and policymakers have tried to define and evaluate particular workplace practices and systems of practices that can spur productivity growth and competiveness (Parks, 1995). Others have maintained that in solving employment problems workers may exist the firm or collectively voice their concerns by remaining loyal to their employer (Cornfield, 1985).

Textile Mills were the first factories in the United States replacing home based production process during the late 1700's to mid-1800's (Commons & ContributionS; Kaufman, 1998). With the help of rail roads in opening mass markets, the factory system spread into nearly every industry and became the dominant mode of production of production by the 1880's (Commons & ContributionS; Kaufman, 1998). In the transformation from the crafts-based economy to the industrial manufacturing the economy rapidly changed to an organization of organized work. Initially much of the labour required by firms consisted of skilled artisans who were members of craft unions and could contract their work and conditions (Parks 1995). This then meant that workers had to be organized in many parts of these factories by the turn of the 19th century (Parks, 1995).

Many of the newly formed factories were merely collections of artisans involved in turning out small amounts of specialized products (Cornfield, 1985). The factory system displaced much of the external contracting or putting out system because the factory was superior for more intensive use of expensive capital and standardization of quality (Kaufman, 1998). As centralised factories systems began to dominate, craftsmen traded independence for access to capital needed to compete with larger manufacturing establishments Parks (1995).

With these manufacturing firms being established in abundance at a rapid rate the labour now had to comply with work rules and structures that others determined. An important question under these conditions was how to structure organizations and practices to increase productivity among employees whose interests were different than those of employers (Cornfield, 1985). Attitudes towards labour changed. At one extreme was the view that labour was lazy, insolent and ignorant. Workers had to be prodded through coercion and fear to give a fair day's work (Thompson and Borglum,1973). Connected to this idea was the belief that relations between labour

and firms would always be conflictual as a result (Parks, 1995). This view is related to the traditional end of the philosophical spectrum. The competing alternative extreme was more Jefferson (Parks, 1995). It held that workers would proudly and willingly cooperate in economic progress as long as they were provided with an adequate stake in their survival and had satisfactory living and working conditions. This approach encouraged cooperative solutions to resolve conflicts and promote commitments, loyalty and harmony (Thompson and Borglum, 1973).

The development of the working environments since the industrial revolution has seen a relatively high progression from the early command (Parks, 1995). The control and drive systems optimized by Taylors scientific management to today's emphasis on employee involvement is simplistic and erroneous (Parks, 1995).

2.2 Impact of firm's performance on workers

Labour costs: The first important force altering today's workplace is the change in labour costs. Greater competition in international markets with less costly non-union labour and the low domestic productivity growth of the 1970's and 1980's has increased pressure on manufacturers to reduce costs (Chan, 2010). Labour cost represents 70% of all production costs. One obvious target of firms that face escalating competition has been to try increasing labour productivity (Chan, 2010).

Technological Changes: Technology is the second important force that has altered the landscape. Microprocessor based technologies have cut the cost advantage of mass production and increased the capacity for customization and diversity (Chan, 2010). As result the mass production market of the past has become fragmented and less stable. Traditional mass production manufacturing for example. Assembly lines are being replaced by more flexible batch job high quality technology manufacturing that competes on the basis of quality and customized service that computers have made economical (Chan, 2010).

Labour market characteristics: The third force driving contemporary change is a shift in labour market characteristics. One characteristic is the decline in union membership and bargaining agreements globally (Chan, 2010). Unionization has been falling since the mid 1950's when it reached its peak at about 36% of the total labour force globally. It reached its lowest point at 16,8% in 1993. At the same time participation rate of women and proportion of white collar and service jobs had increased (Parks, 1995).

Regardless of what caused union power to decline the trend has created an opportunity to fundamentally change the structures and methods of decision making in the firm. Some also argue that the rise of college educated white collar workers prompted demands for broader job categories with more flexibility and a bigger voice in decision making (Parks, 1995).

There is a school of thought that contends that labour cannot be bought and controlled like other resources; consideration needs to be given to equity, justice, stability and other human goals instead of basing decisions solely on a narrow definition of efficiency (Friedman and Kuruvilla, 2015). A different view may be seen in radical literature that traces the evolution of the workplace as a continual search by employers to reduce labour costs and control workers (Chan, 2010). Harry Braverman pioneered the modern version by asserting that management adopted new technology to strip some jobs of skills and give management greater control over the workplace (Olzak, 1989).

2.3. Impact of Trade Unions on the firm's performance

Trade unions globally are currently using various methods in first world countries like UK, USA, Germany and Netherlands as oppose to traditional labour unrest (Marlow, Patton, & Ram, 2004). Through many interventions in the history of trade unions we now find that many trade unions in first world countries are shrinking dramatically and most labour organizations are using different methods to serve their members (Helliwell & Putnam, 2004).

The reason for this shrinkage is based on many factors but the fundamental one is that high level of skilled workers do not prefer trade unions (Peng, 2001). Labour unrest is shrinking globally in first world countries as oppose to developing countries where it is rife (Wade, 2012). Studies show that, over the years, the more people are skilled the less they cause unrest and it is now that entrepreneurs in first world countries come up with alternatives in dealing with this phenomenon (Wade, 2012). Entrepreneurial firms are the back bone of nearly all first world countries making up 70% of the GDP in most countries and employing millions of people in those countries (Peng, 2001).

Much as entrepreneurial firms are the central growth point in many countries, here in South Africa there is still a lot of work to do. Gauteng is the central business hub in

Gauteng and South Africa as a whole and it is densely populated with workers from different and diverse backgrounds (Rogerson, 2006). This central business hub has a lot of unskilled labour as opposed to skilled labour in first world countries. Entrepreneurs in this developing market, one can argue, have vast opportunities in this country however, the environment proves very difficult to survive in (Wade, 2012). Indeed, entrepreneur are forced to have a global view or a global mind-set; this brings its own challenges as much as it brings exciting opportunities (Wade, 2012).

2.4 What process are followed to manage labour relations

South Africa is part of the Brics formation of developing countries and it used to be the highest GDP growth in Africa surpassed by Nigeria 2 years ago (Abor & Quartey, 2010). South Africa is still behind in terms of skills and education let alone innovation in many sectors (Haroon Bhorat, 2008). Labour relations processes are not being standardized with our trade unions in South Africa using the old traditional methods (Tilly, 2017b). It is because of this statement that one finds that the labour unions command so much respect even though globally trade unions are dwindling (Haroon Bhorat & Cheadle, 2009). Trade unions have grown in numbers with AMCO being the newly formed union in the Mining sector (Dhliwayo, 2012). This probably had to do with the Marikana strike which lasted seven months but unfortunately 34 miners were brutally killed.

Alternative methods bring a new hope to entrepreneurs in dealing with their labour (Haroon Bhorat, Pauw, et al., 2009). It is through these alternatives that entrepreneurs can really grow their business while making a social impact in society. Organized labour (unions) have to work together with the entrepreneurs to make the company grow (Haroon Bhorat, Van der Westhuizen, & Goga, 2009). AMCO played a pivotal role in that strike and through this their membership grew.

Organized labour unrest in South Africa has inflated over the past 5 years with service delivery protests leading the movement (Tilly, 2017b). This has also prompted trade unions in the private sector to follow suit but unfortunately the consequences are very different from the government sector. The economy in South Africa has not been doing well for the past 10 years and this often leads to dire situations. Entrepreneurial firms

are shrinking, and most businesses are closing shop because of the high inflation (Tilly, 2017b).

Growing the country and companies, it is argued, requires doing things substantially differently, hence the necessity of alternative methods that will help entrepreneurial firms to grow and employ more people (H Bhorat, 2009). The leadership of any company will have to speak in one voice as the same as the trade unions. Organized labour (unions) need to go work hand in hand because they both need each other (Haroon Bhorat, 2012). All parties need each other: the entrepreneurs need the workers to fulfil their duties; the workers need the job; and the trade unions need the workers as their members (Haroon Bhorat, Pauw, et al., 2009).

It does not make sense that Labour unrest has killed many businesses and in the processes many jobs have been lost (Marino, 2012). South Africa has managed to pass civil war in 1994 it is ironic that we are not managing to come together on fundamental issues like when we did it in 1994 for Convention of Democratic South Africa (CODESA) (Twala, 2012). With Gauteng being the central city where most entrepreneurs thrive, it becomes conducive for business (Wade, 2012). The past has left many people wounded and unfortunately it will take a lot of time to heal those wounds but at the same time work has to go on, and the country needs to be productive (Twala, 2012). South Africa has the highest Gini coefficient in the world and very high unemployment rate which makes matters worse (Ashman & Pons-Vignon, 2015).

Labour unrest has been recorded as one of the major drivers of economic breakdown in any country (Benjamin et al., 2010). With a country like South Africa it is evident that labour unrest cripples the country which make the situation very volatile. Imagine having the courage to start a business then after some years your own employees revolt against in order to close it down (Twala & Kompi, 2012). Having a business in Gauteng where unskilled labour is in abundance it is only vital that the entrepreneur should also have methods in dealing with these challenges (Tilly, 2017b). Gauteng has various businesses and nearly all trade unions have head offices in Gauteng (Tilly, 2017b). It is through these employees' social capital (base) that information is passed through to various labour unions to start causing an uproar at a company (Twala & Kompi, 2012). However, entrepreneurs are not totally innocent in many cases as many

of them fail to create a conducive environment for workers to work in. This gap, between the entrepreneur and the worker, unfortunately stifles economic growth, and South Africa – some people argue – is slowly dying in terms of its business capabilities (Rogerson, 2006).

2.5 How does labour relations affect firm's performance

Labour in South Africa is continuously changing with millennials coming into the job market at a rapid rate. The gap between the educated and uneducated is continually rising and alternative methods will help close this gap by having one voice at the workplace (Peng, 2001)). In years to come the trade unions will not grow because of the highly skilled workers coming into the job market or because of a high need for specialized skills (Chan, 2010). Trade Unions then needs to reinvent itself in order to appeal to various people from different backgrounds to sustain their future in South Africa (Haroon Bhorat & Cheadle, 2009). Many big corporations in South Africa have opted to outsourcing the labour component of their production as an alternative way of dealing with labour (Dhliwayo, 2012). This is why Labour unrest has dwindled in private companies like Vodacom and MTN whereby most of them are using Temporary employment services due to the risk of labour unrest (Abor & Quartey, 2010).

As much as this is not a great solution for the workers, it is effective for entrepreneurs. Entrepreneurial firms have identified the labour gaps in unrest and most investors have pulled out of the firms in South Africa due to unrest (Benjamin et al., 2010). Unfortunately, when investors pull out, many people lose their jobs and in a place that is densely populated like Gauteng it has become notorious for its crime due to high unemployment rate which is self-inflicted in most cases (Palmery, 2003). This creates a serious pressure on the country, and if it is ever to come out of its slump South Africa needs to take a different direction with the issues of labour (Dempsey & Sanders, 2010).

With alternative methods productivity will be the sole focus as it is the back bone of the company's growth (H Bhorat, 2009). For the company to grow, productivity needs to be consistent and very high and this can only be done together as a unit (Haroon Bhorat, Pauw, et al., 2009). Organized labour will need to buy into the company's vision and mission to boost productivity in the company (Friedman & Kuruvilla, 2015). There will always be low productivity if there is labour unrest in any company (Baker,

1920). This holds back the company and creates serious psychological problems between management and the workers. In turn Entrepreneurial firms are the hardest hit with low productivity to meet high overheads (Chan, 2010). This then leads to retrenchments later after the strike which is also not a solution. There have been situations where many businesses resident in Gauteng, where competition is extremely tough, are suddenly faced with unrest and sooner or later they close shop (Twala, 2012). This is in fact evident in South Africa's export market to the world as the country is no longer exporting many products as before. This negatively impacts the country's GDP growth and ultimately jobs (Tilly, 2017a).

2.6. Alternative methods in labour relations for South Africa

Through Alternative methods, job security will be protected; this will help companies to grow and perform better in South Africa (Wade, 2012). The loss of jobs is detrimental to everyone. It affects both the workers and the trade unions. For the trade union, it means dealing with a lot of their members losing work which has negative implications for union membership due to job losses (Baker, 1920). Many workers know that Labour unrest in itself leads to loss of jobs as the ultimate result, but they sometimes victimized by their co-workers (Tilly, 2017a). On the other hand, Entrepreneurial firms are forced to lay off workers because there has been no productivity for a long time which kills company's projections (Dhliwayo, 2012). This whole vicious cycle is difficult to get out of as Gauteng's unemployment rate is of the highest and correlates with its high crime rate (Fukuyama, 2001). This then equates to South Africa as having one of the highest unemployment rates in the world which could render the country in future ungovernable and cause a civil war between the unemployed and employed (Schreuder, 1989).

2.7 Morale of the workers

Everything starts with a morale in the company, and organized labour need to work hard in uplifting workers at the workplace. It is also true that creating a positive workspace is not only up to the management of the company (Mumford, 2006). Labour unrest by its own definition is filled with negative energy which is fuelled by workers not wanting to be a part of the company (Tilly, 2017b). Entrepreneurial firms need to work hard at uplifting the company's morale so that workers are part of the vision of the company (Rajak, 2008). Living in Gauteng has its pros and cons, but the high unemployment contributes highly to the morale of the people in the city (Harmse et al.,

2009). South Africa's morale has also been somewhat very low in the last ten years due to its political instability, but this should change hopefully.

2.8 Low performance output in companies

We often find that many trade unions do not necessarily care about performance of the company because they feel that it is not their problem at all (Rubery, Ward, Grimshaw, & Beynon, 2005). Unfortunately, labour unrest sustains low performance margins by paralysing productivity (Wade, 2012). It is up to Entrepreneurial firms to come up with strategies that make sure that performance increase (Hanson, Dowling, Hitt, Ireland, & Hoskinson, 2001). This is where the researcher feels that trade unions can be more involved as well. Being in the heart of Gauteng with a lot of variety to many things except low profit margins brings about its own opportunities and challenges (Cornfield, 1985). South African economy is so diverse that it encourages innovation and low profit margins means that your company cannot diversify their risks (Rooks, Oerlemans, Buys, & Pretorius, 2005).

2.9 The relationship of Labour relations on performance

Unfortunately, trade unions are normally not the people highly affected by the labour unrest than the workers and the entrepreneurs (Rogerson, 2006). Labour unrest is definitely not a nice process and its effects and consequences thereof can be deadly, Marikana being the example (Dhliwayo, 2012). Entrepreneurial firms have it the hardest because they take the blame and the responsibility of the job losses, liquidation and lawsuits thereafter (Dempsey & Sanders, 2010).

This puts pressure of services on cities like Johannesburg. Being the biggest and the most populated city in the country, its economic outlook all rests on the labour unrest (Rogerson, 2006). South Africa is currently deemed as a country with high strikes which threatens investor confidence. Currently, major companies like Vodafone that bought Vodacom have employed temporary employment services cutting out the workers in order to prevent them from forming a trade union (Haroon Bhorat, Pauw, et al., 2009). This is mostly a survival strategy.

The impact of the bottom line means that there won't be jobs or increases in the future, but alternative methods will prevent this from happening (H Bhorat, 2009). Organized labour often feels the effect of the bottom line first when they don't get their bonuses as a benefit being the first culprits to be taken away (Benjamin et al., 2010). When

Labour unrest occurs, the employer doesn't pay the employees while they are on strike which hampers on their bottom line immediately as well (Tilly, 2017a). The workers often regret this and sometimes would like to stop the strike but they are victimised by fellow co-workers. Entrepreneurial firms normally try and save the situation by taking out loans or overdraft facilities just to make ends meet (Chan, 2010). However, this impact is felt in the streets of Gauteng whereby people would lose jobs and resort to crime (Tilly, 2017b). All of these impact South Africa's inflation which keeps rising until the poverty levels are out of reach which could potentially culminate in a civil war (Dhliwayo, 2012).

2.10 South Africa needs change

Change is inevitable in this ever-changing world that we live in. Trade Unions will have to be open to new methods in order to stay relevant for the future (Blundell & MaCurdy, 1999). Alternative methods will help prevent labour unrest for long term gains for all workers and ultimately the country (Arthur & Smith, 1994). Entrepreneurial firms are in the forefront for seeking better ways of alternative methods or organized labour unrest (Arthur, 1994). Living in a cosmopolitan city like Gauteng which is normally seen as the innovation hub of Africa, these alternative methods should then take off first here as a example for the rest of Africa (Tilly, 2017a). The South Africa government has also embarked on the Black Industrialist program which aims to create Black industrialists who will then create sustainable jobs for the future of the country.

The Alternative methods mission is to ensure sustainability for entrepreneurial firms and ensure job security for all workers (Kuratko, Hornsby, & Bishop, 2005; Kuratko, Ireland, & Hornsby, 2001). Organized labour's fight is for job security but in doing so they don't ensure that they save the jobs in the first place (Kuratko, 2005). Workers should know that embarking labour unrest can negatively impact their jobs and their bottom line (Casson, 2003). It is unfortunate that Entrepreneurial firms are also quick to retrench as many workers possible to ensure the companies survival (Rogerson, 2006). People from all over Africa migrate to Gauteng for better hope of jobs and a better life (Spring, 2009). But often than not they find it difficult especially if they are unskilled. The beacon of hope which is South Africa, the hope of many African countries as well in terms of sustainable job security, but many people find that it is not so (Buckley & Casson, 2003).

Through alternative methods we will be able to observe the labour movement and how to handle the different issues that arise (Rogerson, 2006). The labour unrest in itself is a movement and has a pattern to which it can be identified (Olzak, 1989). Entrepreneurial firms are normally not aware about the signs that labour unrest is going to occur; often when they do, it is too late (Bonacich, 1972). More often than any other city, labour unrest normally occurs in Gauteng or it starts here (Twala, 2012). This is then translated into the whole of South Africa and it spirals out of control (Twala & Kompi, 2012).

Through alternative methods this study will be able to pick up if there is a direct correlation between labour unrest and company growth (Arthur & Smith, 1994). The Organized labour movement knows the consequences of unrest but are prepared to take it because they see it as fighting for their members (Rajak, 2008) which is normally in vain because labour unrest directly impacts on the company's growth because when it is happening there is no productivity taking place (Thompson & Borglum, 1973). Entrepreneurs always want company growth to expand their business (Rogerson, 2006). The South African growth trajectory in labour unrest is high and it impacts on the growth of the company (Twala & Kompi, 2012).

Alternative methods will help entrepreneurs know how to lead workers into a different format of doing things (Wade, 2012). It is a pity that Organized labour is always aware of what the entrepreneurial activity is and how it affects the workers. For example, if top management gives themselves high bonuses and cannot afford to increase salaries the following year (Schreuder, 1989). Labour unrest normally takes place when there has been an injustice in the process between the employer and employee (Shane, 2009). Entrepreneurs are also normally caught up in their own World and by not being in touch with reality they get caught out in the process (Rogerson, 2006).

In South Africa there is serious entrepreneurial will but a serious lack of action due to many factors (Twala, 2012).

Alternative methods can only be explored in research and this can allow for further influence in the Entrepreneurial field (Haroon Bhorat, Pauw, et al., 2009). Organized labour can be influenced through research by showing the statistics on what is happening worldwide and the effect thereof. This might force them to change (Dempsey & Sanders, 2010). Labour unrest can be prevented indefinitely but with this

study we would like to create a synergy between the trade unions and the entrepreneurial firms (Dhliwayo, 2012).

2.11 Trade Unions popularity in South Africa

Trade unions in South Africa have become more and more popular by the amount of strikes they hold which is a detrimental strategy in recruiting workers (Rubery et al., 2005). Some trade unions want to remain relevant in holding as many labour protests as possible to show that they mean business (Wade, 2012). Entrepreneurs now feel threatened when the company can't afford to meet up expectations of the trade unions (Chan, 2010).

Alternative methods will strengthen this relationship between labour and the entrepreneur (Dempsey & Sanders, 2010). Trade unions acts as middlemen between the labour and the companies but most of the time they also push their own agenda during the negotiations (Twala & Kompi, 2012). Labour unrest is then created because of these two parties not agreeing to each party's certain conditions (Tilly, 2017b). Entrepreneurs are caught up with day to day pressures of dealing with the businesses and forget one of the most important relationships in their business which is the workers (H Bhorat, 2009). Alternative methods will help strengthen these relationships because more often than not, they are extremely strained (Wennekers, Van Stel, Carree, & Thurik, 2010).

Trade unions historically have a love-hate relationship with entrepreneurs as most entrepreneurs exploited workers under apartheid (Stigler, 1951). This memory is indoctrinated in many unions' minds and they are quick to call for an unrest without much intervention of other avenues. Labour unrest was used as a tool by then the banned political movement called the ANC to render the country ungovernable and essentially the white capital businesses (Haroon Bhorat, Van der Westhuizen, et al., 2009)). Entrepreneurs historically do not trust trade unions because they believe that they want to sabotage the company based on the country's history (Haroon Bhorat, Pauw, et al., 2009). Gauteng has recorded some of the biggest strikes in history as many mining headquarters are situated in Gauteng (Dhliwayo, 2012). South African entrepreneurs need a fresh outlook on trade unions and vice versa. Both parties need to learn to trust one another (Haroon Bhorat, Van der Westhuizen, et al., 2009).

2.12 Trade Unions Popularity in other countries

In other countries like Australia, United States of America , New Zealand and the United Kingdom trade unions helped establish political parties who in turn helped achieve workplace reform (Chan, 2010). The percentage of trade unions worldwide varies but it has shown a decline since the highlights of 1960's (Gill, Stewart, Treasure, & Chadwick, 2008). Changing political, economic, social and demographic factors have contributed to a decline in trade union density particularly in the private sector (Kaplinsky, 2000). Many low entry jobs have been outsourced to overseas countries through globalisation, namely in Africa and India, these jobs were highly unionised in the past (Rambe & Nel, 2015).

Increasingly worldwide there has been an increase on casual, part time work or contract work which gives people more freedom to do other things in their other time. This type of work is now estimated to have increased by 40% globally (Wade, 2012). People no longer see the relevance in having a union for its wages when they can negotiate their own terms with the company themselves (Baumgartner & Jones, 2010). However, trade unions can increase their profile by not looking at only the labour issues but rather community issues such as the environment, health, education and immigration. These highlight the relevance of a union towards its community (Bolwig, Ponte, Du Toit, Riisgaard, & Halberg, 2010).

Trade unions do have a traditional role globally in continuing to fight to represent workers' rights by opposing workplace injustices, but their real relevance is tied up in the broader community (Dempsey & Sanders, 2010).Trade unions are the only group that have the resources, cohesion and experience with a wide range of groups of people in a society who can help implement an alternative model that is simpler and more sustainable (Buckley & Casson, 2003).

Former Australian Treasurer Joe Hockey, stated that "Trade unions are on the verge of extinction and have no role in modern society" however associations of worker's unions still have a vital role to play in industrial relations and society as a whole (Bolwig et al., 2010).Trade unions in Europe are faced with migrant workers challenges and how best to solve the dilemma. The first dilemma is whether trade unions should resist the employer's efforts in cooperating with the foreign workers from abroad (Marino, 2012). If the trade unions cooperate with the foreign workers, this could depress the

wages of union members, and the availability of surplus labour might weaken the trade union bargaining power while resisting it could slow down the economic expansion of the company and ultimately the country (Marino, 2012).

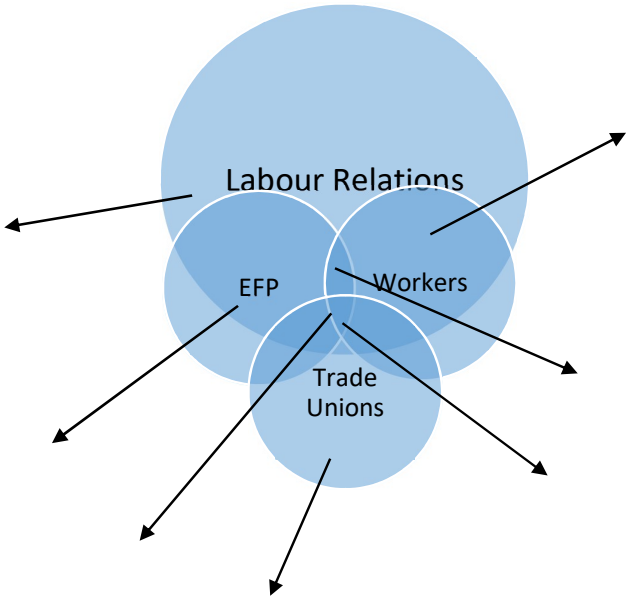
The second dilemma arises when the worker arrives regardless whether they come spontaneously or on demand: should they be regarded as part of the trade union ranks and file and therefore be actively recruited as members with the same rights as any other worker (Marino, 2012). Exclusion could drive a wedge in the labour movement eventually weakening its negotiating position while inclusion could be seen as a threat to the natives (Marino, 2012).

In manufacturing plants of Automobile industry in Europe, namely Ford, Volkswagen, Daimler and General Motors, the strategic vision has to be to decentralise plants in various countries in order to not give the trade unions much bargaining power to halt operations completely (Greer & Hauptmeier, 2008). This has allowed management to shift productions easily between plants, and managers have aggressively used this tool to threaten worker representatives with disinvestments in their current departments (Greer & Hauptmeier, 2008).Trade unions have been against this idea since the inception of decentralising the plants but it has worked out efficiently for German car manufactures who have opted for an international co-ordination of the their products rather than a European only approach (Buckley & Casson, 2003).

2.13. Conceptual Framework Model

The relationship of labour relations on entrepreneurial firm's performance in Gauteng South Africa

Figure 2 Conceptual Framework Model



Variables

- Labour Relations (Independent variable-IV)
- Entrepreneurial firm's performance (Dependent variable-DV)
- Workers (Moderators)
- Trade Unions (Independent Variable - IV)

Sub concepts

1. Labour Relations: The relationship with all stakeholders, dominant in the relationship
2. Workers: Workers in the firm and are influenced by the labour relations and trade union

3. Trade Unions: The influencer in the firm through the workers which have a direct effect on firm's performance good or bad.
4. Entrepreneurial Firm's Performance: The output from depending on the labour relations in the firm.
5. Research Gap: This is the smallest part in the framework which the study is based on.
6. Loss of income and loss of jobs affecting the workers immensely and directly.
7. Legal & protected strikes based on the labour relations in the firm.
8. Job security dependent on entrepreneurial firm's performance.

A conceptual framework is an analytical tool with several variations and contexts. It is used to make distinctions and organize ideas (Kumar & Phrommathed, 2005). Good conceptual frameworks capture something real and they are easy to remember. The significance of a conceptual framework is that it defines the way ideas are organized to achieve the purpose of the study.

The researcher's model consists of four variations namely labour relations, trade unions, workers and the entrepreneurial firm's performance. They are all in different circles showing the groupings they represent. The first circle represents the labour relations which overlaps the whole relationship between the three groupings namely workers, trade unions and entrepreneurial firm's performance. It is dominant in the drawing because it is vitally important in our study for the relationship between all three stakeholders. The next circle is the trade union circle which overlaps with the workers and the firm's performance as it is an influencer in this set up. The next circle is the workers circle which overlaps with all three because it is highly influenced by the relations in the firm. The last circle is the firm's performance which is very volatile in its peaks and valleys.

They all meet in the middle where there is a blue circle and that is where the research gap is. This research gap is the pivotal point of our research; this is where we would like to establish the behaviour of all these three groups and give a conceptual distinction (Kumar & Phrommathed, 2005).

2.14 Conclusion

This chapter has succeeded in giving us the literature review from a global perspective to a local one. Trade unions need to be transparent with their members in order not to save the employment rate. Trade unions should not be reckless and abuse their leadership in the companies.

Entrepreneurs need to reinforce their relationships with the trade unions at their workplace. The workers will forever fight for their rights in the workplace. The entrepreneur needs to create the right environment for all workers at the workplace. With demographics changing in the workplace at a rapid pace in South Africa. With this literature review we learned that the unions popularity since the first industrial revolution has increased and is seeing a downward trend within the first world countries. This trend will have an impact on South Africa especially with regards to the fourth industrial revolution.

We learned that investors are reluctant to invest in companies that have large following of trade unions because of the risk that comes with it. Entrepreneurs Worldwide are avoiding labour issues and are opting to outsource that function to third world countries or emerging markets.

Chapter 3: Methodology

3.1 Introduction

In this chapter the researcher presents the Research methodologies which provided the necessary training in choosing methods, materials, scientific tools as well as training in techniques relevant for the problem that this study investigates (Kothari, 2004). Research methodology can be defined as the study to which knowledge is gained and collected for the study (Peffers, Tuunanen, Rothenberger, & Chatterjee, 2007). This, then, helped the researcher in developing research methods which were various procedures, schemes and algorithms used in research by various researchers to add to the body of knowledge (Kumar & Phrommathed, 2005).

The purpose and significance of research is to inform action through different studies which have different purposes and different levels of validity (Kitzinger, 1994). This study adopted the qualitative research approach mainly because of the crucial and

important role qualitative analysis plays in society in that it is the means in which discoveries were made, ideas confirmed or refuted, events controlled or predicted and theory developed or refined (Lewis, 2015).

The researcher chose the qualitative research design as opposed to quantitative design or mixed methods because the researcher is concerned with the process rather than outcomes or products. The other reason for this choice was that the researcher was interested in knowing how entrepreneurs and workers make sense of their working lives in entrepreneurial firms. Qualitative studies involve fieldwork where the researcher would have to go onsite, conduct interviews with the workers, observe and collect data from the institutions to record a behaviour in its natural setting (Mahoney & Goertz, 2006). The researcher seeks to generate an inductive in order to build hypothesis and abstractions between the variable's concepts (Mahoney & Goertz, 2006).

3.2 Research Paradigm

A research paradigm guides on how to carry out the research study, it is simply a belief system or a theory that guides the way we do things (Kitzinger, 1994). In this study it is defined as a world view, a general perspective, a way of breaking down the complexities of the real world (Kumar & Phrommathed, 2005). These complexities were deeply embedded in the socialization of adherents and practitioners as they tell us what is important. They are legitimate and reasonable. They are also normative giving the researcher an outline of the methodological procedure going forward (Kumar 2005).

There is a lot of research paradigms but there were two common types of paradigms which is *positivism* associated with quantitative research using hypothesis testing to obtain the truth or objective and *interpretivism* associated with qualitative research and concerned with the understanding of the world as it is from a subjective view of an individual (Lewis, 2015). The other paradigm is *constructivism* which means that people construct knowledge and meaning from their own experiences (ÖKE, 2000). We also have *pragmatism* which is a deconstructive paradigm that advocates the use of mixed methods (Kumar & Phrommathed, 2005).

The researcher's choice for this study was interpretivist as the study is a qualitative one and the reasons for this choice was a worldview which is from an understanding

of subjective views of individuals that participated in the study. The basis was in the interpretive approach to social reality and in the description of the experience of the human beings in the study (Lewis, 2015).

The researcher conducted interviews on the impact of labour unrest and its consequences on entrepreneurial firm performance creating loss of income, firm's performance impact on workers creating job losses, the impact of trade unions on labour relations on firm's performance by legal or illegal strikes, what process was followed by the firm to manage labour relations, how does labour relations affirm firm's performance and lastly be able to find out how this study could encourage South African trade unions for alternative methods for labour relations.

3.3 Research Approach

A Research approach is a plan and procedure that consists of the steps of broad assumptions to detailed method of data collection, analysis and interpretation (Kumar & Phrommathed, 2005). It is therefore, based on the nature of the research problem being addressed. A Research approach is essentially divided into two categories:

1. Approach of data collection and
2. Approach of data analysis or reasoning

This means, among other things that the researcher would position him or herself (Kothari, 2004). They bring their personal values into the study (Lewis, 2015). Studies the context or setting of participants. Validates the accuracy of findings. Makes interpretations of the data collected (Kothari, 2004).

The researcher creates an agenda for change or reform. They then collaborate with all the participants. They test or verifies theories or explanations. They identifies variables to study(Marlow, Patton, & Ram, 2004). Then they observe and measures the information to study. They use unbiased approaches for the study. They collects qualitative data by interviewing and recording of data(Morris, Woodworth, & Hiatt, 2006). Then after they develops a rationale for the data. They Integrates the data at different stages of inquiry. Then Presents visual pictures of the procedures of the study (Pietrykowski, 1995).

3.4 Research Design

Research design is a rational plan of verification that guides the researcher through various stages of research (Lewis, 2015). The research designs are extremely important because they produce significant and correct conclusions to the research question (Kitzinger, 1994). The purpose of research design is to provide a plan for the study that permits accurate assessment of cause and effect relationships between independent and dependent variables (Lewis, 2015).

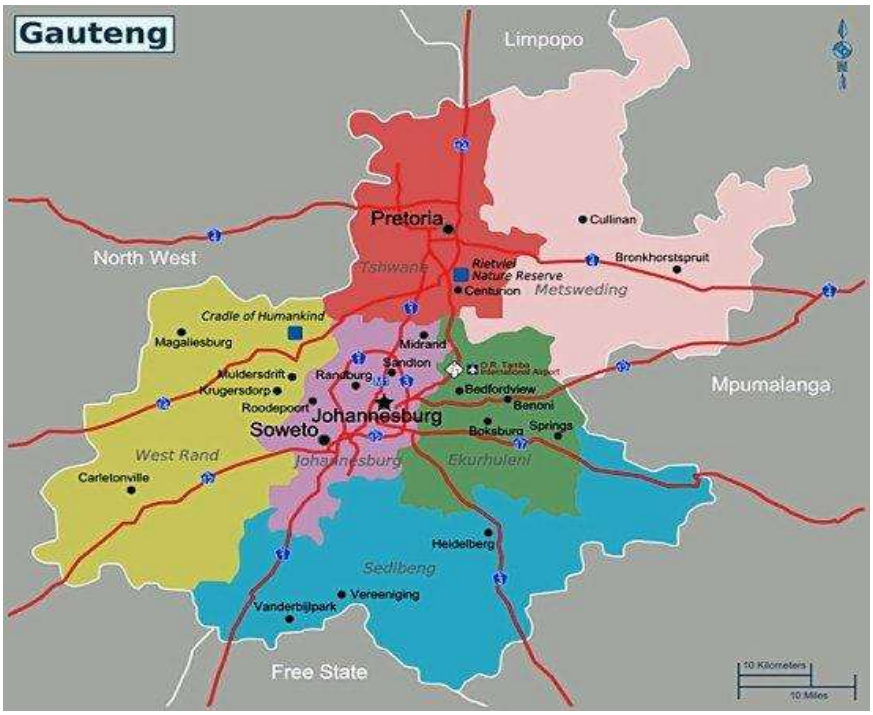
There are four different types of research design in a qualitative analysis namely ethnographic – researchers totally immense themselves in the lives culture they are studying; phenomenology – appearance or perception of things and how they appear; grounded theory – which is the construction of theory; and case study – up close and in-depth study of the subject (Kumar & Phrommathed, 2005).

The researcher's research design choice is a case study approach which looks at the subject in an exploratory way. The exploratory study is aimed to know the effect and impact of the variables of the study (Kumar & Phrommathed, 2005). This means it is used to gain an understanding of underlying reasons, opinions and motivations regarding the relationships pertaining to labour relations on entrepreneurial firm's performance in Gauteng (Mahoney & Goertz, 2006).

3.5 Description of Research Site

Figure 3 Map of Gauteng

Source: (Bond, 2002)



The researcher's research site was Gauteng province South Africa. Because of his residency in the Province, this made commuting and conducting interviews easier and because the province is also the Central business district for the whole of South Africa (Bhorat 2009). The Province has a total population of 12.2 Million people making it the most densely populated province in the country (Grossett & Hills, 2003). The province houses nearly all of the 200 registered trade unions in the country more specifically in Johannesburg CBD where the researcher conducted his interviews with the trade union representatives (Grossett & Hills, 2003).

The researcher chose the automobile sector as the entrepreneurial firms analysed, including all its supporting firms in the industry. The researcher also travelled to Pretoria Rosslyn where the automobile manufacturing sector is predominantly based in the province (Tilly 2017). Finally, the researcher visited the entrepreneurs, workers and trade unions in their respective environments in the Gauteng Province which was highly valuable for this study.

3.6 Target Population and Sampling

The target population refers to the entire population the researchers is interested in generalizing conclusions on (Kumar & Phrommathed, 2005). The target population usually have varying characteristics and is also known as a theoretical population for the study (Kothari, 2004). The researcher chose purposive sampling which is a non-probability sample that is selected on the basis of the characteristics of a population and the objective of the study (Wade, 2012). The purposive sampling is also known as selective, judgemental, or subjective sampling (Grossett & Hills, 2003). The researcher has chosen the biggest trade union in the automobile sector in South Africa which is NUMSA. From this union, the researcher randomly selected two workers in the plant of each of the three firms and three management representatives who are running these companies. With this sampling method participants were pre-selected based on the research questions (Mahoney & Goertz, 2006). The data was collected using in-depth interviews, direct observation, voice recording of the interview and written documents became useful in analysing the data (Fishbein & Ajzen, 2011).

3.7 Research Tools

There are a variety of research tools of data collection in qualitative research. They include observation, textual, visual analysis and interviews (individual or groups) (Kumar & Phrommathed, 2005). The researcher chose to use in-depth interviews, observation, voice recording, written documentation and artefact analysis as a research method for this qualitative study (Albaum, 1997). These methods helped in collecting data and later analysing the labour relations on entrepreneurial firm's performance in Gauteng South Africa.

1.Individual interviews: Semi-structured Interviews

The researcher chose semi-structured interviews so that he could ask open-ended questions based on his topic. These series of broad questions were asked the research participants and they also had some prompts to help them to open up their view on certain issues. These interviews allowed the researcher to encourage the participants to express themselves openly by giving for more information on their current job or workplace. By so doing, this gave the participants the freedom to say how they felt and what should change to make it better. This method also gives the

researcher the freedom to probe the interviewee to elaborate on other areas besides the topic instead of just focusing on one area of concern.

2.**Observation:** Observation may take place in natural settings and involve the researcher taking lengthy and descriptive notes of what is happening. It is argued that there are limits to the situations that can be observed in their 'natural' settings and that the presence of the research may lead to problems with validity. Some of the noted strengths of observation includes its ability to offer a flavour for events happening around the workplace and in the interview room such as whether things are intense or not. Observations can also give insight into the bigger picture of the real problem(s) and how angry people are about it. It can also: demonstrate sub-groups and determine which groups they belong to or not, simply by observing; it can also be used to assist in the design of the rest of the research in that the researcher can really pick out things that he observed that made the interview tense or exciting which makes this a powerful exercise.

Observation can also serve as a technique for verifying of nullifying information provided in face to face encounters. People or environment can be observed. When environment is researched, it can provide valuable background information that may inform other aspects of the research.

3.**Voice recording:** this allows the researcher to also record notes. The =limitations may include people acting unnaturally towards the voice recorder, but the researcher managed to ease them into the interview with unrelated questions to the interview.

4.**Artefacts:** Photographs are also useful when there is a need to collect observable information or phenomena such as buildings, neighbourhoods, dress and appearance which the researcher took in order to showcase the look and feel of the various plants he was observing. Artefacts include objects of significance – memorabilia, instruments, tools which the researcher managed to take from all three different companies.

3.8 Research Analysis

The objective of data analysis was to make rational decisions in evaluating the labour relations on entrepreneurial firm's performance in Gauteng South Africa (Grossett & Hills, 2003). Data analysis is the process of systematically searching and arranging the interview transcripts, observation notes and other non-textual materials that the researcher accumulated to increase the understanding of the problem or challenge (Kothari, 2004). It is an essential component of ensuring data integrity as well as an accurate and appropriate analysis of research findings (Kumar & Phrommathed, 2005).

Data analysis significance was a range of processes and procedures that have been collected into some form of explanation, understanding or interpretation of the people the researcher was investigating (Kitzinger, 1994). The researcher got an in-depth explanatory data from the small sample size. The researcher then drew out patterns from concepts and insights from the interview. The result would be illustrative, self-explanatory in the individual responses based on the uniformed questions all participants were asked (Kothari, 2004).

3.9 Validation

Qualitative research in itself is subjective, interpretative and contextual data, making the findings more likely to be scrutinized and questioned. However, its reliability refers to the consistency with which the research will produce the same results if repeated (Kitzinger, 1994). Its validity will then be the accuracy or correctness of the findings (Kumar & Phrommathed, 2005). The following are steps by step process that the researcher has used to validate his findings from the data gathered:

- **Credibility:** Often called internal validity, this refers to the believability and trustworthiness of the findings. This depends more on the richness of the data gathered than on the quantity of data (Kumar & Phrommathed, 2005). The participants of the study are the only ones that decide if the results actually reflect the phenomena being studied and therefore, it is important that participants feel the findings are credible and accurate (Lewis, 2015).

- **Transferability:** Often called external validity, this refers to the degree to which the findings of the research can be transferred to other contexts by the readers of the research (Kuratko, Ireland, & Hornsby, 2001). This means that the results are generalizable and can be applied to other similar settings, populations, situations and so forth.

- **Dependability:** Otherwise known as reliability, this refers to the consistency with which the results could be repeated and result in similar findings (Kothari, 2004). The dependability of the findings also lends legitimacy to the research method. This is also important for other researchers who may want to replicate the study (Kothari, 2004).

- **Confirmability:** This is a measure of the objectivity used in evaluating the results, and it describes how well the research findings are supported by the actual data collected when examined by other researchers (Kitzinger, 1994). The researchers brought his own unique perspectives to the research process and data interpretation can be subjective in qualitative research. If findings are corroborated or confirmed by others who examine the data, then no inappropriate biases impacted the data analysis of this study (Kothari, 2004).

3.10 Conclusion

This chapter has demonstrated the importance of a qualitative research approach in enabling a deeper understanding of the issues and challenges that underlie labour relations and entrepreneurial firm's performance in South Africa.

The next chapter provides a deeper exploration of these issues as it focuses on presenting some of the findings of this study and their analysis in relation to the research aims and questions.

3.10.1 Methodological reflections

The researcher used a comparative approach as well as an interdisciplinary methodology (Kumar & Phrommathed, 2005). This allowed for a comparison of conditions, forms and impact relating to three different levels: synchronically by looking at contemporary perspectives and topical issues; spatially by comparing different

approaches to the research study; and geographically by comparing South Africa and the rest of the world (Thompson & Borglum, 1973).

Various research tools and methodologies were used, including paper-based interviews and recorded interviews, as well as archival work. Weekly meetings of the participants who were all be based at the various companies helped towards developing a common understanding of the research methods and expectations of the study (Peffers, Tuunanen, Rothenberger, & Chatterjee, 2007).

The researcher conducted qualitative interviews with various candidates in the companies to get a more detailed understanding of their beliefs, attitudes and values about the research topic (Lewis, 2015).

Nissan SA was the first to responded to an interview. The management representative was very engaging on this topic. The next interview that was scheduled was the following week with the trade union leader at Nissan SA who is responsible for one thousand six hundred workers at the plant. He felt that a lot should be done in training the next leaders on what they do on a daily basis. The trade union leader then coordinated two workers to be interviewed by the researcher on a different day. These workers expressed their joy on how much they love being under a union because they felt protected.

The researcher went to Ford SA in Silverton Pretoria and there the researcher met the trade union leader first who is responsible for two thousand workers. The trade uion leader showed the researcher around the plant and introduced him to various departments. The researcher met and interviewed the Industrial relations manager who was very sceptical about the interview at first. The researcher then interviewed two workers from different departments on the very same day at Fords SA.

The last hurdle was BMW SA which was very difficult in getting access to them. The trade union leader from Nissan SA had to intervene and speak to the Trade union leaders from BMW to accept and hear the researcher out. However, they scheduled an interview date. The trade union leadership at BMW even went a step further and invited the researcher to two NUMSA meetings with all the members and a lot of information was revealed about the status quo at BMW SA. There was a robust debate with all members, but the leadership managed to calm the situation down. The researcher then interviewed two workers after the meeting. In particular, the one that

was the loudest and rebellious in the meeting. This worker gave all his frustrations to the researcher and why. The researcher then interviewed the Trade union leader at BMW after the meeting. The last person to be interviewed was the Industrial Manager at BMW on a different date. He gave an in-depth interview about where the company is from and also his own analysis of the future of BMW SA. This journey gave the researcher a synoptic shot of how a small gesture can make a serious impact in people's lives and their outlook on the company.

Chapter 4: Presentation of Results

4.1. Overview

The purpose of this chapter is to summarize the collected data and analysis (Benjamin, Bhorat, & Cheadle, 2010) as stated in the previous chapter of methodology. The results will be based on the methodology applied to gain information. The findings of the study are arranged in a logical sequence without bias or interpretation (Kumar & Phrommathed, 2005). This chapter explains the procedure followed in the analysis of the data, and it presents the main categories and themes that emerged from the data collected. The researcher will then offer an analysis and interpretation of the findings in the following chapter 5.

4.1.2 Introduction

Qualitative data analysis is usually based on an interpretative philosophy. The idea is to examine the meaningful and symbolic content of qualitative data. People differ in their experience and understanding of reality (Booysen, 2007). A social phenomenon cannot be understood outside its social context (context bound). Qualitative research therefore helps to describe a phenomenon or generate theory grounded on the relevant data (Rogerson, 2008). This is a way of understanding human behaviour which emerges slowly and non-linearly. Exceptional cases may yield insights into a problem or a new idea into further inquiry (Wade, 2012).

4.1.3 Thematic Themes

Thematic analysis is one of the most common forms of analysis in qualitative research. It emphasizes pinpointing, examining, and recording patterns (or "themes") within data (Hirschsohn, Godfrey, & Maree, 2000). Themes are patterns across data sets that are important to the description of a phenomenon and are associated with a specific research question (Masondo, 2003).

4.1.3.1 Advantages

It gives the researcher flexibility it allows multiple theories that can be applied to this process across a variety of epistemologies. It is well suited to large data sets. The researchers can to expand range of study of past individual experiences. It is great for multiple researchers. The interpretation of themes is supported by the data. It is applicable to research questions that go beyond an individual's experience. It allows for categories to emerge from data.

4.1.3.2 Disadvantages

Reliability is a concern due to wide variety of interpretations from multiple researchers. Thematic analysis may miss nuanced data. The flexibility makes it difficult to concentrate on what aspect of the data to focus on. The discovery and verification of themes and codes mesh together. There is limited interpretive power if analysis excludes theoretical framework. It is Difficult to maintain sense of continuity of data in individual accounts. It does not allow the researchers to make claims about language usage.

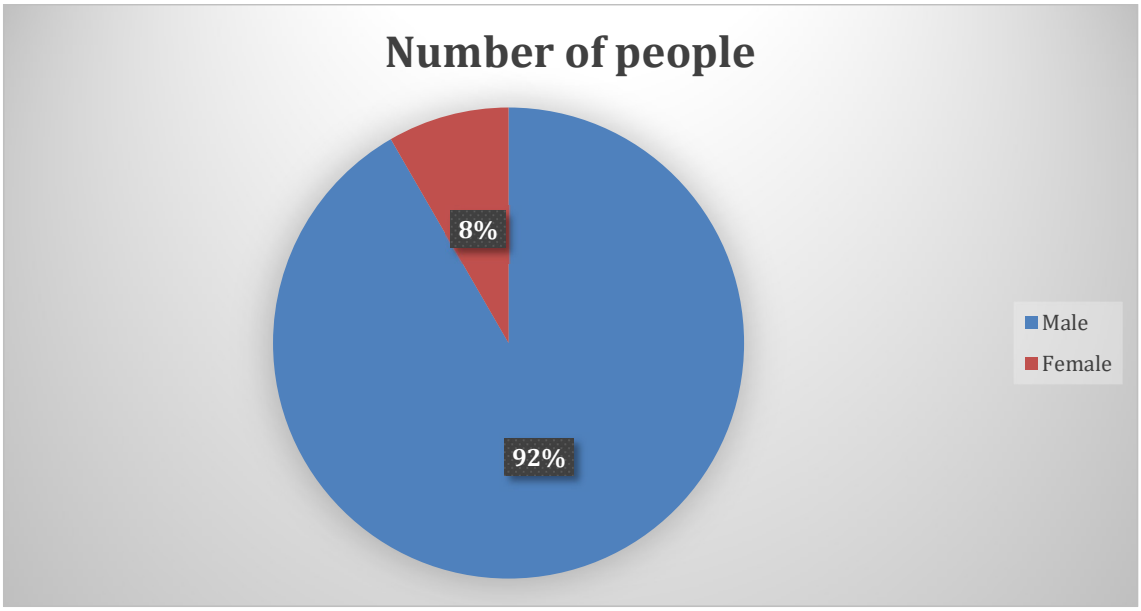
4.2 Background profile of Respondents and Process Followed

The background profiles of the candidates that took part in the study were the following:

- Respondent 1: Nissan SA Industrial Manager; Management; Coloured Male; 23 years' experience.
- Respondent 2: Nissan SA Trade Union NUMSA Chairperson; Black Male; 14 years' experience.
- Respondent 3: Ford SA Trade Union NUMSA Chairperson; Black Male; 18 years' experience.
- Respondent 4: Ford SA Industrial Manager; Management; Black Male; 5 years' experience.
- Respondent 5: Ford SA General Worker; Receiver; Black Male; 31 years' experience.
- Respondent 6: Ford SA General Worker; Operator; Coloured Female; 14 years' experience.
- Respondent 7: BMW SA General Worker; Body Shop; Black Male; 6 years' experience.
- Respondent 8: BMW SA General Worker; Warehouse; Black Male; 19 years' experience.
- Respondent 9: BMW SA Trade Union NUMSA Chairperson; Black Male; 19 years' experience.
- Respondent 10: BMW SA Industrial Manager; Management; Coloured Male; 25 years' experience.
- Respondent 11: Nissan SA General Worker; Warehouse; Black Male; 8 years' experience.
- Respondent 12: Nissan SA General Worker; Body shop; Black Male; 12 years' experience.

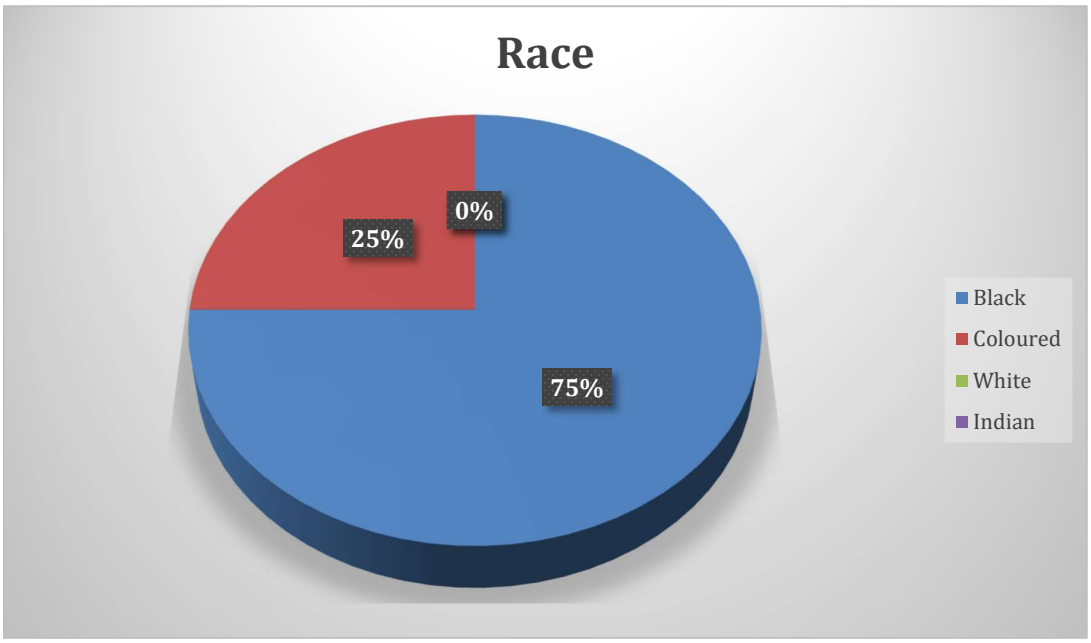
Gender

Figure 4a Number of people



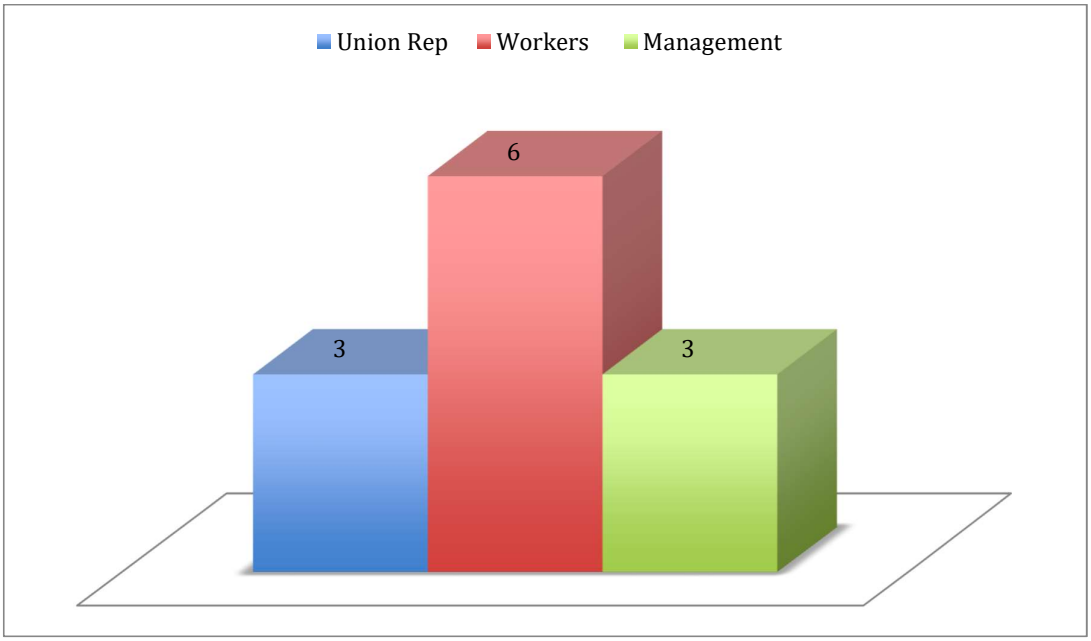
Race

Figure 4b Race



Various management levels and number of respondents

Figure 4C Number of Respondents



4.3 Background of Process Followed

The researcher created a list of companies that he wanted to take part in the study. He chose Nissan SA, BMW SA and Ford SA whose manufacturing plants are all based in Pretoria. He set up interviews with the management representative, trade union leader and two workers at each plant. This would then bring the total count of the population to 12 interviews. The researcher then started selecting and identifying people that he wanted to interview except for the workers as they were randomly selected. The researcher booked appointments with all the candidates and interviewed them.

Figure 4d Rosslyn Pretoria & Ford SA, Source Ford SA website



4.4 Presentation of Findings and Data

The purpose of presentation of findings is to show the reader the procedure in finding the results and their subsequent analysis. Presenting the data includes using graphs, charts, maps and other methods. The qualitative data in this study comprises interviews and open-ended items in the questionnaire. In this section the researcher discusses the findings from the interviews beginning with the response rates of chosen participants. This moves on to the emerging themes from the respondents' answers to questions posed to them. Participants' own voices feature prominently in the description of the themes.

Figure 4E BMW SA Rosslyn Plant, Source BMWSA website



Research Questions

- To what extent is the impact of labour unrest and its consequences thereof in entrepreneurial firm's performance?
- In what ways does the firm's performance impact the workers?
- What impact does trade unions have on labour relations and how does it impact on firm's performance?
- What are the processes followed by firm to manage labour relations issues?
- How does labour relations affect firm's performance?
- How can this study encourage South African trade unions to welcome these alternative methods for labour relations as oppose the status quo?

4.5 Coding Analysis

Coding is "how you define what the data you are analyzing are about" (Gibbs, 2007). Coding is a process of identifying a passage in the text or other data items, searching and identifying concepts and finding relations between them (Kothari, 2004).

4.5.1 How is coding done

The process can be done manually, which can be as simple as highlighting different concepts with different colors then assembling the codes into broader themes and categories (Kumar & Phrommathed, 2005). The process generally involves identifying themes from the existing codes, reducing the themes to a manageable number, creating hierarchies within the themes and then linking themes together through theoretical modeling (Kuratko, Hornsby, & Bishop, 2005).

4.5.2 Codes

Respondent	Codes	Meaning of the code
1. Respondent 1	• Code 1 – Attitude • Code 2 – Relationship • Code 3 – Leadership • Code 4 – Trust	"If the attitude of the Union is not right from the start everything else is not going to fall in place" (Respondent 1,2019)
2. Respondent 2	• Code 1 – Income • Code 2 –Relationship • Code 3 – Consults • Code 4 – Labour brokers	"We defeated labour brokers in the industry as Numsa" (Respondent 2,2019) "Management must consult with us when making decisions" (Respondent 2,2019)
3. Respondent 3	• Code 1 – Good Faith • Code 2 – NBF Agreements • Code 3 –Labour Brokers • Code 4 – Technology	"The NBF agreement governs us" (Respondent 3,2019)
4. Respondent 4	• Code 1 – Relationship • Code 2 – Immaturity • Code 3 – Leadership • Code 4 – Equality	"An immature union can ruin the whole firm" (Respondent 4,2019) "It's important to manage the relationship with the workers and union" (Respondent 4,2019)
5. Respondent 5	• Code 1 – Negotiate • Code 2 – Illegal strike • Code 3 – Fair justice • Code 4 – NBF Agreement	"Workers will be given an ultimatum lockout and not to be in the premises" (Respondent 5,2019)
6. Respondent 6	• Code 1 – Relationship • Code 2- Communication	"Management and Union must communicate a lot

		• Code 3 – NBF Agreement	and come up with solutions" (Respondent 6,2019)
7.	Respondent 7	• Code 1 – Income • Code 2 – Negotiate	" The cause of the strike is money" (Respondent 7,2019)
8.	Respondent 8	• Code 1- Good Faith • Code 2 –Negotiate • Code 3 – Racism	"The racism at BMW is too much" (Respondent 8,2019)
9.	Respondent 9	• Code 1- Relationship • Code 2 – Racism • Code 3 – Strike • Code 4 – NBF agreement • Code 5 – Technology	" Technology is going to take many of our people's jobs by 2020 and beyond" (Respondent 9,2019)
10.	Respondent 10	• Code 1 – Maturity • Code 2- Attitude • Code 3 –Partnership • Code 4 – Technology • Code 5 – Fair practice	" Union leaders that are not mature are a danger to the company because they don't see the bigger picture" (Respondent 10,2019)
11.	Respondent 11	• Code 1 – Fair justice • Code 2 –Legal strike • Code 3 – Racism • Code 4 – NBF Agreement	"We don't mind going on strike to fight for what is right" (Respondent 11,2019)
12.	Respondent 12	• Code 1 –Income • Code 2- NBF Agreement • Code 3 –Negotiate	"The income we earn is too little hence we go on strike" (Respondent 12,2019)

4.5.3 List of overall codes

Overall Codes

- NBF Agreement 6
- Relationship 5
- Fair justice/treatment 4
- Racism 3
- Immaturity 3
- Negotiate 3
- Income 3
- Technology 3
- Labour Brokers 2
- Attitude 2
- Good faith 2

The researcher used a process of data reduction elimination based on the most popular codes mentioned in the interviews to the least mentioned codes in the interviews (Miles, 1979).

There are three ways to aid with the process of data reduction and coding: (a) noticing relevant phenomena, (b) collecting examples of the phenomena, and (c) analyzing phenomena to find similarities, differences, patterns and overlying structures (Kothari, 2004).

4.5.4 Categorizing Codes

Grouping the codes that are similar or have something in common in the study (Kuratko, 2005).

Categories	**Codes**	**Why these codes are grouped into one category**	**Name of Category and what it means**	**Which research question do they answer?**
Category one	NBF agreement	Gives the structure and responsibility of all the stakeholders.	Top-Dawgg	This answers the processes followed by the firm to manage labour relations.
Category two	Relationship	Explains the importance of having a relationship with all stakeholders	The Glue	It answers the impact of the trade union on the firm
Category Three	Fair justice/Treatment	Rules and regulations in the firm for all employees not a selected few	The Trigger	It answers how labour relations affects the firm
Category four	Racism	Impacts on the firms performance	The Fear & the unhealed wounds	It answers in what way does the firm's performance impact the workers

		as it keeps it back.		because with racism the company is not going to thrive
Category five	Immaturity	This is Immaturity of a careless trade union leader who could ruin relations	AK 47 in wrong hands	Answers the impact of a trade union on the firm's performance

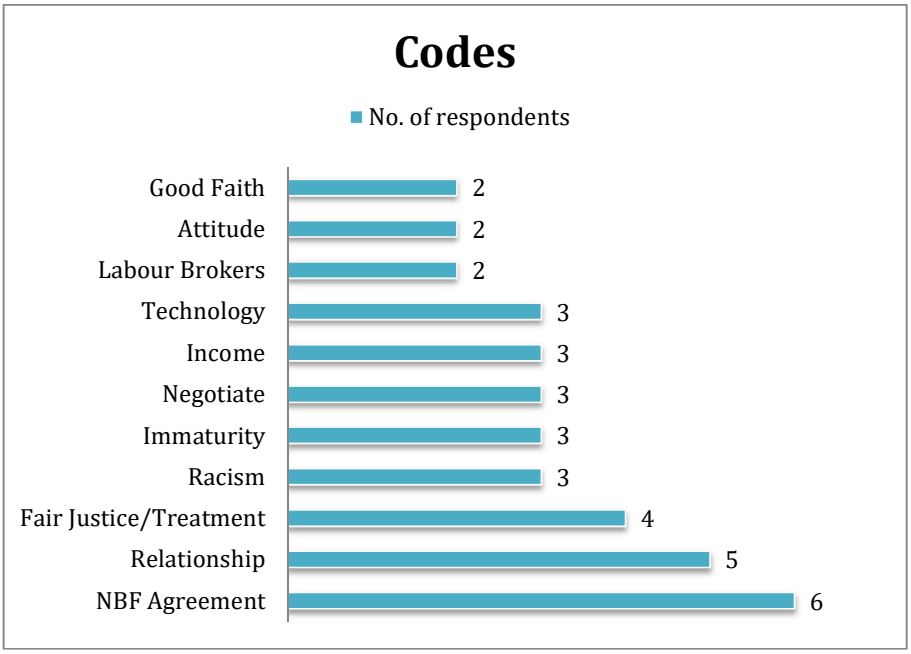
4.6. Global Categories

Global categories and some of the other categories may have something in common (Kuratko, 2005). Categorization is a major component of qualitative data analysis by which investigators attempt to group patterns observed in the data into meaningful units or categories (Kothari, 2004).

Global Category	**Category**	**Why they are grouped into one global category**	**Name of global category and what it means**	**Which research questions do they answer and why**
Global Category 1	Top-Dawgg The Glue	This is the Governance of all the stakeholders	The Boss/The Law/The constitution	It also answers the alternative methods to striking

Global Category 2	The Glue	This keeps things together working harmoniously	How well we relate to each other	Encourages trade unions to think of alternative methods
Global Category 3	The Trigger The fear & unhealed wounds	All employees should be fairly treated, because if not disaster can loom	If not done correctly disaster and strikes can loom	Answers the process followed by the firm to manage labour relations
Global Category 4	The fear & the unhealed wounds The Trigger	This creates division and holds the company back	Fear of the unknown and unhealed wounds of the past	Answers the labour unrest impact on the firm because of racism
Global Category 5	AK 47 in wrong hands The Trigger	A young and inexperienced leader who wants to be popular without taking into consideration the consequences of the actions	A powerful weapon designed to destroy the enemy at all costs	Impact of trade union impact of the firm

Figure 4f Codes



4.7 Coding Elimination

Coding can be thought of as a means of reduction of data or data simplification. Using simple but broad analytic codes it is possible to reduce the data to a more manageable size (Kuratko et al., 2005). In this stage of data analysis, the analyst must focus on the identification of a simpler way of organizing data. using data reductionism researchers should include a process of indexing the data texts which could include: field notes, interview transcripts, or other documents (Kuratko, 2005).

There are three ways to aid with the process of data reduction and coding: (a) noticing relevant phenomena, (b) collecting examples of the phenomena, and (c) analysing phenomena to find similarities, differences, patterns and overlying structures (Lewis, 2015).

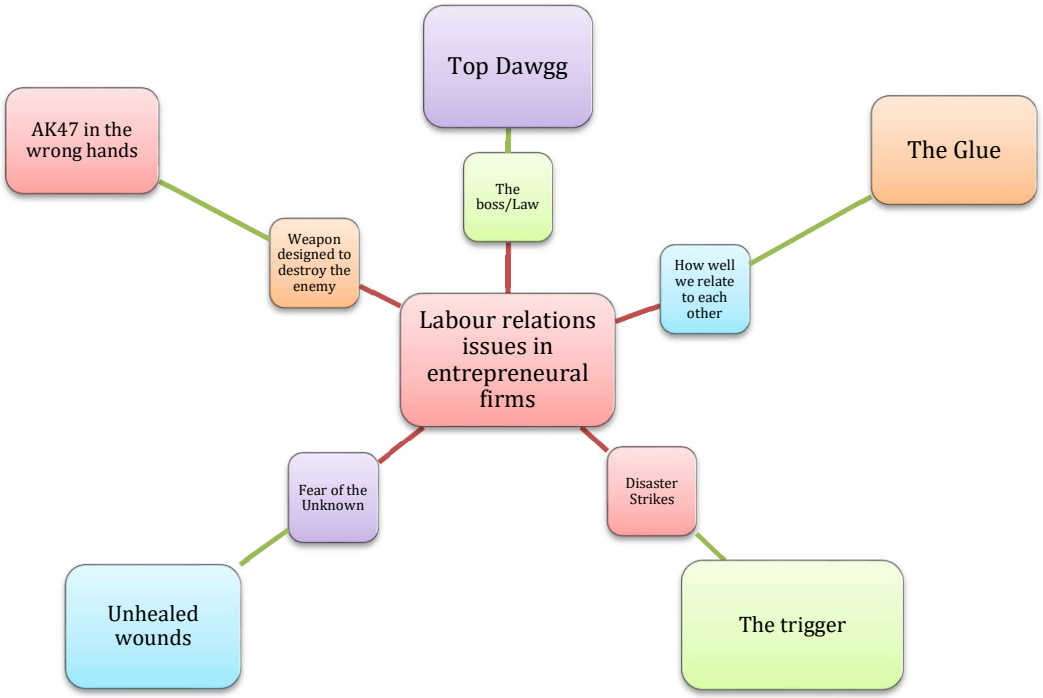
4.7.1 Defining the Codes

- NBF agreement - “The NBF agreement governs us” (Respondent 3,2019).” “Without the NBF agreement there would be strikes every now and then” (Respondent 5,2019).
- Relationship - “It’s important to manage the relationship with the workers and union” (Respondent 4,2019). “The management of the relationship is very important in my job” (Respondent 1,2019)
- Fair Justice/Treatment- “Management and Union must communicate a lot and come up with solutions” (Respondent 6,2019). “If we are not treated right we strike with immediate effect” (Respondent 4,2019).
- Racism - “The racism at BMW is too much” (Respondent 8,2019). “One White Manager called black people apes over the intercom mistakenly, there was an immediate strike in the plant and we managed to get him dismissed at BMW” (Respondent 9,2019)
- Immaturity - “An immature union can ruin the whole firm” (Respondent 4,2019). “Union leaders have to be mature enough to balance their issues because we all need the employer at the end of the day” (Respondent 10,2019).
- Negotiate - “Management must consult with us when making decisions” (Respondent 2,2019).
- Income - “The income we earn is too little hence we go on strike” (Respondent 12,2019).
- Technology - “Technology is going to take many of our people’s jobs by 2020 and beyond” (Respondent 9,2019).
- Labour Brokers - “We defeated labour brokers in the industry as Numsa” (Respondent 2,2019).
- Attitude - “If the attitude of the Union is not right from the start everything else is not going to fall in place” (Respondent 1,2019). “The attitude of the Union determines how I deal with them” (Respondent 10,2019)

- Good Faith - “We don’t mind going on strike to fight for what is right” (Respondent 11,2019).” Management and Trade unions must negotiate in good faith always” (Respondent 8,2019).

4.8. Thematic Network

Figure 4G Thematic Network



4.8.1 Global Category 1 –The Boss/The Law is the NBF agreement as it governs the relationship of all three stakeholders in the firm.

Sub Categories- It is essentially the law that governs and gives everyone a responsibility for the next three years, it links with how well we relate to each other because through the law our relationship will be governed by it.

4.8.2 Global Category 2 – How well we relate to each other to makes everything fall into place for all three stakeholders.

Sub Categories – This refers to how well we relate to each other as all three stakeholders and this links to the fear of the unknown as through good relations a lot can be achieved.

4.8.3 Global Category 3 – Disasters strikes is vital in that it depicts how we treat each other and the laws that govern all employees in the firm. This can be seen as a potential trigger for labour unrest if other people are treated unfairly over others in the Firm.

Sub Categories – Disaster strikes means that the firm can be faced with an illegal strike at any given moment without proper planning or engagement with the workers or union based on this theme. It links with The Boss in that there are laws that govern on how people should be treated based on their conduct.

4.8.4 global Category 4 is the fear of the unknown is based on racism that holds the firm back. This creates a division of us and them which is not a common goal for the firm. This can create unnecessary tension at the workplace.

Sub Categories- The unhealed wounds are a sensitive matter that firm needs to tackle head on to avoid unnecessary unrest in the firm.

4.8.5 Global Category 5 A weapon designed to destroy the enemy and this can be done by having an immature trade union leader who could potentially ruin the ruin and all other employee's job's.

Sub Categories- This a powerful weapon that could destroy everything in its sight if not taken away with immediate effect and its linked to the fear of the unknown because together they can destroy each other but the workers would have lost their jobs.

Research Questions

- To what extent is the impact of labour unrest and its consequences thereof in entrepreneurial firm's performance?
- In what ways does the firm's performance impact the workers?
- What impact does trade unions have on labour relations and how does it impact on firm's performance?
- What are the processes followed by firm to manage labour relations issues?
- How does labour relations affect firm's performance?
- How can this study encourage South African trade unions to welcome these alternative methods for labour relations as oppose the status quo.

4.9 Impact of labour unrest

“Labour unrest happens when workers’ rights and justice are infringed upon in the workplace in time” (Respondent 1, 2019). “It can also occur within miscommunication of various stakeholder’s; example management and workers not talking” (Respondent 8, 2019). “Labour unrest happens when there is serious conflict between parties at the workplace” (Respondent 5, 2019). “Employer-employee relationship broken” (Respondent 3, 2019). “Sometimes a strike can happen out of nowhere just to test the management” (Respondent 9, 2019). “Unfair labour practice” (Respondent 7, 2019). “It happens when conflicts are not solved in time” (Respondent 1, 2019). “Wage and salaries dispute” (Respondent 6, 2019). “It also occurs because management is not proactive in giving instructions” (Respondent 1, 2019). “It happens if the management of relationships is not well taken care of” (Respondent 12, 2019). “Unrest happens when the attitude of the Union is not right (Our way or the highway stance)” (Respondent 1, 2019).

4.10 Extent of labour unrest in your firm?

“There is no production that takes place in all three firms and equally so there is no income for the workers as well” (Respondent 2,2019) “There are stoppages across all plant departments” (Respondent 6, 2019). “Unrest affects the employer and employee as there is no income for both parties” (Respondent 4, 2019). “The situation in all firms becomes very stressful and negative atmosphere” (Respondent 5, 2019). “Management consults the Unions to start negotiating” (Respondent 10, 2019). “When there is a deadlock, the Union goes to the CCMA and gets a strike certificate and then the plant shuts down completely, during this period the strike continues while Management and the trade union negotiate to resolve the various issues” (Respondent 5,2019).

4.11 How often does labour unrest happen in your firm?

“All participant companies are part of Automobile Manufacturing Industry forum which is called National Bargaining Forum (NBF) agreement for all seven automobile manufacturers in South Africa” (Respondent 1, 2019). “This forum governs the relationship of all seven firms with the main trade union National Union of Metalworkers of South Africa (NUMSA)” (Respondent 9, 2019). “Every three years the trade union leaders sit around the table with management representatives of these

automobile companies and they set a three-year plan which will govern the industry" (Respondent 5, 2019). "There was however a national strike in 2012 which lasted for three weeks coming from this forum meeting" (Respondent 4, 2019). "There are also internal strikes that happen in the companies erratically which companies need to look out for but they are normally solved internally by the Management team and the trade union leaders respectively" (Respondent 2, 2019).

4.12 How has labour unrest affected your firm's performance?

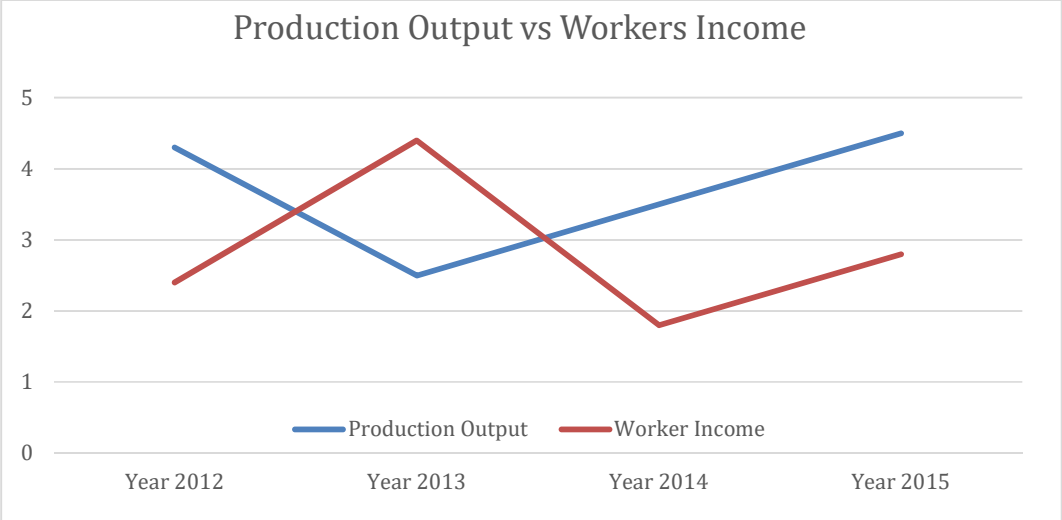
Labour unrest has affected their firm's performance negatively in that two of the three firms have received negative news from their mother firms in the 1st world countries being Japan and Germany. They have regressed in terms of production of units and this has meant that their mother firms have not invested more money in the plants due to strikes over the last few years. "Nissan SA lost a R2.5 Billion capital injection in 2012 to produce Datsun at Rosslyn because of labour unrest, instead the mother company invested the money for a new plant in India" (Respondent 1, 2019). "BMW SA also lost a R2,1 Billion capital injection in 2013 to produce a second model, due to the ongoing strike which saw them lose 13, 500 units that were supposed to have been produced in that quarter" (Respondent 10, 2019).

This has meant that jobs have been lost and no new jobs created which is detrimental to the economy and the companies respectively. "The perfect example was General Motors which left South Africa in 2017 after being in-country since 1926" (Respondent 10, 2019). "Their exit in South Africa was due to many factors but the opportunity lost for the country is the biggest loss together with all the job losses" (Respondent 10, 2019).

4.13 How does labour unrest affect you as worker?

"It affects them heavily, on their income because all the employers use the "no work no pay" rule (Respondent 2, 2019). "All workers don't actually look forward to having a strike at work but most feel it is the right thing to do in order to get justice done based on their demands" (Respondent 11, 2019). "It creates stress, pressure, lack of concentration and ultimately can lead up to divorce with your spouse or partner" (Respondent 8, 2019). "Workers are not able to do their parental chores" (Respondent 11,2019). "It demoralizes the workers completely as there can be loss of shifts, short time and ultimately retrenchments" (Respondent 5, 2019).

Figure 4H Production Output vs Workers Income



4.14 How does the firm's performance affect you as a worker?

"A negative performance of the company affects the stability of production as investors want to invest in a stable environment and this then ultimately affects the workers" (Respondent 2, 2019). "It affects the firm negatively as there would be backlog of units, loss of income, pressure of global targets with Global mother bodies" (Respondent 1, 2019). "If there is a negative performance, there can be job losses depending on the length of the strike" (Respondent 5, 2019). "A positive performance means growth and expansion of the firm; a good example is Fords SA got a capital injection of R2.5 Billion at their Silverton Plant in Pretoria in 2016 to produce a second model. This has created 1200 more jobs to the overall staff compliment" (Respondent 4, 2019). "This has created job security for all the workers at the plant especially the old workers at the plant" (Respondent 4, 2019).

Figure 4I Ford SA Silverton Pretoria, Source Ford SA Website



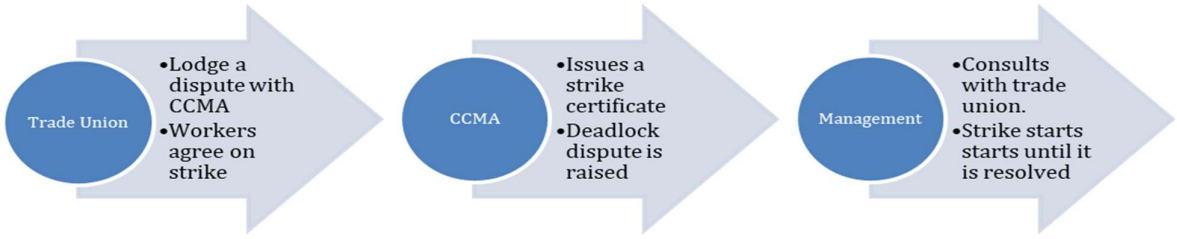
4.15 How does the firm resolve labour unrest?

“All the three firms always refer to the National Bargaining Forum (NBF agreement) signed which has clear mechanisms to resolve issues when a strike happens at the firm which is also signed by all stakeholders. For an example when there is a strike none of the companies can go out and hire temporary workers on the spot to replace the workers striking. The strike has to be legal and protected, the company has to be notified in writing within 48 hours” (Respondent 9, 2019). “Each firm has its own internal agreement over and above the NBF agreement for when they have conflict at the workplace which is important not to jeopardise the production of the units in the plant” (Respondent 2, 2019).

4.16 What are the processes followed by the firm to manage labour unrest?

“The workers go the CCMA first to get issued a strike certificate. Then a deadlock dispute is raised at the CCMA. They then apply for legal strike to safeguard the employee’s jobs. Then Management consults with the labour union once they have received the strike certificate and together they start the process of negotiating the problems that have aroused. The company then is not allowed to operate at all which means it is a total shutdown until the strike is resolved amicably” (Respondent 9,2019).

Figure 4J Strike Process



4.17 What are the barriers to the firm not following labour relations processes?

“Each company has disciplinary code of conducts in place and the Human Resources department who form part of the Management team of the firm then get involved and make sure that they are adhered to” (Respondent 1, 2019). “The firm cannot hire new people when there is a strike” (Respondent 2, 2019). “Once the strike is legal the plant needs to be shut down and the workers are allowed to chant and sing in the premises” (Respondent 3, 2019). “If the strike is illegal the workers are then locked out and allowed to sing and chant outside the premises” (Respondent 5, 2019).

Figure 4K Numsa members outside BMW, Source Numsa website



Figure 4L NUMSA logo, Source Numsa Website



Figure 4M How to reduce labour unrest

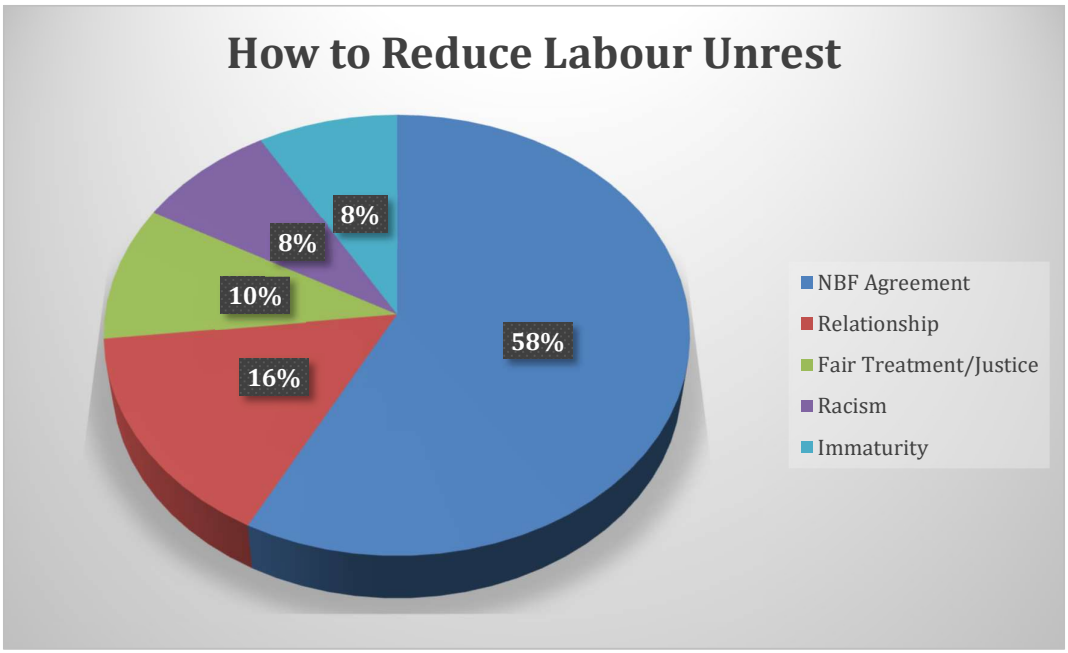
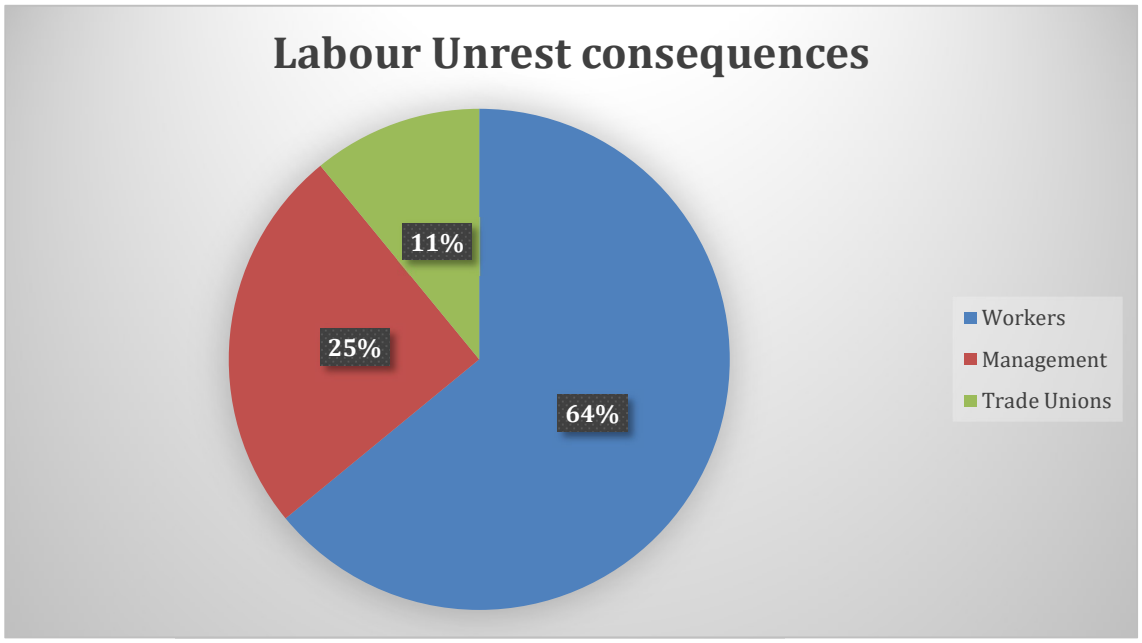


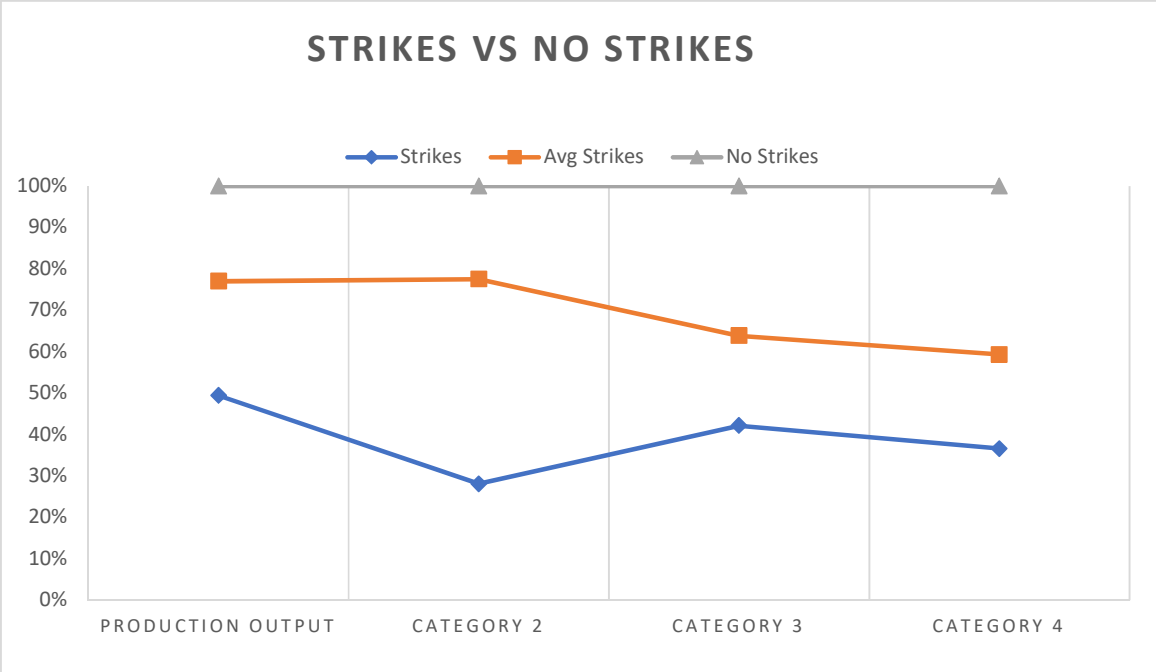
Figure 4O Labour unrest consequences



4.18 What can be done differently to avoid labour unrest?

"Parties need to engage each other by communicating weekly, monthly and quarterly" (Respondent 9, 2019). "Government needs to have a dialogue with all parties and show them the importance of having a stable environment" (Respondent 1, 2019). "Companies must hire competent people and not hire people on favours" (Respondent 5, 2019). "Racism must end in the workplace; diversity is our strength in South Africa not our weakness" (Respondent 9, 2019). "Sexual harassment and prejudice over females should end in the predominately male industry" (Respondent 9, 2019). "Unfair labour practices should not be adhered or condoned in the workplace" (Respondent 5, 2019). "Companies can show some recognition to their workers instead of paying money; a little recognition goes a long way for many workers. Example free food or capped on Fridays etc." (Respondent 5, 2019). "Another example which is currently being piloted in one of the firms is a free car to borrow from the firm for the weekend without paying for it as long as the worker puts in petrol" (Respondent 9, 2019).

Figure 4P Strikes vs No Strikes



4.19 What will be the benefits of no labour unrest in the firm?

“Monthly and scheduled targets will be reached which will give organic growth for the firm” (Respondent 1, 2019). This will then cement job security. “Investors will invest in the company” (Respondent 5, 2019). “The company will grow and employ more people therefore creating more jobs for the future” (Respondent 10, 2019). Income will be stable and benefits will be advanced. “The company will be able to compete globally” (Respondent 7, 2019). More jobs will be created in South Africa. Workers will be motivated and this will boost the morale at the workplace. “Entrepreneurs will invest in South African auto manufacturing industry because of its maturity” (Respondent 10, 2019). This will benefit all families. “The number of unemployment in South Africa will drop” (Respondent 10, 2019). “This will improve the markets as a common goal will be reached” (Respondent 10, 2019). “The firm will have a happy workforce, less injuries and the cost of employment will be reduced” (Respondent 2, 2019). “Our very own South African auto manufacturing firms will be able to compete globally and also attract more investors and businesses associated with the brand” (Respondent 6, 2019).

5 Conclusion

In this chapter we managed to analysis the data. We conceptualized the demographics of all the candidates. We analysed the data and in the next chapter we shall discuss the findings.

Chapter 5 Discussion of Results

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations based on the data analysed in the chapter four. The effects of labour unrest have been identified for both workers and the firms. In this chapter the researcher also determines to what extent the objectives of the study are attained (Bond, 2002).

Research Questions	**Category**	**Global Category**	**Why**
Impact of Labour unrest	Top-Dawgg	The Boss/The Law	This constitution that governs the role and responsibility
Extent of labour unrest	The Glue	How we relate to each other	There wont be labour unrest if the relationship is good between trade union and management
Consequences of Labour Unrest	AK 47 in wrong hands	Weapon designed to destroy the enemy	A wrong Union leader can cause a strike unnecessary for populism and to be deemed powerful
Performance of Firm on the workers	Top-Dawgg	The law/The Boss	This outlines even bonuses that workers will get should the firm perform well each year.
Impact of trade unions on labour relations	AK 47 in wrong hands	Weapon designed to destroy the enemy	This could go wrong very easily if the leadership is not well trained
Relationship of Trade unions and Firms	The Glue	How we relate to each other	They need to work together and be on the same side in order for the firm to grow.

Process followed by firm to manage labour relations issues	The Trigger	Disaster can strike	If this process is not managed fairly it could cause disaster for the firm
Impact of labour of labour relations on firm performance	The Trigger	Disaster can strike	All labour relations matters should be handled fairly and treated with respect. They have the potential to destroy the jobs and The Firm.
Alternative methods	The Glue	How well we relate to each other	A good relationship enhances all good things and creates an enabling environment

5.1 Impact of labour unrest

The impact of labour unrest lies at the core of the firm. It therefore means that the constitution that governs the relationship is tested. Workers face short time, no income and job losses. The firm faces loss of market, financial pressure, loss of targets and eventually liquidation depending on the length of the strike. The impact of labour unrest also creates negative environment in the firm by creating animosity towards management and the firm. The losses incurred during the strike or unrest could sometimes never be recovered example the BMW SA and Nissan SA lost opportunity of producing another model in the plant.

The impact is therefore referred to the Top-Dawgg category in that it is this constitution that governs the role and responsibility of all stakeholders in the NBF Agreement.

5.2 Extent of labour unrest

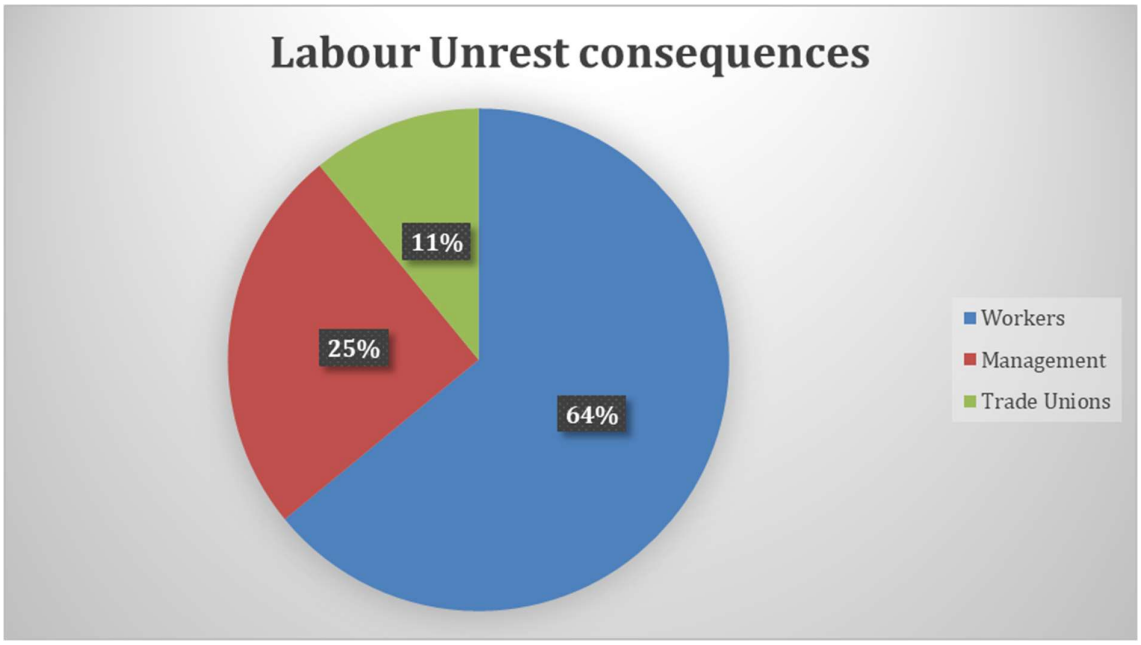
Labour unrest affects the firm's performance negatively in that two of the three firms have received negative news from the mother firms in the 1st world countries example Japan and Germany. They have all regressed in terms of production of units and this has meant that their mother companies have not invested more money in the plants due to strikes over the last few years.

The positive performance can also affect the firm in a good way for example Ford USA injected R2.5Bllion in Ford SA in Silverton Pretoria in June 2016. This has thus created 1200 jobs as they would now be producing two models instead of one. “This has boosted work morale in the company and their future outlook looks bright from their vision” (Respondent 3,2019).

The extent of labour unrest lies in the Glue category by making sure on how we relate to each other by this phenomenon, there won’t be labour unrest if the relationship is good between trade union and management

5.3 Consequences of Labour Unrest

Figure 5a Labour Unrest Consequences



The consequences of affect the workers the most as they end up losing their income and eventually their jobs. The consequences of the labour unrest hardly affect the Trade Union’s severely in that they only lose members in their database of supporters. Management does get affected as well as they normally have to come up with turn around strategies for the revival of the firm.

The consequences of labour unrest lies in the AK 47 in wrong hands category. In that a wrong Union leader can cause a strike unnecessary for populism and to be deemed powerful.

5.4 Performance of Firm on the workers

Labour unrest affects the firm's performance negatively in that two of the three firms have received negative news from the mother firms in the 1st world countries example Japan and Germany. They have all regressed in terms of production of units and this has meant that their mother companies have not invested more money in the plants due to strikes over the last few years.

The positive performance can also affect the firm in a good way for example Ford USA injected R2.5BIlion in Ford SA in Silverton Pretoria in June 2016. This has thus created 1200 jobs as they would now be producing two models instead of one. This has boosted work morale in the company and their future outlook looks bright from their vision.

The Performance of the firm lies in the Top-Dawgg category as all stakeholders know upfront what to expect based on the NBF agreement should the company make great gains or losses per year. This also outlines even bonuses that workers will get should the firm perform well each year.

5.5 Impact of trade unions on labour relations

"All the three firms always refer to the National Bargaining Forum (NBF agreement) signed which has clear mechanisms to resolve issues when a strike happens at the firm which is also signed by all stakeholders. For an example when there is a strike none of the companies can go out and hire temporary workers on the spot to replace the workers striking. The strike has to be legal and protected, the company has to be notified in writing within 48 hours" (Respondent 9,2019). "Each firm has its own internal agreement over and above the NBF agreement for when they have conflict at the workplace which is important not to jeopardize the production of the units in the plant" (Respondent 2,2019).

The impact of the trade unions on labour relations lies in the AK47 in wrong hands category. As things could easily go wrong if the leadership is not well trained and this is the biggest risk for most firms.

5.8 Relationship of Trade unions and Firms

The relationship of both parties is very important in that a good environment can create great results for the firm. Parties need to engage each other by communicating weekly, monthly and quarterly" (Respondent 9,2019). "Government needs to have a dialogue with all parties and show them the importance of having a stable environment" (Respondent 1,2019). "Companies must hire competent people and not hire people on favours" (Respondent 5,2019). "Racism must end in the workplace diversity is our strength in South Africa not our weakness" (Respondent 9,2019). "Sexual harassment and prejudice over females should end in the predominately male industry" (Respondent 9,2019). "Unfair labour practices should not be adhered or condoned in the workplace" (Respondent 5,2019).

"Companies can show some recognition to their workers instead of paying money a little recognition goes a long way for many worker's example free food or capped on Fridays etc." (Respondent 5,2019). "Another example which is currently being piloted in one of the firms is a free car to borrow from the firm for the weekend without paying for it as long as the worker puts in petrol" (Respondent 9,2019).

The relationship of trade unions and firms lies in the Glue category in that the relationship needs to be natured and taken care of at all times. They need to work together and be on the same side in order for the firm to grow. Once there is a division the firm stands to lose.

5.9 Process followed by firm to manage labour relations issues

Figure 5b Strike Process



5.10 Impact of labour of labour relations on firms' performance

The impact of labour on labour relations on the firms' performance is great in that Firms need to have a signed long term agreement of 10 years or 15 years with the Unions in this way they avoid strikes at all costs based on the agreement signed which will govern the future. This gives them time and it shows commitment from their side that they mean well for their workers. Trust is the most important aspect in attaining a healthy environment without it a company will be faced with countless strikes. The leadership of both parties need to act in good faith for the firm and the workers at all times. Management needs to have a regular dialogue with the workers at least once a month, quarterly or weekly to communicate more effectively with their workers this makes them feel part of the company as it solidifies the bond. Management should take it upon themselves to negotiate early with the trade unions and not wait when it's time for increments because by then other issues could crop up and make things difficult.

Management must make the trade unions part of their management team and share information with them freely without fear or favour because ultimately they need the trade union to convince the workers on a common goal. Management should and give feedback on various problems arising and not wait when issues are at a critical stage. Management should at all times be decisive and in control of the company and issues at hand because without the control the trade unions could take advantage of the vulnerability of management. Firms need to adhere to their disciplinary code of conducts, it should be fair and equal to all employees while upholding the integrity of the company.

Workers need to choose mature union leaders who will be effect in leading them in the right direction and not lead them astray for populism, the behavior and attitude of the leader needs to be beneficial to all parties and not just the members. Adequate training is needed with any leader that holds a position of power in leading workers at the workplace and this is very important because this could make or break the organization. Management must communicate any challenges on the state of the plant early giving workers knowledge about production challenges and goals. If all of these are done effectively the firm will never experience labour unrest.

The impact of labour for labour relations is highly important for performance of the firm. It lies in the trigger category in that should workers feel that they are not being treated fairly they will go strike. All labour relations matters should be handled fairly and treated with respect. They have the potential to destroy the jobs and The Firm

5.11 Alternative Methods

Alternative methods for management of the firms is for them to embrace the trade unions into their companies. Management should trust and have faith that the trade union means well for the business and the workers. The Management should at all times engage the trade unions keeping them abreast with any challenges that might arise. Management needs to steer the ship and be decisive.

The alternative method from labour unrest lies in the glue category. In that the whole relationship for all stakeholders needs to gel well. A good relationship enhances all good things and creates an enabling environment

6.Conclusion

In all these discussions, it was a pleasure to discuss the thoughts. The researcher believes that this information contained here is rich and informative. The themes discussed were things that were questions relevant to the topic.

Chapter 6: Conclusion and Recommendation

6.1 Introduction

In Chapter one the researcher introduced the study and the background of the study. The relationship between labour relations and entrepreneurial firm's performance in Gauteng South Africa. In chapter two the researcher did a thorough literature review to investigate the relationship of labour relations on entrepreneurial firm's performance globally and in South Africa. In chapter three the researcher looked at Research methodologies which provided the researcher necessary training in choosing methods, materials, scientific tools and training in techniques relevant for the problem that was going to be investigated (Kothari, 2004). In chapter four the researcher explained the procedure followed in the analysis of the data and presented the main categories and themes that emerged from the data collected. The researcher then offered an analysis and interpretation of the findings in chapter five. In chapter six being the last chapter the researcher presents the summary of the findings, conclusions and recommendations based on the data analysed and findings in chapter five. In this chapter the researcher determines to what extent the objectives of the study are attained (Bond, 2002).

6.2 Major findings

One of the most important findings in this study was that all participant companies are part of Automobile Manufacturing Industry forum which is called National Bargaining Forum (NBF) agreement for all seven automobile manufacturers in South Africa. This forum governs the relationship between all the seven firms with the main trade union National Union of Metalworkers of South Africa (NUMSA). Every three years the trade union leaders sit around the table with management representatives of these automobile companies and they set a three-year plan which will govern the industry.

The second major finding was the relationship of Management and Trade Unions how important it is for the production continuation of the firm.

The third major finding revealed how workers wanted to be treated fairly and that justice should prevail if there is any misconduct that has taken place at the workplace.

The fourth major finding was that racism is real and it occurs a lot in the firms, this draws back the firm as it creates a negative atmosphere which could lead to a strike and ultimately poor performance for the firm.

The fifth major finding was that an Immature union or union leader can ruin the firm in that they can create and cause strikes erratically for populism but many workers can end up losing their jobs because of this action.

The sixth major finding was that Management and the unions need to communicate more often in order to find solutions for their problems that might arise, by not communicating they can create animosity.

The seventh and last major finding was the attitude of both parties is very important in creating an enabling environment for growth. If all negotiations are done in good faith, there should not be labour unrest.

6.3 Key Conclusions

Drawing from the findings from the study, some important conclusions can be made. Very importantly, companies need to have a signed long term agreement of 10 years or 15 years with the Unions. In this way they avoid strikes at all costs based on the agreement signed which will govern their future with them. This gives them time and it shows commitment from their side that they mean well for their workers.

Management must make the trade unions part of their management team and share information with them freely without fear or favour because ultimately they need the trade union to convince the workers on their common goal. Management should be willing to give feedback on various problems arising and not wait until these issues are at a critical stage. Management should at all times be decisive and in control of the company and issues at hand because without control the trade unions could take advantage of the vulnerability of management. It is also crucial for Firms to adhere to their disciplinary code of conducts; this should be fair and equal to all employees while upholding the integrity of the company.

On the part of workers, they need to choose mature union leaders who will be effective in leading them in the right direction and not lead them astray for populism sake. The behaviour and attitude of their leader needs to be beneficial to all parties and not just the members. Adequate training is needed with any leader that holds a position of

power in leading workers at the workplace and this is very important because this could make or break the organisation. If all of these are done effectively, the probability of labour unrest will be substantially reduced for the firms.

6.4 Recommendations for stakeholders

On the recommendation one of the most important role in this whole exercise was the role of an Industrial Manager in the firm. This role is very important in an Automobile manufacturing firm. This role has to be done by someone who has a high level of emotional intelligence. This role is a person that will be the centre and link between the Trade Union, the Firm and the workers. This role is for a person that can problem-solve complex issues as well as easy ones with the same dignity.

The role has to be someone from the black race based on the demographics of the country and because the majority of the general workers at the plants are from the black race. Most importantly this person should be someone who the Unions don't feel as a threat but rather a colleague or a senior at the workplace. In this way he or she can speak their language and manage to calm extremely tense situations.

The Role must be given to someone that won't bring the company into disrepute; someone who can influence people and be respected. This person should be firm and fair at the same time. With this role the company can gain a lot and lose a lot at the same time if the right person is not chosen.

Based on the foregoing, it is a recommendation of this study – as it relates to the management of the firms – that they should endeavour to integrate the trade unions into their companies. Management should trust and have faith that the trade union means well for the business and the workers. The Management should also at all times engage the trade unions, keeping them abreast with any challenges that might arise. They also need to steer the ship and be decisive over a lot of decisions which are taken for the companies because ultimately they take all blame when the firm fails.

Workers need to balance out what is right from wrong and not be influenced into disruptive behaviour for the sake of making a point to Management. Ultimately they are the first victims when retrenchment is upon the firm which is not fair on them.

6.5 Suggestion for future research

In the final analysis, as a suggestion for future research, it would be interesting and enriching to explore training and innovation made at South African auto manufacturing plants and its impact globally; how to intertwine various races in a manufacturing plant; the identification of special talents and skills retention thereof; how to gain trust from workers in a manufacturing plant in South Africa; and the effects of racism in a manufacturing plant in South Africa. These areas will potentially provide useful insight and add to the body of knowledge.

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