

Inaugural address: Prof Bennie Linde

The contribution of employment relations practices in ameliorating society

This academic opinion essay is based on the inauguration address of the author on 20 September 2019, at the North-West University. It is based on publications of the author, as indicated in the reference list.

This academic opinion is based on four aspects: First, where employment relations come from, secondly the approaches to labour relations, third the role of employment relations practice, and finally some own viewpoints of the future of employment relations practices.

“Ameliorating”, as used in the title of this essay, means to make something better, or more tolerable. When it is not about a direct object, ameliorating refers to grow better. The latter is more what I meant with using this word, since it reflects on how employment relations practices increased the growth process of society; not implying that employment relations saved it (it was beer that saved the world – I will get back to that a bit later). Society developed with humankind and employment relations became part of it, but not for a while.

Looking at the definition of society, being the aggregate of people living together in a more or less ordered community, then it is as old as human beings, maybe around six million years. The vast majority of ordered communities were clustered in small groups, being families, who’s main daily activities were to survive through hunting and gathering. These survival tasks and activities were labour, since it was mostly physical efforts done in order to achieve a purpose or result. However, it was not part of our definition of labour relations yet, since these “labourers” had common interests and they were more of work team members than labourers.

When we started to grasp the skills and practices of agriculture, a bit more than 11 000 years ago, the need for labour also realised, where it was not anymore mainly sourced from family and groups with mutual interests. The principles of a labour market developed and the demand for labour started to exceed the supply thereof. At this stage owning labour and owning a person was the same thing. This practice – slavery – actually falls under the broader definition of labour relations, where you can identify two parties –with different interests and goals – where one manages the other’s labour. In labour relations textbooks and research we refer to this as the introduction to the era of labour exploitation. In that time period it was a natural development, coinciding with trade practices and later, around 5 500 years ago, the building of cities. Slavery initialised labour relations, but with the market principle that labour was available through ownership of people; a practise that was the main vehicle of labour for many millennia and in all societies.

In this period, a very unique thing happened with the planning of the Giza Pyramids in Egypt, around 2560BC. With this massive building project, the architects needed much more labour than was needed in the past. It was simply not possible to enslave enough people to build these pyramids and the developers had to look at an alternative way to entice labour. Shelter and food was not enough to recruit voluntary slaves; something that actually happened regularly. The answer was beer. The ancient Egyptians realised that there were certain resources they could use to attract labour. These included large grain harvests with the ability to store it, water from the Nile and the craft to brew beer. They also had very efficient trade routes through northern Africa and the Mediterranean Sea. So they recruited labourers for the “wage” of 3 ½ litres of beer per day, with which they introduced the principle of remuneration for labour. These employment contracts came down to five months’ fixed-term employment. It was most certainly not an easy task to fulfil this contractual obligation and it is my opinion that the Egyptians developed the well-known Carrot-and-Stick motivational

approach. Or in their case the Beer-and-Whip approach. This must have been excruciating physical labour and the whip was probably used liberally. Punitive labour relations in this era was immediate and harsh. I do not think that the *audi alteram partem* principle was applied. This radically new approach to labour relations introduced the practice of employment, where labour was bought from a person, and not a person for labour. However, employment was then used for unique and massive building projects, while slavery, forced and coerced labour remained the major vehicle for providing labour globally.

This original approach to labour relations is called Market Individualism. The reference to this approach is so broad that it must be looked at in context. The format was (and is) very different between cultures and civilisation, but it realised globally. The similarities between these very different applications of employment, as part of this approach, came down to land ownership. Very different deals were made and very different management processes were followed, based on cultural norms. Looking back from our current perspective, it is perceived mainly as a feudal era, since it further established a class system that Karl Marx referred to as materialism: The “Have’s” and the “Have not’s”.

This employment relationship practice that first ameliorated society later became outdated and oppressive. It was time for a new approach to employment relations practices, which started from 1760 with the first industrial revolution where machines (especially the steam engine) started to take over hand production methods and animal power. The industrial revolution was arguably the most important turning point of society globally, since we learned to farm. The impact of the industrial revolution on labour relations was that the power that was monopolised by capital – the Have’s – became more balanced. The two most prominent reasons why labour started to gain negotiation powers in employment relationships, were due to increased specialised skills – allowing more individual labour negotiation powers – and trade unions – with collective labour negotiation powers. A new class of employees became prominent; the middle class. Due to more employment opportunities and increased mobility this skilled group of employees could individually negotiate better remuneration packages and conditions of employment. Other labourers, without such scarce skills, turned to a social coalition approach to negotiate better conditions of employment and in the 18th century trade unions, as we know it, were created. Industrial action was noted to happen during the first industrial revolution, in resistance to employers using machines. The term “Sabotage” came from this era. A well-known labour relations story is that the less wealthy workers in France, who wore wooden shoes – Sabots – used to throw them into the rudimentary machines that had wooden gears to disrupt production and that this action resulted in the reference to “sabotage”. Even though this nice story was mentioned in a Star Trek movie of 1991, the origins of Sabotage is in the literal meaning of the word: to walk noisily, as was done by sabot-wearing labourers, who interrupted production by means of noise disruption, not damage.

The French are very good with applying industrial actions. In the beginning of using Liberal Collectivism, where labour disputes resolution mechanisms were not protected by labour law, acts of sabotage were used in this labour power struggle between labourers and the French government. For instance, in 1811 all French rail road builders downed tools due to wage disputes that was not addressed by the parliament. The French government reacted by drafting all of them as soldiers in the army and then ordering the army to build the railroad lines. These “soldiers” did very poor work and became very inept. Due to a lot of damage and misplaced carriages, labour won and collective agreements, which later became labour laws, resulted. A lot is said about South Africa being strike-prone and that we have “strike seasons”, but it is nothing compared to what happened in societies

approaching labour relations through Liberal Collectivism, where industrial action was nothing else than an unofficial war. In South Africa the 1913 mine workers strike shows the brutality of this era.

Through this volatile era labour regulations were bargained and it introduced us to the approach to labour relations of Collective Bargaining. While these collective bargaining processes ameliorated western societies, mainly in Europe and the United States of America, the consequences of the industrial revolution had a very different impact on many other societies, especially in Africa. Labour separation was applied in most African colonies, and of course in South Africa, where different sets of rules applied to race groups, leaving a legacy that is still felt in the labour market and workplace. Of course, this impact is still vivid and we know that past experiences can be inherited in employment relationships. For this reason, it is perceived as very insensitive to downplay the legacy of Apartheid and not recognise the remnants of it in our current employment relations.

Bargained Corporatism refers to labour laws regulating labour relations as a system, and this approach to labour relations was established with the International Labour Organisation (the ILO), which celebrates its centenary this year, 2019. This organisation commits its 187 member states, including South Africa, to its conventions and recommendations. Countries still have their unique and bargained labour relations structures, but they must comply to the ILO's prescriptions. South Africa does it through the National Economic Development and Labour Council (NEDLAC), where the representatives of our state, employees and employers negotiate labour policies, resulting in legislation. Sectoral determinations and bargaining councils are also negotiated within this broader labour relations structure, and then there are also the recognition agreements and workplace forums, negotiating conditions of employment within a workplace. This means that we are part of an international approach, with national laws, allowing sectoral and workplace agreements, and within all of these we further need to practice employment relations.

At this stage you might have wondered about the different references that I have used for what might be seen to be the same thing, being industrial relations, labour relations and employment relations. While industrial relations and labour relations are used as synonyms, the term, industrial relations are used in the context of industrial environments, especially unionised workplaces. Labour relations refer to the broader relationship. Both refer to the comprehensive relationship, including the employer, employee and the state, all with their various representatives. Employment relations refer only to the primary relationship between the employee and the employer; the specific agreement between the two and the dynamics between them. Other than employment relations perspectives, people in the workplace also receive attention from human resource perspectives and industrial psychology. Human resource management, industrial psychology and labour relations are sometimes perceived as similar, or the same, or even as components of each other, since their focuses are on the same group of people. The human resource manager looks at staff from a management sciences perspective, where employees are perceived as owners of a very important resource – labour – for employers. Industrial psychology uses a psychological and wellness approach to staff, focussing on the individual's uniqueness and wellbeing. The employment relations approach is sociological, where the roles and framework of interaction are our main interests.

Let me use rugby as a metaphor, since 2019 is the year of the Rugby World Cup. The sports psychologist, team doctor and physiotherapist of the Springbok team can be seen as the industrial psychologists. They assure that optimum wellness is reached by the individual. They also assist the team management of the players' fitness and readiness, when teams are chosen. The union and team managers represent management and are the link between SA Rugby and the players. They must look after players and liaise with their representatives to make sure that good contracts are made with the right players. This is similar to the human resource manager's role. The employment

relations practitioner is the coach. We do some management work, just as the industrial psychologist also do, but we are there to coach the players we receive as a team. We coordinate the roles within the teams and we direct the interaction. We also need to communicate in an understandable way. And yes, sometimes we need to discipline. This is called punitive labour relations, where disciplinary hearings are used. Punitive labour relations are the tip of the iceberg, but informally most commonly associated with employment relations practice. Actually, our main work is to create structures, policies and environments for players to excel in their teams, as a good coach must do, being role clarification. In most workplaces you have one person who must do all these things; be the human resource manager, industrial psychologist and employment relations practitioner. It is very difficult for one person to change within such very different roles. An industrial psychologist, trained to focus on individual wellness, must have a very hard time to discipline an employee, since it is conflicting with the inherent role of an industrial psychologist. Role differentiation is very important for such a practitioner.

The employment relations practitioner must create role clarity for employees. Such clarity is only possible where there are clear expectations and obligations available for the employee to ascertain themselves of. This assists the employee to understand the employment relation, but it is also necessary before the employee can trust the employer – clarity creates trust. This approach also links with the psychological contract, referring to the individual's interpretation of the terms and conditions of the reciprocal exchange agreement. The employee's mental model, or cognitive schema, about the exchange relationship with the employer is directly linked with the way the employment relationship is practiced. Clarity and trust of employment relationships are linked to fulfilled and balanced psychological contracts, while unclear roles can lead to the individual's experience of psychological contract breach. The initial reason for my interest in this psychological contract framework is that it explains employment relations behaviour, where psychological contract breach and violation experience are linked to anti-productive workplace behaviour.

As all member states of the ILO, South Africa's current approach to labour relations is Bargained Corporatism, where we also have a balanced tripartite relationship with the state governing labour regulations and with the employer and employee part of the primary relationship. But, will this be the approach of our future employment relations? South Africa is experiencing a lot of socio-economic challenges. We have a 29% unemployment rate, of which semi-skilled and manual labour – by far our largest workforce – experience the most pressure, especially where the largest employers of such type of labour, the mining, manufacturing and agricultural sectors are shrinking. Another serious threat for employment relations is the fourth industrial revolution, where cyber-physical technology can take over many employment options in the near future. There is not a sector that will not be disrupted by the changes due to it. It will be manual and semi-skilled labour that will experience the greatest challenges and job losses. A country like South Africa cannot afford higher unemployment rates. So we can expect unprecedented pressure from organised labour, through trade union federations, for job retention policies in the next two decades. Attempts to amend Section 189 – regulation retrenchment procedures – of the Labour Relations Act (66/95) can be expected, to further collective consensus before retrenchments could be applied. Such tendencies will result in artificial job demands that might be sustainable for a state-owned-enterprise for a while, where the taxpayers do the imminent bailouts, but it will not be sustainable over a long period, or in the private sector. And this is where I think we will experience a dualistic labour relations approach in South Africa's future: public organisations with an Ideological Collectivist approach and the private sector within a Bargained Corporatist approach.

My reference to an Ideological Collectivism refers to a labour relations approach where government departments' and State-owned-enterprises' employment practices will be prescribed to by collective, as well as political powers. It is a scary thought that the basic right of an employer – to manage the employment relationship – can be taken over by the other parties of the tripartite labour system. I do not think that such an approach will become formalised in South Africa, but it is seen to be applied informally, since such employers are under pressure that the management of employment relations become, at least, shared with trade unions and political powers. To legitimise such an approach would not be sustainable on the long-term, since it would be very taxing on state coffers and might result in a policing state that control all aspects of the labour relations system.

Another future approach to labour relations that I propose, is one where the labour market will shrink and employment opportunities decrease. Some affluent societies will be able to accommodate this, due to socialistic structures, as is already the case in Scandinavian and some other countries. Such an approach will allow high levels of basic socio-economic care, through accessible, even free health and educational services to all citizens. This approach strives for equality through access to skills and health services, rather than equity through job entitlement. In such a society there will be highly educated and skilled citizens without jobs. Volunteer-labour will become a very popular option, where community services will be a lifestyle choice, rather than a necessity for survival. In such societies it will become a Volunteer Labour approach, where remuneration would not be determined through minimum wages and basic conditions of employment, but rather intrinsic and idiosyncratic deals. Idiosyncratic deals - I-deals – refer to special arrangements between the employee and employer, based on the employee's needs. Such a labour structure would be very expensive and income and company tax would be very high to finance it.

This view of future approaches concludes my academic story of the contribution of employment relations practices in ameliorating society. In summary, employment relations introduced the principle where labour is a resource, differentiating between owning a person with buying skills and time. Secondly, it gave power to labourers through collectivism, where the class system through “have's” and “have not's” became less unequal and where your birth did not determine your class. Employment relations practices also creates clarity of employee expectations and obligations, that results in trust and which allows effective work teams. Finally, the future employment relations practitioner will be a key negotiator in establishing a balanced labour system where a decrease in employment is envisaged, as well as where wages will be less important than individual wellbeing expectations, through idiosyncratic deals. As employment relations practices ameliorated society in the past, it will also ameliorate society in the future.

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