

The formation of a union for salespersonnel in South Africa

by

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ABSTRACT

A representative body such as a trade union, workplace forum or an organisation that specifically handles disputes that may arise from unilateral decisions that are taken by employers in the billboard industry that affect the salespeople could, go a long way to improve the working conditions of these people. There is, however, no such an organisation that exists currently to protect workers in this industry. This poses the question whether salespeople in the industry would want to see the formation of such a union and whether or not they would join such a union.

Another question that needs to be answered is whether adhering to the culture of the organisation and respecting the values and ethical behaviour of the organisation would prevent managers from making unilateral labour related decisions that affect salespeople negatively and eliminate the need for the formation of a trade union.

To achieve this objective, exploratory research methods were used to learn more about the problem identified. Through interviews (qualitative research) with salespeople and managers in the billboard industry the attitudes of these groups were tested regarding the above objective.

Findings and recommendations were that:

Salespeople in the outdoor advertising industry believe that there is a need for the formation of a trade union for sales people; therefore, the formation of such a union should be further explored and considered. Salespeople also believe that regardless of ethical behaviour by their employers there is still a need for a trade union that could assist them in getting benefits such as medical aid benefits and pension fund.

Sales managers in the industry however, believe that there is no need for the formation of a trade union for salespeople as long as they behave in an ethical and fair manner toward their sales staff.

List of key terms: trade union for sales people, culture of the organisation, values, attitudes, behaviour, outdoor advertising.

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CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

The development and implementation of corporate strategy has long been understood to be the responsibility of senior executives. In fulfilling that role, managers have not only been expected to have the appropriate skills and vision to lead a corporation it has also been presumed that they would be good corporate citizens who would discharge those responsibilities with due attention to stakeholders. This is, however, not always the case.

1.1.1 Unilateral decisions made by managers

According to Derek Jackson (2009a) in *The Labour Guide*, complaints often arise from employees about employers that have made some or other unilateral change to the original terms and conditions of employment.

The change made may be in the form of a sudden reduction in salary for some or other reason, changes to the commission structure, or a reduction in the amount of commission paid, the removal of or reduction in some or other benefits such as a bonus, or something of that nature.

It may also include the sudden unilateral introduction of additional terms and conditions of employment, such as a condition that the salesperson will not be paid his commission until the client has paid for the goods sold. Sometimes employers bring about these unilateral changes in an effort to upset the employee to the extent where he will resign, and some of the tactics employed include setting unattainable and unrealistic sales targets. It is possible that some of these unilateral changes could fall under the heading of unfair labour practice.

Should there be a Contract of Employment in place, changes to terms and conditions of employment cannot be made without prior consultation with the employee on the proposed changes, and the employee's agreement obtained. This is because a Contract of Employment constitutes an agreement between two people, and the one party to the

agreement cannot change the terms of that agreement without the consent of the other party. To do so would place the party making the change in breach of contract.

Section 64 (4) of the Labour Relations Act (LRA) suggests that the employee can refer the dispute to the Commission for Conciliation, Mediation and Arbitration (CCMA) or a bargaining council, and the referring party may require the employer not to unilaterally implement the change to the terms and conditions of employment, or, if the employer has already implemented the change unilaterally, the referring party may require the employer to restore the terms and conditions of employment to that applied before the change. The breach of contract constitutes a civil action and the employees have the right to sue for damages or sue the employer for due performance, thus the employer can be forced to comply with the original contract.

A remedy that is normally available to employees is to engage in protected strike action, but in the case of the salespeople in the billboard industry they are unorganised in that there is no trade union for people employed as salespeople in South Africa.

Gilbert (2008) states in his series on profiling salespeople on the Biz Community website that the nature of the salesperson s in the display (billboards) industry are non-confrontive. As suing an employer for due performance can be considered as confrontive, these individuals very rarely make use of this option.

1.1.2 Culture of the organisation

An organisation's base rests on management's philosophy, values, vision and goals. This, in turn, drives the organisational culture which is composed of the formal organisation, informal organisation, and the social environment. The culture determines the type of leadership, communication, and group dynamics within the organisation. The employees perceive this as the quality of work life which directs their degree of motivation. The final outcome is performance, individual satisfaction, and personal growth and development. All these elements combine to build the model or framework that the organisation operates from (Robbins *et al.*, 2003:70) and determines the quality of the relationship between the salespeople in the organisation and their managers.

1.2 PROBLEM STATEMENT

Following on from the introduction it can be stated that salespeople in the billboard industry are generally unprotected regarding labour related issues. Therefore an organisation that can represent salespeople and can act on their behalf could protect them against unfair labour practices. Managers that place a high value on ethical behaviour and sticking to the organisational culture of their companies could also reduce the problems that exist between managers and sales people.

A representative body such as a trade union, workplace forum or an organisation that specifically handles disputes that may arise out of unilateral decisions that are taken by employers in the billboard industry that affect the salespeople could go a long way to improve the working conditions of these people. There is however, no such an organisation that exists currently to protect workers in this industry. This poses the question whether salespeople in the industry would want to see the formation of such a union and whether or not they would they join such a union.

Another question that needs to be answered is whether adhering to the culture of the organisation and respecting the values and ethical behaviour of the organisation would prevent managers from making unilateral labour related decisions that affect salespeople negatively.

The question that the study must therefore answer is:

- ❖ Is there a perceived need for the formation of a labour related organisation amongst the salespeople and managers that would protect salespeople in the billboard industry in South Africa?

From the basic problem statement, further questions can be identified as indicated below:

- ❖ Would managers that are responsible and willing to go beyond legislation to the adherence and implementation of ethical guidelines and policies within the organisation protect the interests of salespeople and eliminate the need for the formation of a trade union?

1.3 FORMULATION OF THE OBJECTIVES OF THE STUDY

After the problem statement the main objective of this study could be formulated.

The main objective is to determine the perceived need amongst the salespeople in the billboard industry for the formation of a representative body regarding labour related issues in billboard companies in South Africa.

The following secondary objectives are determined for the study:

- ❖ Identifying the labour related issues and problems that salespeople in the billboard industry struggle with in their working environment and how to resolve these issues;
- ❖ Identifying the role of managers in the problems that arise regarding salespersonnel labour issues and how the formation and adherence to organisational culture and values within the organisation can prevent these problems; and
- ❖ Whether the adherence to ethical values by managers will eliminate the need for the formation of a trade union for sales people.

1.4 SCOPE OF THE STUDY

The study focused on a brief investigation of the various problematic labour issues that salespersonnel are confronted with in organisations that manufacture billboards and sell the billboards to advertisers, and factors that influence their working environment. The role of managers in establishing the values, goals and culture of the organisation with regard to salespersonnel labour issues was investigated to determine how these aspects can assist to improve the working conditions for salespersonnel in this industry.

1.5 RESEARCH METHODOLOGY

The research conducted consists of a literature study followed by empirical research.

1.5.1 Literature study

The literature review focused on salespeople and their managers in the billboard industry. It also covered definitions of the main concepts of this study. Apart from the traditional accredited journals and literature available, the research also made ample use of the Internet as a rich source of recent information on a very specific topic.

1.5.2 Empirical study

The study focused on labour related issues between people employed as salespeople in outdoor organisations and the managers that employ them. Qualitative inquiry was used, because arguments and opinions were needed to explain the scope of this study. (Henning, 2005:3) The research process used in this study is based and adjusted from the processes described by Cooper and Schindler (2003:65-88) and Cant *et al.* (2003:36-56).

Table 1.1: Research process

Identify and formulate the problem	State the basic dilemma Develop other questions by progressively breaking down the original question
Determine the research objectives	Primary objective Secondary objective/s
Develop a research design	Determine information needed Method of data collection Time dimension
Select a research method	Exploratory research was used The study is based on qualitative data In-depth interviews are used
Determine the research frame	Sample frame Sample size Sampling method
Gather data	Unstructured questions will be used

	The data are recorded using a digital voice recorder
Process and analyse data	Transcribe data Read transcript to form impressions of context Segment units of meaning – coding Look for possible groupings of codes Make a list of all the codes Categorise codes Read text to determine coherence
Report the research findings and recommendations	Present themes and related themes

- **Questionnaire design**

A questionnaire for salespeople was designed to use in the unstructured interviews to determine the following:

- ❖ The main labour related issues and problems that salespeople in the billboard industry experience in their workplace; and
- ❖ Whether salespeople feel that there is a need for the formation of an organisation for salespeople which is issue-focused and targeted towards aiding and assisting salespeople in the billboard industry regarding labour related issues.

A second questionnaire was designed for sales managers to determine the following:

- ❖ Views on ethical behaviour and organisational culture within the management system with regard to employment conditions of salespersonnel in the organisation and whether it would eliminate the need for the formation of a trade union for salespeople.

The questionnaires were constructed and then tested in a pilot study. The pilot study was conducted on two salespeople and one sales manager from two of the billboard

companies that fell within the population of billboard companies. They were asked for feedback on the content of the questionnaires that were used to conduct the interview. As a result, some minor changes were made.

- **Population**

The population of this study consisted of all the salespeople and sales managers of the ten biggest billboard companies in Gauteng. A total of 40 salespeople and 10 sales managers formed part of the study. The criteria used for determining the size of the billboard companies was based on the amount of billboard structures that the company owns.

- **Sample size**

A sample of 20% of the population was drawn.

- **Sample method**

The random method was used.

- **Data analysis**

The interviews were transcribed and the open-ended questions were analysed by content analysis. The answers to fixed alternative questions were categorised and the responses counted. This led to a set of nominal data which were then analysed.

- **Results**

Themes were determined and related.

1.6 LAYOUT OF THE STUDY

The mini-dissertation consists of four chapters and follows the undermentioned structure:

Table 1.2: Layout of the study

Chapter 1: Nature of the study	Statement of the problem Background Scope of study Objectives of the study Research methodology
Chapter 2: Literature study	Review of literature
Chapter 3: Research design and methodology	Assumptions Collecting the data Analysing the data
Chapter 4: Findings and recommendations	Findings of the study Recommendations Limitations Possible suggestions for further problem investigation

The chapters consist of the following:

Chapter 1: Nature and scope of the study

Chapter 1 provides background information to the study and outlines the objectives and scope of the study. The research methodology is explained.

Chapter 2: Literature study

The chapter presents the literature review of the study. The research undertaken on sets off with defining the major concepts before it moves on to the topics of outdoor advertising and billboards. The salespeople in the billboard industry and their profiles are researched. The chapter continues to review the literature on the salespersonnel's commissions, incentives, targets and bonuses, whilst also examining the relationship between managers and salespeople in the billboard industry. The theoretical research also examines the influences of the organisational culture and trade unions in the outdoor advertising industry.

Chapter 3: Research methodology

Chapter 3 presents the research methodology and the results of the research according to the different steps of the research process. This includes aspects such as the problem statement, meeting the objectives of the study, and analysis of the data.

Chapter 4: Findings and recommendations

The presentation of the results and recommendations in chapter 3 lends itself to further interpretation. As a result, conclusions are drawn and recommendations are made. Areas for possible further study regarding the formation of a representative organisation for salespeople in the billboard industry, are also identified.

The next chapter entails the literature study, and examines labour related issues between salespeople and managers in the outdoor advertising industry.

CHAPTER 2

LABOUR RELATED ISSUES BETWEEN SALESPeOPLE AND MANAGERS IN THE OUTDOOR ADVERTISING INDUSTRY

2.1 INTRODUCTION

The literature study was conducted by scrutinising journals, textbooks and articles to define major concepts.

2.2 DEFINING MAJOR CONCEPTS

2.2.1 Outdoor advertising and billboards

2.2.1.1 Definition

According to Tony Davidson (2007), General Manager of the Outdoor Advertising Association, outdoor advertising is defined as a rented medium for displaying and transferring commercial information in a visible manner on structures and signs, generally known as billboards, erected out of doors. It is a legitimate land-use form of advertising which is an integral part of the western economic system with direct and indirect benefits for the community as a whole.

2.2.1.2 Types of Signs

Outdoor advertising is traditionally associated with large billboards carrying printed, painted or projected images that may be internally or externally illuminated. Signs may be on buildings, fascias, windows, walls and roofs. The advertising messages can be animated and include flashing signs, neon signs, tri-visions, electronics and fibre optics.

2.2.1.3 The outdoor advertising contractor

The outdoor advertising contractor is a company or organisation that offers outdoor space as a medium for advertising. This space is usually on specially designed structures erected for that purpose known as billboards.

2.2.1.4 Outdoor advertising companies

The outdoor advertising industry in South Africa is represented by a broad cross-section of companies in terms of size. There are four large companies and more than thirty smaller, mainly regional, companies, many of which operate in niche markets. The larger national outdoor advertising contractors offer a full range of outdoor media options, either by having taken over smaller specialist contractors or by natural expansion.

2.2.1.5 The size of the outdoor advertising industry

As an industry, outdoor advertising constitutes 5% of the above the line media profile in South Africa, along with radio, print, tv, the internet and cinema. It is comparatively small, with a share of advertising spend measured at just under 5%, compared to many European countries with more than 10%. It is anticipated that the industry will continue to show strong growth with increasing urbanization of the population and demand from marketers who are beginning to realise that, second only to radio, outdoor is the most effective medium for reaching the adult population of South Africa.

While it is a capital intensive industry requiring millions to establish a national holding of advertising sites, the industry's growth is largely fuelled by the easy entry of small family-owned businesses which are able to build up regional site bases by obtaining long-term site and advertising leases. Following the international experience, once a regional company reaches a critical size it usually merges with, or is bought by, a larger national company.

2.2.1.6 How the outdoor advertising industry works

This summary concerns outdoor as a paid for medium – an advertising medium like tv, print, radio, cinema and others, where the outdoor advertising contractor rents out or sells advertising space Structures that are specially designed and erected for that purpose.

The outdoor advertising contractor has no say in what goes on a billboard or advertising sign – provided it conforms to the requirements of the Code of Advertising Practice as laid down by the Advertising Standards Authority (ASA) of South Africa to which Outdoor Advertising Association of South Africa (OAASA) members subscribe. The contractor's role is to find suitable sites for erecting advertising signs and to rent out the space to an advertiser – much in the same way as tv, radio and the press provide time and space for advertisers.

The contractor obtains the rights to erect an advertising sign on a site and negotiates a site rental fee with the landlord. the land may be privately owned, or state-, provincial-, railway-, municipal- or township-property.

The contractor then obtains permission to use the site for an advertising sign with the Government or Provincial body, the Municipality or local authority concerned. The approval may be an unconditional or a conditional one where approval would be subject to several conditions such as approval by Traffic or Electricity Departments, or following an environmental impact assessment (EIA), and so on. Only when an unconditional approval has been given by the appropriate authority, or all conditions have been satisfied, is the selling mechanism triggered.

The contractor sells or rents out the advertising space to an advertiser through their own salespersonnel who calls on companies directly or on the advertising agencies that handle their accounts. The landowner receives a rental from the contractor for allowing an advertising structure to be erected on his property. The rental is negotiable, and if it is based on a percentage of the income received from the advertiser or from the agency, the landlord has a right to see the agreement the contractor has with the advertiser. The rent payable to the landlord is payable only when the sign is erected.

2.2.1.7 The role of outdoor advertising in the economy

Outdoor has evolved to become one of the most innovated media in recent times. It has expanded from being represented by posters and billboards in the early fifties to now being made up of more than forty different media types ranging from video walls at airports through high-tech electronic billboards in metropolitan areas, to store fascias and 6-sheet posters in remote rural villages. Outdoor advertising is the only way of communicating visually with the bulk of the adult population of South Africa of which 60% are functionally illiterate. It is the only medium by which product messages can be directed to some of the major target markets, particularly in rural areas.

Outdoor advertising is arguably the most effective way of communicating with the third world element of the South African population. There are vast masses of people who do not have access to television nor do they buy or read newspapers and magazines. But they are exposed to outdoor advertising at their local trading stores in the rural areas and at shopping complexes in the townships. Successful marketing giants like Coca-Cola and SA Breweries have come to recognise this fact, and it is companies like these that use some of the many outdoor media options to address these markets.

Not only does outdoor advertising form an integral part of an advertising campaign to promote the advertiser's goods or services, but the medium is being used progressively more for community service and as an educational medium for various causes. For example, the anti-drug campaigns and Aids awareness projects are often seen on larger-than-life posters, billboards and buses all over the country.

2.2.1.8 Who benefits from outdoor advertising?

- **The general economy**

Outdoor advertising stimulates trade and maintains economic vitality and viability.

- **Small business**

Outdoor Advertising is a particularly important medium for communication for small businesses.

- **Rundown areas**

Good quality, modern signage is essential to revitalization of trade for a shop, business, or shopping centre which is run down.

- **The community**

People value signs for providing information, identification and warning, particularly when they are in an unfamiliar area – a common feature of today's mobile society and where there is gravitation of rural people to the bewildering cities.

- **Charities and community services**

Outdoor advertising has an important role to play and is often used for advertising charitable causes such as the Cancer Association, Aids Awareness programmes, and many more. Because of its unique ability to penetrate the most remote rural areas, outdoor advertising is invaluable for voter education and political advertising.

- **Amenity**

Good quality and well maintained signage can contribute to an area by screening unsightly features and by adding colour to a drab environment. It is effective as an alternative to a graffiti-prone wall. Large advertising signs enhance the symbolic value of a city by becoming landmarks and objects of interest and pride for its citizens and visitors alike (for example, Piccadilly Circus and Times Square).

- **The advertiser**

The owner of the product or service obtains exposure which may not be available in other media (e.g. small business) and enables the advertiser to make the product/service known to the community. Outdoor advertising is also the medium which most other media uses to promote themselves.

- **Site owners**

Local residents, property owners, town and city councils and government are able to receive income through ownership of suitable sites for this medium - thus making a contribution to the local economy.

- **The advertising contractor**

As an employer of skilled, semi-skilled and unskilled labour and as a user of products and services of other companies, the outdoor advertising contractor has an important part to play in the local and national economy of the country.

2.2.2 Commissions, incentives, targets and bonuses

2.2.2.1 Commissions

Sales management normally determines their sales staff's compensation on three basic plans:

- A salary-only plan
- A commission-only plan
- A combination plan

Literature states that there are advantages and disadvantages to all three plans. The straight salary plan is useful when the sales results are difficult to ascribe to one salesperson's efforts. The straight commission plan works well when a company wants increase sales volumes or profitability. The most widely used plan is the combination plan of both a basic salary and commission. The basic salary is fixed monthly and the commission is based on paying the salesperson a percentage calculated on turnover, profit or volume.

2.2.2.2 Incentives

Variable pay is a method of payment that links reward to performance or productivity (Smith,1992). Pay motivates salespeople to increase their sales as most salespeople rate monetary rewards as the best motivator (Walker *et al.*, 1977; Bogozzi,1980; Berry & Abrahamsen,1981; Churchill & Pecotich,1982; Churchill *et al.*,1993).

The design, implementation and regular adjustment of incentive plans is one of sales managers' and company owners' more important tasks. A survey that was conducted on more than 400 firms in the United States proved that most salespeople were unhappy with their incentive schemes. According to Abratt and Klein in their research in 1999, the responsibility allocated for the design of the incentive schemes are normally allocated to the sales manager (92.1%), the general manager (73.7%) and the marketing manager. Very few companies (5.2%) consulted the sales staff in the determination of the incentive schemes. In the researcher's opinion, this could be one of the reasons why sales staff feel unhappy about their incentive schemes, as Stanton *et al.* (1995) suggests. When management solicits suggestions from the salesforce regarding the compensation or incentive plan, they are more likely to accept it.

The research conducted by Abratt and Klein indicates that the most important measure that is used for paying out incentives is "Sales Above Target" This research indicates that managers believe that the major driving force for the use of incentive schemes is to motivate the sales force; however, the most important measure used for incentive payments was sales above target. These point to the fact that management probably has a hidden agenda when they claim that they want to "motivate" people.

2.2.2.3 Targets/Quotas

These can be defined as specific goals being amount of products sold, turnover in terms of money, profits attained and others within a specified period or time. The time period is usually one year (Good & Stone, 1991). Quotas are normally used as a basis for paying out incentives. Normally the most important kind of quota is sales volume. Very few companies use qualitative measures such as morale and loyalty (Churchill *et al.*,

1997:146). Normally, incentives become payable when the salespersons reach 100% of their target (Barnes,1986:47). Companies often place incentive caps or ceilings on sales people's potential earnings. This policy can have a severely negative influence in the motivation of outstanding salespeople as they would be prevented from receiving their deserved rewards (Barnes, 1986:47-48). Incentive schemes should be reviewed and updated on a regular basis and be adjusted to changing marketing conditions, in most cases, at least once a year or otherwise when required (Barnes,1986:48; Jackson & Hidstrich, 1996; Lidstone,1978). This should be in consultation with the salespeople to get them to accept it as indicated earlier. Often this is not the case, and when decisions are made unilaterally is when the problems begin.

2.2.2.4 Bonuses

Bonuses can be added to a salesperson 's or even the entire sales force's compensation should they exceed their total yearly or bi-yearly local or total revenue objectives, budget, quota or target. Bonus arrangements can vary a great deal. They could be based on a percentage of compensation to date, or a flat amount given to all salespeople. Paying salespeople a large bonus based on exceeding a budget could be an excellent way to create strong peer pressure on underperformers, but when managers fail to reward salespeople for a spectacular performance in an off-year when market or industry revenue declines drastically, they could make them feel like losers. Making people feel like losers is a poor way to motivate and retain them (Warner & Spencer, 1991: 18).

2.3 SALESPEOPLE IN THE BILLBOARD INDUSTRY

2.3.1 The typical billboard salesperson 's profile

In the fourth of his series on profiling types of salespeople on the Bizcommunity website, Gilbert (2008) takes a look at the display salesperson, which is required when products are standardised or are commodity products such as billboards. Companies that use these products or want to use them are usually completely experienced in the product's uses and applications. He describes the display salesperson as follows:

Table 2.1: Profile of a display salesperson

Requirements	QIV display solutions
Type of salesperson	Display
Traits and characteristics	Not committed to a career in sales; work supports non-work or life goals and desires; enjoys people and tolerant of constant people contact
Sales style	Non-confrontive; systematic
Sales focus	Communicate availability; responsive versus proactive
Role	Responsive/service oriented
Technical ability	Product price and delivery system knowledge
Training	Product knowledge; delivery system knowledge; telephone skills; customer relations skills
Length of time to close as permanent buyer	Up to 36 months
Length of contact after close	None until the next time they call for an order or are due for a reorder; For a special promotion, like a price discount
Corporate support and structure	Advertising to position the product and make it easy to buy; competitive price; multiple locations for quick delivery or a system to deliver products or services quickly

(Source: Adapted from Gilbert, 2008))

It is important to notice that the display salespeople are described as non-confrontive and are more responsive than pro-active. In the opinion of the researcher these character traits are a precedent to them very seldom taking their employers to task regarding their labour related problems.

The specific nature of the sales job together with the personality of the salesperson and the changing character of the market conditions greatly influence the motivation level and performance of salespeople in the industry (Ingram *et al.*, 1992:227; Steinbrink, 1978) The

development and conveyance of managerial values also play a critical role in enhancing a salesperson's trust and performance (Sallee & Flaherty, 2003:299).

2.3.2 Motivation and compensation of sales people

According to Ivankevich (1988), motivation is the set of attributes and values that makes a person act in a specific goal-directed manner. There are two kinds of motivators which are:

1. *Intrinsic motivation.* This is derived from job content and is the process of motivation by the way the work meets the person's needs or gives them the feeling that their expectations will be met and their goals will be achieved (Flude, 1992:8). People seek the type of work that satisfies them and therefore intrinsic motivation is self-generated.
2. *Extrinsic motivation.* This pertains to what is done for people to motivate them. This includes rewards such as salary increases, incentives, bonuses and promotions provided by management. According to Armstrong and Murlis (1994), extrinsic motivators are powerful and have an immediate effect, but are often not long-lasting.

The cost of the salesforce is by far the largest element in a company's marketing expenditure and it is therefore paramount for companies to ensure that the salesforce is highly motivated and productive. Companies generally try to improve the productivity of its salesforce through better selection, training, motivation and compensation. Compensation deals with every type of reward salespeople receive in exchange for performing their set tasks in the organisation. Methods for paying employees on the basis of output are normally referred to as incentive forms of compensation. Pay motivates job performance to the extent that merit increases and other work-related rewards are allocated on the basis of performance (Milkovich & Newman, 1990). Compensation and incentive schemes play an important role in motivating salespeople to perform better.

2.3.3 Goals of a compensation system for sales people

Compensation experts Lawler, Henderson and Nash believe that a compensation system should accomplish as many of the following objectives as possible:

- Aid in meeting an organisation's strategic goals;
- Aid in communicating corporate goals, performance standards and expectations;
- Tie compensation directly links with current sales performance.
- Attract and hold good people;
- Keep sales people's motivation high;
- Help in Analysing sales potential, planning account coverage and allocating selling time;
- Be understood by sales people;
- Be fair to employees;
- Be fair to the organisation;
- Provide management control; and
- Enhance teamwork and co-operative effort.

Guidelines for developing a sound compensation system are (Warner & Spencer, 1991:191):

- There should be a good balance between security and incentive;
- The plan should be competitive in the industry and in the area;
- The plan should reflect the strategy and objectives of the organisation;
- There should be no perceived ceilings on earnings;
- Opportunity for reward must be equal amongst all salespeople;
- There is management control over what is sold and to whom;
- There are some rewards for non-selling duties; and
- Incentive payment should generally be prompt and frequent, while remaining large enough to be sufficiently motivating.

2.3.4 Problems with compensation systems for sales people

Complaints often arising from employees are that the sales manager has made some or other unilateral change to the original system of compensation. It may also include the sudden unilateral introduction of additional terms and conditions of employment, such as a condition that the salesperson will not be paid his commission until the client has paid for the goods sold.

Salespeople do have the right to refer any disputes regarding the above matters to the CCMA in order to settle issues. However, as Gilbert states in his research, salespeople in the billboard industry have non-confrontive characters and therefore very seldom address these issues with their managers. It is therefore worth investigating if the formation of an outside body that serves as representation for salespeople in the industry would be effective in preventing salespeople from being exposed to these kinds of labour related issues.

Warner & Spencer (1991:19) states that a big problem with most sales compensation systems is that they do not meet the organisation's strategic goals and they do not communicate corporate goals, performance standards and expectations to salespeople clearly. According to Jackson (2009b) in *The Labour Guide*, managers often do not adhere to company values and ethics when making changes to compensation systems.

2.3.5 Problems in the relationship between managers and salespeople

Responses to problems characterised by an implicit or explicit pledge of relationship continuity such as the relationship between sales managers and salespeople have received considerable attention in several literatures outside of personal selling. It is argued that an offended party will exit his or her relationship only as a last resort. The party is likely to respond with loyalty, remaining silent, confident that things will get better-or with voice constructive attempts to change objectionable relationship conditions. Further responses to relationship problems are relationship neglect, allowing the relationship to deteriorate and opportunism, which is surreptitious self-interest seeking. Antecedents of these responses include satisfaction, alternative attractiveness, past relationship investments and switching costs. Hirschman's (1994:208) social economics research

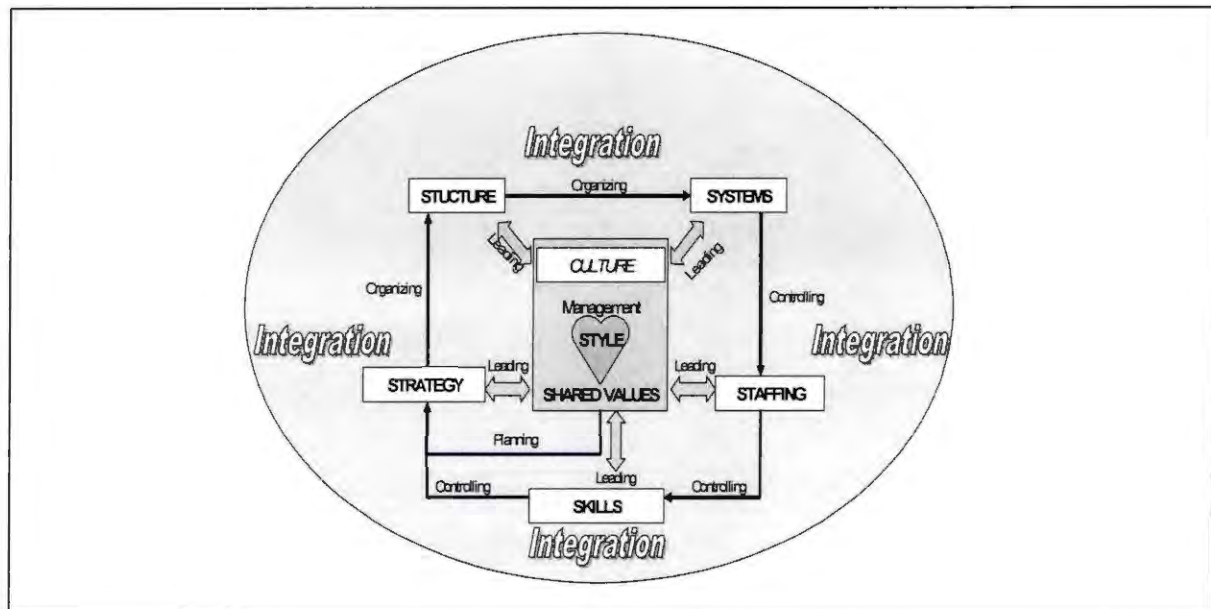
explores responses to relationship problems and its antecedents in sales people. It proposes a new theory by stating that organisational commitment and goal congruency are uninvestigated antecedents of the responses to relationship problems. Practices that can be introduced are a managerially actionable construct, goal congruency, which, in turn, will shed new light on issues such as salesperson turnover (Ping, 2007:39).

The researches is of the opinion that the values and ethics of the managers that implement and enforce compensation systems in some organisations are sometimes questionable and therefore the role of the organisational culture within organisations become critically important.

2.4 CULTURE OF THE ORGANISATION

The culture of the organisation determines the type of leadership, communication, structure and group dynamics within the organisation. The employees perceive this as the quality of work life which directs their degree of motivation and behaviour. The final outcome is performance, individual satisfaction, and personal growth and development. All these elements combine to build the model or framework that the organisation operates from (Robbins *et al.*, 2003:70).

Diagram 2.1: Shared values



(Source: Adapted from Van den Bergh, 2003:2)

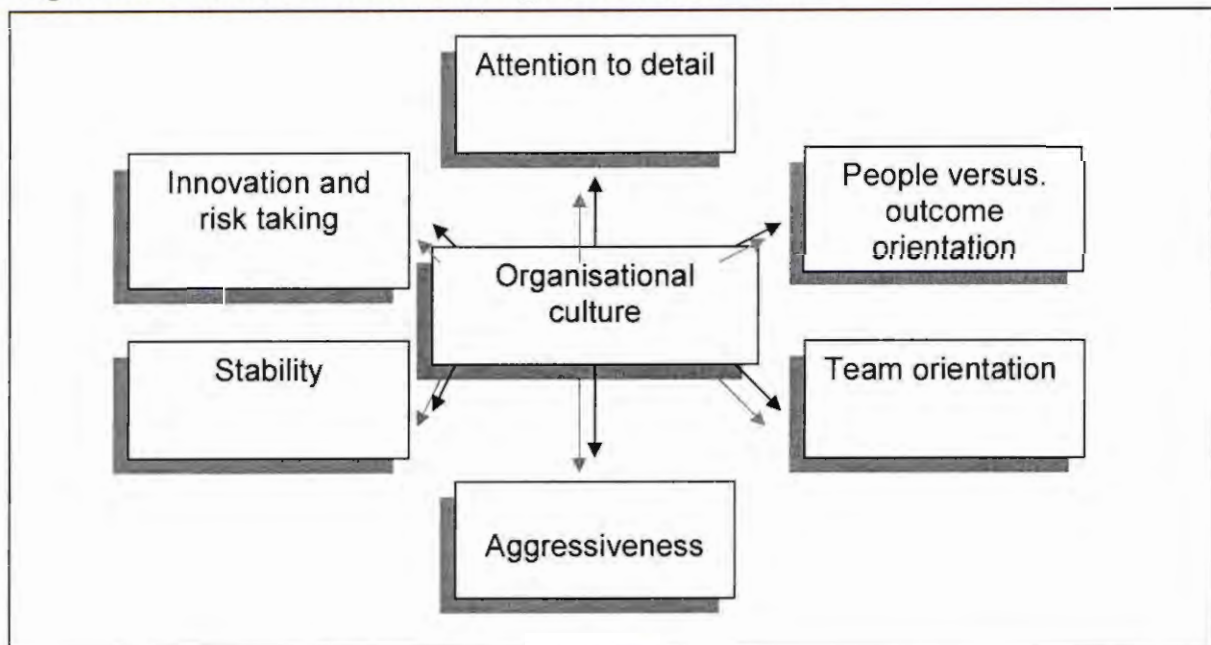
The centre of diagram 2.1 is the heart of the organisation: it indicates the values and culture expressed by the managers of the organisation. Other activities such as planning, communication, organising, leading as well as control, flow from this central core. Diagram 2.1 also indicates shared values at its centre. Coetsee (2002:82) indicated that this means all employees know what the values are, they have translated the values into their particular work environment, they support and live the values and the values are relevant and functional. But before exploring values and ethics in more detail, it is important to understand the cultural dimensions of the organisation and how the focus on these dimensions influence the intensity of the organisational culture.

2.4.1 Aspects of the organisational culture

Individuals have certain traits. These traits indicate how a person acts and interacts with others. For example, if a person is described as aggressive, assertive and analytical it refers to a person's personality traits. There are also cultural dimensions differentiating cultural groups. These differences identified in cultural groups lead to cultural group traits and influence their relationship towards various issues. The same can be said about an organisation. It has certain personality traits that can be referred to as its culture. Robbins *et al.* (2003:70) define organisational culture as follows: *"Organisational culture can be described as the shared values and beliefs held by the members of the organisation that determine to a large degree how they act. This indicates the taboos and rules that should be held by the members of the organisation and dictate their behaviour within the organisation"*. Culture indicates the shared aspects, as individuals from the same organisation can describe the traits or personality of their organisation fairly accurately in the same terms. This is significant considering the diverse workforce in South Africa and the effect of globalisation on the environment.

Robbins *et al.* (2003:71) identified certain dimensions that, in essence, capture an organisation's culture. This is depicted in diagram 2.2.

Diagram 2.2: Dimensions of the organisational culture



(Source: Adapted from Robbins *et al.*, 2003:71)

An organisation can be weak or strong in the above dimensions and this would, in turn, indicate a strong or weak culture.

2.4.2 Strong cultures versus weak cultures

Some organisations have weak cultures; some are in the middle while others have strong cultures. The organisational culture has a strong influence on leaders and determines how they would proceed. Therefore, an organisation that does not clearly indicate what is important and what is not important can be referred to as an organisation with a weak culture. There is a relatively high agreement on what is important, what defines good employees' behaviour and what it takes to get ahead. In a study of organisational culture (Robbins *et al.*, 2003:71) it was found that employees in organisations with strong cultures were more committed to their organisation than employees in organisations with a weak culture. Organisations with strong cultures also use its recruitment efforts and socialization practices to build employee commitment. The authors also indicated that an increasing body of evidence also suggests that strong cultures are associated with high organisational performance. But culture is not the only important aspect. The values and ethics upheld by leaders are also an important aspect and will be explored in the next section.

2.4.3 Ethics and values

Ethics is the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad (McShane & Von Glinow, 2005:53). Bates *et al.* (2005:353) indicate that it is the responsibility of managers to ensure that their organisation is run by ethical principles and they will be held accountable for breaches in standards and for illegal behaviour. However, in the field of business ethics the problem exists to connect ethics with the business – many people see this as separate aspects. Knights and Willmott (2007:510) refer to the (in)famous economist, Milton Friedman and his argument for social responsibility of the business. This US free market economist has argued that the only social responsibility of business is to increase its profits. Friedman has argued that the corporate executive or manager may personally feel responsibility to particular charities or good causes but should only act on these responsibilities in the private sphere when at home or in the community. Ethics has little or no place in the business world for Friedman. Instead, ethics is seen as private and personal and should stay that way. Against Friedman's point of view, the following indicates why managers need to be ethical within their companies: Employees as well as customers value companies and their leaders with high ethical values. Managers must set an example to their followers of what constitutes acceptable behaviour in business. This is critically important and should be considered even when finalising deals or competing for scarce resources in the globally competitive business environment. Managers must be trusted, and support from employees to managers is much higher when their integrity can be trusted. Managers have power leading to the potential for wrong and right, bad and good. Therefore, it leads to ethical issues. Gibson *et al.* (2000:13) indicate that managerial decisions are clearly linked to ethics, for example:

- Managers make decisions that affect the lives, careers, and wellbeing of people.
- Managers make decisions involving the allocation of limited resources.
- Managers design, implement, and evaluate rules, programmes and procedures.
- Managers, in making decisions, display to others their moral and personal values.

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Although operating ethically is important, it is not always easy to achieve. To reiterate this statement, the following ethical principles are identified by McShane and Von Glinow (2005:54):

- Utilitarian principle:** The moral principles stating that decision makers should seek the greatest good for the greatest number of people.
- The individual's rights:** The moral principles stating that every person is entitled to legal and human rights.
- Distributive justice:** The moral principles stating that people who are similar should be rewarded similarly and those dissimilar should be rewarded differently in proportion to those differences.
- Care principle:** The moral principle stating that we should benefit those with whom we have special relations.

Entering the global marketplace and with environmental protection becoming an important aspect, ethical decisions become more important and managers should consider this aspect clearly when making decisions that could influence the organisation and its staff. Obviously, the manager's set of values and personality would determine what principles would be employed and decisions that would be taken. Gibson *et al.* (2000:433) indicate that studies examining the effect of personality on the process of decision-making have generally focused on three types of variables:

- Personality variables:** The attitudes, beliefs and needs of the individual.
- Situational variables:** External, observable situations in which individuals find themselves.
- Interactional variables:** The individual's momentary state that results from the interaction of a specific situation with characteristics of the individual's personality.

It is also important to note that although fundamental ethical principles are similar across cultures, how these principles are interpreted could differ from person to person and culture to culture. This also influences how employees react and is motivated by the managers and ultimately the success of the organisation.

2.4.4 Values

Organisations are only able to operate efficiently and effectively when shared values exist between employees. Values are the behaviour particularly valued in an organisation, based on the principle of "the way things are done around here" (Gibson *et al.*, 2000:105). Alternatively and simply told it is "the ultimate glue that bonds the best companies". Values can be defined as the constellation of likes, dislikes, viewpoints, shoulds, interinclinations, rational and irrational judgements, prejudices, and association patterns that determines a person's view of the world.

2.4.4.1 Values and the relationship with organisational citizenship behaviour

Values are stable, enduring beliefs about what is worthwhile that influence thought and behaviour. It is also true that values are learnt and this process begins soon after birth when parents assist the young by indicating that certain behaviours are good and others are bad. Therefore, values are relatively stable and influence an individual's perception of what is good and bad. Whether they are aware of it or not, every individual has a set of core values which can range from the commonplace such as hard work and punctuality to the more psychological such as harmony and purpose. Clearly then, an individual enters into a work situation with a personal set of values in place. Organisations, on the other hand, also implement and incorporate selected values into the culture of the organisation. This might lead to conflict between personal and organisational values. Dilemmas, polarities, conflict and ethical issues can thus occur.

2.4.4.2 Values and behaviour

Values ultimately drive behaviour. Values are integral to the attitudes formed and would then determine how a person would respond to other people, situations and objects. Values therefore influence attitudes. Attitudes, in turn, influence how a person would behave. This connection between values, attitudes and behaviour is called the behavioural chain, as described by Kerns (2005:42).

When there is a clear alignment between an individual's values, his/her attitudes and behaviour, strong and predictable behavioural patterns can be established. If not, cognitive dissonance will occur. Cognitive dissonance can be described as non-alignment between values, attitudes and or behaviour which can cause a person to adjust behaviour or attitudes to eliminate this inner conflict. This refers to integration which leads to stability and peace of mind. Values are a key component of effective managerial leadership. In fact, values serve as the bedrock of managerial leadership. Kerns (2005:43) identified seven ways in which values affect leaders:

- Leaders' perceptions of people and situations are affected by their values;
- Leaders' solutions to problems are influenced by their values;
- Values are integral in interpersonal relationships;
- Values affect perceptions of individuals and organisational successes;
- Leaders' acceptance or rejection of organisational stressors and goals are affected by their values;
- Personal values may affect managerial performance; and
- Values offer a basis for differentiating between ethical and unethical behaviour.

The last finding is important to approaches to ethical management. Ethical choices and behaviour are linked to virtuous values. A subset of managerial leadership values – that is virtuous values – connect to the formation of ethical behaviour or how its absence can open the door to ethical transgression (Kerns, 2005:43). Managers with strong value systems behave more ethically than those with weaker ethic convictions. Without a strong

value system, the decisions are not clear, neither the ethical path. The goal is to instill values in people so that when they are presented with ethical decisions / dilemmas they too will make choices or behave in ways that are consistent with those values. Strong core values are ranked amongst the most admired aspects of successful organisations. Kerns (2005:46) suggests that strong core values have contributed to:

- Building trust and confidence;
- Increasing accountabilities;
- Creating a spirit of togetherness;
- Steering things in the right direction;
- Creating and sustaining competitive advantage; and
- Values create a blueprint for practicing the art and science of managerial leadership.

Trust has been a focus of study across many disciplines including psychology, sociology, economics, management and marketing. Within the marketing realm trust has been defined as one party's belief that its needs will be fulfilled in future by actions undertaken by the other party (Anderson & Weits, 1989:213). Trust inherently involves confidence in another person's reliability and integrity within a context in which both vulnerability and risk are present. This conception of trust includes two components; (1) objective credibility or the extent to which the relationship partner can be relied upon; and (2) benevolence or the extent to which one person is concerned with the wellbeing of the other. We thus view trust as a mutual exchange of both honesty and benevolence within the working relationship of a manager and a salesperson. The influence of trust on performance is an important relationship that merits further investigation (Sallee & Flaherty, 2003:300).

2.4.4.3 Universal virtuous values

Martin Seligman (in Kerns, 2005:45) has identified a set of core virtuous values in his book *Authentic Happiness* that seem to have universal appeal. Dr Seligman writes, "While psychology may have neglected virtue, religion, and philosophy there is astonishing convergence across the millennia and across cultures about virtue and strength.

Philosophers and other venerable traditions disagree on the details, but all of these codes include six core virtues:

- **Wisdom and knowledge**

Wisdom comes from capitalising on one's experiences to interpret information in a knowledgeable manner to produce wise decisions. Ethics are uplifted by wisdom and knowledge.

- **Courage**

Courage and integrity are the cornerstones of the practice of ethical behaviour. It means doing the right thing even when it is not easy and often requires courage and integrity to do so.

- **Love and humanity**

Love in the organisational context refers to an intense positive reaction to another co-worker, group and or situation. By showing love and kindness toward their people, managerial leaders are expressing their values of people and may, in turn, engender love and kindness from others.

- **Justice**

People have a keen sense of what is fair and unfair. A leader's commitment to justice is tested continually and special treatment is perceived as being unfair.

- **Temperance (self-control)**

The ability to use self-control to avoid unethical temptations is a core virtuous value. The capacity to take the ethical path, especially when faced with options that would provide personal gain, requires a conviction to the values of acting with temperance.

- **Spirituality and transcendence**

Ethical leaders perceive omnipotence, recognising that there is something beyond the individual that is more permanent and powerful. Without this, the leader might tend to be self-absorbed and egocentric. From the above, it is clear that the basis for

effective leadership is truth-telling, promise-keeping, fairness and respect for the individual and the world at large. These are virtuous values and can be put into practice by managers and influencers in the business environment.

2.4.4.4 Putting virtuous values into practice

Values should be applied to the business environment and virtuous values can be practiced when making decisions, solving problems, and resolving questions of right and wrong, good or bad. Kerns (2005:41) proposes that to put virtuous values into practice, managers need to have a professional and systematic approach. Kerns (2005:41) continues to explain that managers can be seen as directors, focusers, linkers and influencers. This can be described as follows:

- In practice, managers set a clear direction for the organisation – directors;
- They focus the operations on the key result areas – focusers;
- They link resources in ways to maximize their value to the organisation – linkers; and
- Talking and acting in ways that influence people – influencers.

Established behavioural standards and written codes of ethical conduct can help improve virtuous values and promote ethical organisational behaviour. Behavioural standards are typically specified guidelines for behaviour within the organisation and or specific functional work areas (Kerns, 2005:41-51). Culture works to coordinate and control behaviour, action and decision-making within organisations. Culture reflects therefore not just explicit, written rules of an organisation, but also the unwritten, subconscious, intangible assumptions and beliefs that shape the organisational behaviour and are manifested in all facets of day-to-day life. This includes leadership style, language, dress codes, and ways of communicating the organisational structure's competitive success (Graetz *et al.*, 2006:58). If the above is true, the organisation should therefore reinforce personal values ensuring that those values would guide behaviour and that strong culture exists to ensure coordinated and controlled behaviour within the organisation.

2.2.4.5 Identifying and developing a value system

A good starting point to identify and develop a values system is the mission, vision and purpose of the organisation. Management should have a clear understanding of their values and identify those values. These values provide a framework for leaders of an organisation to encourage common norms and behaviour, which, in turn, will support the achievement of the organisation's mission, vision and objectives. Taking the above into account and with a list of questions that Coetsee (2002:82-83) identified, an organisation can identify its most applicable values. The questions are:

Which values would:

- support our vision?
- emphasize what we stand for?
- motivate commitment?
- help people find meaning in the work?
- link individual efforts to organisational goals?
- motivate the most conducive employee attitudes and behaviour?
- improve ethical behaviour and help to counter corruption?
- focus effort on client needs?
- create an innovative and creative climate?
- serve as guidelines for human relations at work?
- emphasize how we would want to be perceived by the community?

Asking and answering the above questions assist leaders to clarify what important values the organisation wants to display, not only to clients and the community but within the organisation as well. But identifying these values are not the only aspects that should be looked at. Because of the important influence of shared values on work behaviour, it is also necessary to reinforce these values to the employees. To achieve this influence, Kerns (2005:xiii) identified certain aspects that should be put in place:

Reward and recognition systems: Reward people who effectively live the values as part of performance evaluation.

Communicate the values constantly:	Values should fit within the organisation's communication, both internally and externally.
Values should be available:	Values should be available as new members join an organisation.
Revisit and refresh the values:	Revisit values and allow members to update them. This will assist in avoiding stated values that no longer reflect the business culture.
Confront contradictory behaviour:	Confronting contradictory behaviour ensures that feedback is given to those who are not living the values of the organisation. Contradictory values that are not confronted can influence desired values negatively.
Ensure feedback is received:	Ask people what they think are the values of the organisation. Sources can include employees as well as outside sources.

Kerns (2005:xiii) continued to reiterate the grave lack of understanding of the importance and impact of ethical leadership in business organisations. Managing ethically is crucial for the long-term survival of society. If unethical behaviour becomes the norm, culture will break down over time.

It is therefore important to understand that there are many sound business reasons to manage an organisation ethically. Reasons range from the long-term positive economic impact on an organisation to improving the quality of business output, to a very simple truth that states the following: ethics is the right thing to do. A mounting body of evidence shows that emphasizing the softer side of business, including ethics, positively influences the harder traditional bottom-line. By listening to employees, effectively recognising their work, and practicing good ethical behaviour, hard measures such as operating earnings, return on investment (ROI), and stock price have received a boost.

2.5 TRADE UNIONS

2.5.1 The role of trade unions in the employer/employee relationship

The most important function of trade unions is to level the playing fields for management and the workforce (Frawley, 1996:18). Actually, the capitalist system gives the employer more rights and powers than it does the employee. It is accepted that as investor and risk bearer the employer has the prerogative to make the decisions. This can be taken too far, especially when the employee could be exploited as a result of decisions made by the employer.

The trade union has the potential to mobilise labour in a collective unit to decrease the extent of the decision-making autonomy of the employer. Strong unions should result in a stable workplace. The strength of the trade unions lies in the fact that its campaigns are issue-focused and therefore appeal directly to its target members.

Employers and trade unions have, over the years, to a certain extent cultivated a co-operative working relationship that has created a less strained working environment. Among the gains the unions have registered over the years is the concession by employers that unilateral decision-making is undemocratic.

When workers such as 'A-typical,' 'non-standard', or even 'marginal' new workers and those engaged, for instance, in part-time work, contract work temporary, fixed-term, seasonal such as sales representatives, casual or to employees supplied by employment agencies, home workers and those employed in the informal economy are often paid for results rather than time they become vulnerable. Their vulnerability is linked in many instances to the absence of an employment relationship or the existence of a flimsy one. A large proportion of these workers work in sectors with limited trade union organisation and limited coverage by collective bargaining, leaving them vulnerable to exploitation. Often they do not receive 'social wage' benefits such as medical aid, pension or provident funds.

They should, in theory, have the protection of current South African labour legislation, but in practice the unusual circumstances of their employment render the enforcement of their rights problematic. Thompson commented: "*The standard model of employment is now*

one of inherent variability. Work has changed both for better and for worse." (Fourie, 2008:110-111). Since the adoption of progressive labour legislation in South Africa, employers have camouflaged employment conditions in order to avoid stringent labour laws.

It simply means that employers, in their quest to reduce costs whilst trying to meet the demands of globalisation, are disregarding the traditional job boundaries – often to the detriment of the non-standard worker. Employers use non-standard workers to avoid restrictive labour laws and collective bargaining restraints. In addition, the practice provides them with more flexibility. According to Fourie (2008:112), in his article on non-standard workers, remedying the situation of most non-standard workers should be relatively easy. It can be achieved by extending minimum floor rights to these workers through legislation, or by strengthening their collective bargaining abilities.

Unions should possess the potential, through collective action, to force employers to take different decisions (Marley, 1998:39). This means the inclusion of checks and balances in the decision-making process, the creation of a culture of legitimacy and fairness, the acceptance of co-dependence on and respect for each other, the development of respect for basic fundamental principles and rights of people in the workplace, the development of the understanding that healthy labour relations are good for the enterprise is performance as well as the broader economy (Buell, 1997:41; Somavia, 2000; Ackers *et al.*, 1996:1; Webb & Webb, 1921:1).

The most effective examples of collective action seem to be built on consent where workers share a deeply rooted notion of deprivation and the possibility for meaningful change and a worthwhile end (Kelly, 1998:42). Recruitment and effective collective actions are possible, but it is contingent on making union membership worthwhile (Moody, 1997; Gall, 2003:51).

Trade union leaders and organisers should see their members as their clients, and pay the necessary attention to their needs. The member dictates the pace, and continually wants to feel that he is the most important gear in the trade union machine. The members' needs must be determined, and attended to, in order to create a strong loyalty and cohesiveness

which could be marketed further (Kushner, 1996) For trade unions to be relevant, they must have power. Power is primarily founded in membership numbers, but also in members' potential, and the influence that they are able to exercise over the employer (Marley, 1998:39). The ability of the trade union leaders to recruit members will lie in the extent to which its campaigns are issue-focused and its ability to appeal directly to its target members.

2.5.2 Government

The South African Legislature has adopted several strategies to maintain union strength. These provisions will be considered here. It will be demonstrated that South Africa has done more than most other countries to protect trade unions, but that this protection is not necessarily effective given the changes in the world of employment.

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

The LRA provides for the following organisational rights:

- access to the employer's premises for the purpose of recruiting new members and servicing their members;
- stop-order facilities;
- unpaid leave for trade union office bearers;
- the right to elect a prescribed number of trade union representatives – shop stewards – depending on the number of employees
- paid time-off for union representatives for the purpose of undergoing training for their union responsibilities; and
- union representation to monitor union compliance with labour laws and access to information necessary for the performance of these functions and access to information necessary for meaningful negotiation and consultation.

The legality of the organisational right of stop-order facilities for the collection of trade-union dues, as well as to establish agency shops, have been questioned the world over; nevertheless, they are provided for in terms of legislation and provide trade unions with huge administrative and financial advantages.

- **A-typical employment and the Basic Conditions of Employment (Act of 1997)**

The LRA has gone to great lengths to protect and encourage trade unions. Most forms of atypical employment, such as part-time work, contract work, temporary work, home-work and leased work, do not readily lend themselves to unionisation. This is especially true in the case of small and medium enterprises. Employers may find it attractive to classify their workers as a-typical employees to avoid the provisions of labour legislation and collective agreements, tax payments, social security payments, and the provision of fringe benefits. It has been argued, therefore, that legitimisation of a-typical employment is a form of indirect rather than direct deterrence of collective bargaining power. In this regard South African legislation comes to the rescue of trade unions. The LRA, the Basic Conditions of Employment Act of 1997 (BCEA) create a rebuttable presumption that a person is an employee if one or more conditions exist. Section 200A of the LRA reads as follows:

- Until the contrary is proved, a person who works for, or renders services to, any other person is presumed, regardless of the form of the contract, to be an employee, if any one or more of the following factors are present:
- the manner in which the person works is subject to the control or direction of another person;
- the person's hours of work are subject to the control or direction of another person;
- in the case of a person who works for an organisation, the person forms part of that organisation;
- the person has worked for that other person for an average of at least 40 hours per month over the last three months;
- the person is economically dependent on the other person for whom he or she works or renders services;
- the person is provided with tools of trade or work equipment by the other person; or
- the person only works for or renders services to one person.

This does not apply to any person who earns in excess of the amount determined by the Minister in terms of section 6(3) of the BCEA, and any of the contracting parties may approach the CCMA for an advisory award on whether the persons involved in the arrangement are employees. The legislation thus shifts the burden of proof to the employer. The employer will have to prove that the person is not an employee. Amendments to the LRA in 2002 extended the functions of bargaining councils so that informal and domestic workers also enjoy coverage. It appears that the main purpose of this amendment was to extend the applicability of bargaining council collective agreements to atypical employees. The BCEA again, makes provision for sectoral determinations by the Minister to 'prohibit or regulate task-based work, piecework, homework and contract work' and to 'specify minimum conditions of employment for persons other than employees'. The BCEA also gives the Minister authority to 'deem' certain vulnerable groups or workers to be 'employees' for the purposes of the basic minimum conditions of 'employment'. The purpose of all these measures is to cast the safety net of protection wider. They also serve to increase the recruitment base of trade unions since only employees can become members of a trade union (Vellori, 2005:299).

- **National Economic, Development Labour Council**

South African labour legislation is further supportive of trade unions in that it underpins a tripartite system of labour relations. The most important role players in the South African labour market are the State, employer associations, and trade unions or trade union federations. Thus, Government has been instrumental in developing a labour relations model based on tripartite structures and societal corporations which have become hallmarks of the new dispensation. The most important indication of this is the establishment of the National Economic, Development Labour Council (NEDLAC).

NEDLAC's functions include reaching consensus and concluding agreements concerning social and economic policy, labour legislation, and labour-market policy. Such consensus is necessary before any social or economic policy or legislation is passed by Parliament and such enabling legislation lends support

to the legitimacy of trade unions and confers power on the trade-union movement and this despite the fact that non-union members, the atypically employed and the unemployed are not represented at NEDLAC Vellori (2005:300).

2.6 SUMMARY

Chapter 2 provides the literature review of the study. The major concepts of labour issues between salespeople and managers were defined, the billboard industry and its salespeople discussed. The chapter also discussed the culture of the organisation as well as the role that trade unions played in the billboard industry. The next chapter provides the results of the empirical research.

CHAPTER 3

EMPIRICAL STUDY

3.1 INTRODUCTION

The study explores the labour related problems that salespeople experience in their working environment and the role that organisational culture plays in the relationship between sales managers and salespeople in the outdoor advertising industry. It also strives to determine whether there is a perceived need amongst salespeople in the outdoor advertising industry for the formation of a trade union that could represent them regarding their labour related issues. Values and attitudes can be used to change behaviour and these were explored as a possible method to change the relationship between salespeople and their employers in a positive manner.

Considering the above, the study sets out to determine if there is a need for the formation of a trade union for salespeople in the outdoor advertising industry. To ensure that the necessary data are explored, collected and systematically analysed, the following research process was implemented to obtain answers to the specific questions.

3.2 THE RESEARCH PROCESS

The research process used in this study is based and adjusted from the processes described by Cooper and Schindler (2003:65-88) and Cant *et al.* (2003:36-56). The process consists of eight steps that were followed and implemented to reach the objectives of the research study:

- Step 1:** Identify and formulate the problem.
- Step 2:** Determine the research objectives.
- Step 3:** Develop a research design.
- Step 4:** Select a research method.

- Step 5:** Determine the research frame.
- Step 6:** Gather data.
- Step 7:** Process and analyse data.
- Step 8:** Report the research findings and recommendations.

3.2.1 Step 1: Identify and formulate the problem

Cooper and Schindler (2003:66) indicate that a useful way to start the research process is to state the basic dilemma that prompts the research and then develop other questions by progressively breaking down the original question into more specific ones.

Using this process the research problem identified in this study is the perceived need for the formation of a trade union for sales people. The basic question stated was broken down into more specific questions concerning labour related issues. The following questions were therefore identified:

- What are the labour related problems that salespeople in the outdoor advertising industry experience in their working environment?
- Would ethical behaviour by managers and employers eliminate the need for the formation of a trade union?

Various sources were consulted to determine if the research study would deliver new insights into the stated problem. Sources included journals, websites, and textbooks that referred to labour related issues for salespeople and sales managers, as well as the role of trade unions in the process of eliminating unilateral decisions taken by employers. Organisational culture was also researched to determine the role that ethical behaviour plays in the labour related issues between salespeople and sales managers.

During the exploration stage of the study, areas were identified that formed part of the research study. Once the problem statement of the study had been established, *Cant et al.* (2003:39) recommend that primary and secondary objectives should be set.

3.2.2 Step 2: Determine the research objectives

Cooper and Schindler (2003:101) indicate that the objectives flow naturally from the problem statement giving specific, concrete and achievable goals. When the primary and secondary objectives were set, reference was made to the research questions as identified in point 3.2.1, Step 1: Identify and formulate the problem. A comprehensive review on existing literature pertaining to labour related issues in the lives of salespeople was conducted.

According to the stated problems, the primary objective for this study was to determine the need for the formation of a trade union for salespeople in the outdoor advertising industry.

From the primary objective, the following secondary objectives could be determined for the study:

- Determine the labour related problems that salespeople in the billboard industry experience in their working environment;
- Form an understanding of the perceptions of managers with regard to the formation of a trade union for sales people;
- Determine views regarding ethical behaviour and organisational culture towards salespeople and the formation of a trade union for sales people; and
- Determine whether ethical behaviour towards salespeople by managers eliminate the need for the formation of a trade union for sales people.

It is important to note that research is not a static process, where different steps happen in isolation (Cant *et al.*, 2003:42). All the steps in this process have forward and backward linkage. While the research objectives were determined the information needed and possible research methods were also considered and included in the equation.

Research design is the next step and will be based on the above objectives identified for the study.

3.2.3 Step 3: Develop a research design

During this phase the kind of information needed must be considered in order to reach the objectives set in the previous step. In this study the questions and the kind of information needed were based on salespeople and managers in the billboard industry, who had to express their opinions and experiences. Opinions and attitudes were tested based on human judgement and personal experiences concerning the need for the formation of a trade union for sales people.

As research is not a static process as previously indicated, qualitative research is considered at this point in time as an appropriate method to collect data. Shaw (1999:62) also discusses the qualitative research approach indicating that it allows the researcher to view the research problem in its entirety, get close to participants, penetrate their realities and interpret their perception as appropriate.

Cooper and Schindler (2003:147) reiterate this point by identifying certain descriptors for research design that were used in this study. The descriptors include:

- **The degree to which the research question has been crystallized**

For this study, exploratory research was used. Exploratory research is suitable to learn more about the research problem and determine opinions and personal experience regarding labour related issues.

- **The method of data collection**

A communication method was used to collect responses based on preset unstructured questions. This method allowed the researcher to get close to each participant and penetrate their experiences and views.

3.2.4 Step 4: Select a research method

Exploratory research was used in the research study. Exploration, as indicated by Cooper and Schindler (2003:151) is useful when the researcher lacks a clear idea of what will be

experienced during the study. Through exploratory research, concepts can be developed, or more can be learned about the dilemma or problem identified.

The objective of the exploratory study was to determine the attitudes of salespeople and sales managers regarding the formation of a trade union for salespeople in the outdoor advertising industry. The secondary objective was to determine if ethical behaviour in their dealings with their employees by employers would eliminate the need for the formation of a union for sales people. Therefore salespeople and managers in the outdoor advertising industry were interviewed.

The research relied on qualitative research. Cooper and Schindler (2003:152) indicate that quality is the essential character or nature of something; quantity is the amount. Quality is the what; quantity the how much.

Qualitative inquiry was used because arguments and opinions were needed to explain the scope of this study. This had to be reflected in the data collected and literature sourced (Henning, 2004:3).

This study relied on the arguments, experiences and opinions of the different stakeholders identified. The researcher was the "instrument" used to collect the qualitative data. Research conducted within the qualitative paradigm is characterised by its commitment to collecting data from the context in which social phenomena naturally occur and to generating an understanding which is grouped in the perspectives of the research participants (Shaw, 1999:64). This means that the methods used in qualitative research, according to Shaw (1999:64), must allow the researcher to enter into the social world in which they are interested and to have the empathic understanding of the participants' experiences of the social phenomena.

Based on the above, to explore the attitudes towards labour related issues the structure used for the interviews was an unstructured questionnaire (refer to Appendix A). Unstructured questions would not limit responses but provide a frame of reference for participants' answers (Cooper & Schindler, 2003:362). To set the questionnaire, Cooper and Schindler (2003:362) were used as a source. They refer to a more focused in-depth

interview, where the researcher provides additional guidance by using a set of questions to promote discussion and elaboration by the participant. Cooper and Schindler (2003:362) also indicate that this is a suitable method when exploratory research is undertaken. Therefore, the questionnaire consisted of sixteen main questions for salespeople and 13 for sales managers with guiding prompts. (Refer to Appendix A.)

Because the questionnaire was limited to 16 main questions for salespeople and 13 for sales managers and guiding questions, the following important questions were asked to evaluate the appropriateness of the questionnaire. Cooper and Schindler (2003:364) discuss the following four evaluation questions that should guide the designer of the questionnaire:

- Should this question be asked?
Check for questions that cannot be justified on either economic or research grounds. Is it just an interesting question?
- Is the question of proper scope and coverage?
This can be measured by testing if it will reveal what is needed to know.
- Can the participant adequately answer this question as asked?
- Will the participant be able to frame the answer? Too much might be expected from the participant having answers on the tip of his / her tongue.
- Will the participant willingly answer this question as asked?
Although participants might have the answers, they might not want to share the answer due to it being sensitive information.

The above evaluation questions were applied to the questionnaire. (Refer to Appendix B for the evaluation.)

Once the research method had been established, consideration was given to the participants in the study.

3.2.5 Step 5: Determine the research frame

A research frame refers to all the elements from which information can be gathered to solve the research problem. Cant *et al.* (2003:47) suggest that when conducting primary research, it is important that respondents are selected that are representative of the total group of people from whom information is needed.

- **Sample frame**

In this study, individuals that represent the population were identified. The individuals included salespeople and managers from the outdoor advertising industry of the top ten biggest companies in Gauteng. Their size was determined by the amount of billboards they owned.

- **The sample size**

The sample size referred to how many respondents should be considered, as this would affect the quality and generalisation of the data (Cant *et al.*, 2003:48). The salespeople of the top ten billboard companies in Gauteng were determined by getting their names from HR Departments of the companies. The total population of salespeople were 40 and 10 sales managers. It was decided that a sample size of 20% of the population should be drawn.

- **Selecting the sampling method**

The random sampling method was used in this study by placing all the sales people's names in a hat and the sample size was drawn. Next, the names of the sales managers were put in a hat and the sample size of 20% was drawn. The reason for the method was that the sample should represent the population of the salespeople and sales managers in the industry. Gathering data through interviews was the next step.

3.2.6 Step 6: Gather data

During this stage the data were collected. The unstructured questionnaire used included the list of topics and aspects of the topics that had to be covered. (Refer to Appendix A.)

Welman and Kruger (2001:188) caution that the researchers should not suggest certain responses in the way the questions are structured. This was also considered when prompting the participants towards further discussions.

Data collection, through unstructured interviews, dictated the way that the data were collected. In this instance the interviews were recorded for later transcription. The interviews were also recorded to ensure that the correct data were collected. (The researcher used a digital voice recorder.)

At the beginning of the interview, the purpose of the study was explained to the participant. This included aspects on how long the interview would take and why their co-operation was needed. During this stage, a relationship of mutual confidence and respect had to be established. The participants were ensured of complete anonymity and confidentiality and were made to feel comfortable to express their views.

3.2.7 Step 7: Process and analyse data

Qualitative data processing and analysis is the range of processes and procedures whereby one moves from the qualitative data that have been collected into some form of explanation, understanding or interpretation of the people and situations that are investigated (Gibbs & Taylor, 2005:1).

Data reduction involves handling, organising and structuring of the data (Malhotra & Birks, 2007:239). In this study, transcripts were used on the in-depth interviews, and the data were coded, meaning to break it down into discrete chunks and attaching a reference to those chunks of codes (Malhotra & Birks, 2007:240).

The above aspects were considered when the processing and analysis of the data were determined. The following steps were included:

- **Transcription and initial analysis of interview**

After the interviews the recorded data were transcribed into hard copies containing the questions and responses.

- **Reading and rereading the transcripts**

Shaw (1999:65) indicated that this serves a double purpose. The first purpose is to become familiar with the data and the second to start the process of structuring and organising the data into meaningful units. A heightened awareness of the themes, patterns and categories are formed when reading and rereading the transcript. (Refer to Appendix G for the transcripts.)

- **Identify emerging themes / categories and start coding**

Coding is the process of combing the data for themes, ideas and categories and then marking similar passages of text with a code label so that they can easily be retrieved at a later stage for further comparison and analysis. Coding the data makes it easier to search the data, to make comparisons and to identify any patterns that require further investigation (Gibbs & Taylor, 2005:1).

Note: The above process was completed manually.

In the transcripts, codes were used based on themes / topics / ideas / terms. The following themes / topics / ideas / terms were identified:

- P1: Do not have a pension scheme with my company
- P2: I pay for my own medical aid
- P3: They sit me down and we discuss changes in sales targets/commissions
- P4: Really do not know my rights according to the Labour Law.
- P5: There definitely is a need for a trade union for salespeople
- P6: It would be nice to know that there is a back up in cases of unfair dismissal/very busy/lack of knowledge in case of problems
- P7: Would definitely join a trade union
- P8: Even though managers behave ethically, will still need a trade union
- P9: Trade union would assist in obtaining medical aid and pension

The passages of the transcripts were coded, but in certain cases sections of a paragraph were also coded. All passages and sections were coded the same way (refer to appendix E for examples of coding of interviews) and have been judged to be about the same theme / topic / idea / term. Whilst working through the interviews, extra themes / topics / ideas / terms were identified.

The codes were given meaningful names (refer to Appendix F) that gave an indication of the theme / topic / idea / term that underpinned the category. The thinking behind 'meaningful names for codes', was to aid in the analysis of the data.

The themes / topics / ideas / terms were categorised under the following categories to make the discussion and recommendations easy to work with and to give clear recommendations.

- Category 1:** Existence of a legal employment contract that lists terms of employment and benefits and adherence thereto
- Category 2:** Knowledge of Labour Law and support for the formation of a trade union for salespeople
- Category 3:** Views on ethical behaviour by managers and the relation to the formation of a trade union for salespeople (Refer to Appendix F for the final classification.)

3.2.8 Step 8: Report the research findings and recommendations

The findings and recommendations form part of Chapter 4. During this stage the researcher interpreted the information, drew conclusions and communicated the findings. Recommendations were made and new ideas / problems were identified for further research studies. Limitations experienced during the research project are discussed in Chapter 4. This included research design limitations, time limitations, and data collection errors. Lastly, appendices are included to assist the reader to understand the characteristics of the research project in more detail.

3.3 SUMMARY

This chapter started with a clear indication of the research process that was used during the research project. The research problem was clearly identified and articulated as the perceived need for the formation of a trade union for salespeople in the outdoor advertising industry and if ethical behaviour of sales managers and employers towards their salespeople will eliminate the need for the formation of such a union.

Based on the specific research problem, objectives relating to the problem were set and the research design determined. The research design indicated the kind of information needed in order to reach the objectives set. For this study, exploratory research was used to learn more about the research problem and determine judgement and understanding regarding labour related issues. An unstructured questionnaire was developed in order to get close to the participant and penetrate their views and experiences.

Qualitative inquiry was chosen as a research method because arguments and opinions were needed to explain the scope of this study. The identified groups included salespeople and managers from the outdoor advertising industry. Based on the research method, a research frame from which information can be gathered had to be determined. Random sampling was used.

Data analysis of the unstructured questionnaire was based on transcripts. The data were then coded, meaning to break it down into discrete chunks and attaching a reference to those chunks of codes. From this, the data could be analysed and the findings and recommendations be presented.

CHAPTER 4

FINDINGS AND RECOMMENDATIONS

4.1 INTRODUCTION

In the final chapter the findings are reported based on the process described in Chapter 3, section 3.2.7. The findings are reported under the three categories identified to ensure clear feedback on the findings. Recommendations are made and due to the exploratory nature of the study, further aspects for research are identified. Problems were experienced during the study. These aspects are discussed. Reference is made to the advantages and disadvantages of the in-depth interviews to reflect on the choice of method in this study. A brief evaluation is performed to ensure that the primary and secondary objectives of this study have been reached.

4.2 REPORT ON FINDINGS

The different categories identified in Appendix F are used when reporting on the findings in this study.

Category 1: Existence of a legal Contract of Employment that spells out terms of employment and benefits and the adherence thereto

All the participants were in possession of a legal employment contract that spelt out their terms of employment and have not experienced any problems with their current employers regarding the implementation of the contract. Participants indicated that there were no incidents of any unilateral decisions made by managers/employers to their employment contracts for example:

- “If they were going to change anything they would sit us down and it will all have to be agreed to.”

None of the participants had a pension scheme through their company. Participants paid either 100% or 50% of their medical aid premiums.

Category 2: Knowledge of Labour Law and support for the formation of a trade union for salespeople

All the participants, bar one, admitted that they have very limited knowledge of the Labour Law and their rights as an employee. They all felt that this was a problematic area for them. A lack of knowledge of their rights as employees in the case of unfair dismissal or retrenchment were given as one of the most important reasons for the need for representation via a trade union. A good example was the following view expressed by a participant:

"I think you must know your rights in order to get your facts right, because if you don't....obviously they will trample on you."

All the participants indicated that there is a need for a trade union for salespeople and that they would join such a union. Lack of time and inclination were also given as reasons for wanting to join a trade union. One of the participants indicated:

"I am a very soft person, so for example, if I get short paid and I know they are actually taking a chance, I hate confrontation, I am not going to confront them to settle the issue. It would be so nice to know that you actually have that back-up and there is someone to do it for you. Time out of your day to actually go and sort it all out is also an issue."

Category 3: Views on ethical behaviour by managers and the relation to the formation of a trade union for salespeople

The participants suggested that even though all their employers were behaving ethically and fairly they might still require representation by a trade union at any time in the future. The need for representation is of great importance to them as they feel that employers will always look out for themselves in the long run when things start getting difficult like in bad economic times and in cases of retrenchment and unfair dismissal. They felt that this is where a trade union could play an important role, again mainly because of their lack of knowledge.

From the views expressed by the participants it is clear that there is a perceived need for the formation of a trade union for salespersonnel in the outdoor advertising industry and that even though their companies have strong ethical values they feel that they might still require the protection offered by a trade union in the future.

Managers that were interviewed believed that there is no need for the formation of a trade union for salespeople as they perceive themselves to be treating their staff fairly and as long as they behave ethically there should be no need for a trade union.

Based on these findings from the in-depth interviews, the following recommendations can be made.

4.3 RECOMMENDATION

The following recommendation can be made based on the study:

The formation of a trade union for salespeople should be further explored.

4.4 FURTHER RESEARCH SUGGESTIONS

To ensure that the above recommendations are implemented to some extent, further research is needed in the following areas:

- More research should be conducted regarding the benefits that a trade union for salespeople could offer.
- More research should be conducted with regard to the viability of organising the sales industry to form a trade union for sales people.
- More research should be done with salespeople in a greater variety of industries to determine if there are more labour related issues than indicated by this study.

- More research should be done on whose responsibility it would be to organise a trade union for sales people.

4.5 PROBLEMS EXPERIENCED DURING THE STUDY

The following problems were experienced during the study:

- **Schedules of participants**

Participants tended to be busy. However, the in-depth interviews could be scheduled at offices and convenient venues to overcome this problem.

- **Heterogeneity of participants**

Although focus groups might have been a better option, views from the point of view of salespeople and managers were needed. This made in-depth interviewing a better option than questionnaires and focus groups.

- **Background information**

Background information had to be explained concerning the study to ensure that the participants had a good idea of what was expected during the interviews.

4.6 ADVANTAGES AND DISADVANTAGES OF THE IN-DEPTH INTERVIEW

4.6.1 Advantages

- **Interview reflection**

After formal interviews, discussions concerning labour related issues continued on a more personal level. This also assisted to reflect on the interview and determine any other aspects of importance regarding the formation of a trade union for sales people. Even though all the participants experienced very few labour related issues at their employers, they were well aware of friends or acquaintances at other

companies that were experiencing many of the problems that were addressed during the interviews.

- **Results are free of social pressure**

There was no group pressure to conform to certain views or answers. Individual responses could be clearly determined.

- **Better understanding of issues**

Due to the in-depth discussions, views could be clarified and statements confirmed.

4.6.2 Disadvantages

- **Lack of skills**

A lack of skills during interviewing might mean subjectivity and may have lead to asking leading questions to participants.

4.7 EVALUATION OF THE STUDY

4.7.1 Primary objective

The primary objective of this study was to determine the need for the formation of trade union for salespeople in the outdoor advertising industry. The objective was reached if reference is made to the findings and the recommendation reported under sections 4.2 and 4.3.

4.7.2 Secondary objectives

What are the labour related problems that salespeople in the outdoor advertising industry experience in their working environment?

(This objective was reached under the discussion of Category 1: Existence of an Employment Contract and the adherence thereto).

Form an understanding of the perceptions of managers with regard to the formation of a trade union for sales people.

(This objective was reached under Category 3: Views on ethical behaviour by managers as a manager / lecturer / learners with regard to the protection of the environment).

Determine views regarding ethical behaviour and organisational culture towards sales people.

(This objective was reached under Category 3: Views on ethical behaviour by managers as a manager with regard to the protection of the environment).

Would ethical behaviour by managers and employers eliminate the need for the formation of a trade union?

(This objective was reached under Category 3: Views on ethical behaviour by managers as a manager / lecturer / learners with regard to the protection of the environment).

4.8 SUMMARY

The purpose of this chapter was to conclude the empirical study, report on the findings, give recommendations and reflect on the study by evaluating if the objectives were reached through qualitative research and the use of in-depth interviews. When considering the above and reflecting on the study, Malhotra and Birks (2007:211-212) indicated the following that concludes most of the findings:

The quality of the in-depth interview explains the qualities that the participants possess in terms of richness of experience and how relevant the experiences are to the study. In this study the participants gave adequate insights into the stated problem and expressed their views clearly.

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Appendix A

Unstructured questionnaire

1. Do you currently have an official employment contract that spells out :
 - Working hours
 - Leave
 - Commission structure
 - Targets
 - Job description
 - Areas designated to you with regard to sales territory
 - Clients that you service and the commission paid on deals concluded with these clients?
 - UIF
 - PAYE
 - Pension Scheme
 - Medical Aid
2. How well does your employer/manager adhere to your employment contract?
3. How often, if ever, has your employer/manager or previous employer/manager changed your sales targets without consulting you and getting your written agreement, and what measures did you take?
4. How often has your employer/manager changed your commission?
What measures did you take?
5. How often, if ever has your employer ever short-paid you on your commission and what measures did you take?
6. How often has your employer withheld commission owed to you for reasons that you felt were unfair, and what measures did you take?
7. How often were you promised a bonus for reaching a sales target and then not paid the bonus by your employer/manager? What measures did you take and what was the outcome?

8. How often have you left a company only to find out that your UIF contributions were not paid by your employer and that you are unable to claim?
9. How well do you know what your rights as an employee are according to the Labour Law?
10. Do you believe that there is a need for an organisation that represents salespeople and acts in their interest with regard to labour matters?
11. If you do, what would you state as the main reason for your believing that there is such a need?
12. Would you be interested in joining a trade union that organises the sales industry and gives salespeople in companies a collective voice?
13. In your opinion, does your company have a strong ethical culture?
14. Does your employer communicate the values and culture of the organisation to you clearly?
15. Do you feel that if managers were to adhere to an ethical set of values that are part of the company's organisational culture that that would prevent labour related problems for sales people?
16. Do you think that joining a trade union would assist salespeople to get benefits that they do not have e.g. medical aid and pension?

Appendix B

Unstructured questionnaire – employees (Evaluation)

Question	Evaluation questions	
Do you currently have an official employment contract that spells out: <ul style="list-style-type: none"> • Working hours • Leave • Commission structure • Targets • Job description • Areas designated to you with regard to sales territory • Clients that you service and the commission paid on deals concluded with these clients? • UIF • PAYE • Pension Scheme • Medical Aid 	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	
	Will the participant willingly answer this question as asked?	Yes
How well does your employer/manager adhere to your employment contract?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	
	Will the participant willingly answer this question as asked?	Yes
4. How often, if ever, has your employer/manager changed your sales target without consulting you and getting your written agreement? What measures did you take?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.

	Will the participant willingly answer this question as asked?	Yes
5. How often, if ever, has your employer/manager shortpaid you on your commission and what measures did you take?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes
6. How often, if ever has your employer withheld commission owed to you for reasons that you felt were unfair and what measures did you take?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes
7. How often were you promised a bonus for reaching a sales target and then not paid the bonus by your employer/manager? What measures did you take and what was the outcome?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes
8. How often have you left a company only to find out that your UIF contributions were not paid by your employer and that you are unable to claim?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes

9. How well do you know what your rights as an employee are according to the Labour Law?	Should this question be asked?	Yes. With background information
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
10. Do you believe that there is a need for an organisation that represents salespeople and acts in their interest with regard to labour matters?	Should this question be asked?	Yes
11. If you do, what are the main reasons for your believing that there is such a need?	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
12. Would you be interested in joining a trade union that organises the sales industry and gives salespeople in companies a collective voice?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
13. In your opinion, does your company have a strong ethical culture?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
14. Does your employer communicate the values and	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes

<i>culture of the organisation to you clearly?</i>	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
<i>15. Do you feel that if managers were to adhere to an ethical set of values that are part of the company's organisational culture that that would eliminate the need for such a trade union?</i>	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
<i>16. Do you think that joining a trade union would assist salespeople to get benefits that they do not have e.g. medical aid and pension?</i>	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes

* Brief background information were given to participants.

Appendix C

Unstructured questionnaire - employers

1. Do all your sales staff currently have an official employment contract that spells out:

- Working hours
- Leave
- Commission structure
- Targets
- Job description
- Areas designated to them with regards to sales territory
- Clients that they service and the commission paid on deals concluded with these clients?
- UIF
- PAYE
- Pension Scheme
- Medical Aid

1. If not, what are the reasons for them not having employment contracts?

2. How well do you adhere to these employment contracts?

3. How often, if ever, have you changed your sales people's targets without consulting them and getting their written agreement and why?

4. How often, if ever, have you changed any of your sales staff's commission structure without consulting them and getting their written agreement? What were your reasons?

5. How often, if ever, have you short-paid your sales staff on their commission and what were your reasons for doing so?

6. How often have you withheld commission from your sales staff and what were your reasons for doing so?

7. How often have you used a bonus as an incentive for your sales staff reaching a sales target and then not been paid the bonus? What were your reasons for doing so?

8. Do you believe that there is a need for an organisation that represents salespeople to act in their interest with regard to labour matters?

9. If you do, what would you state as the main reason for your believing that there is such a need?
10. In your opinion, does your company have a strong organisational culture?
11. Does your organisational culture include ethical behaviour as a value? If the company has an ethical culture, is it clearly communicated to all salespersonnel?
13. Do you feel compelled to behave ethically when dealing with your sales staff with regard to their compensation structures and payment and why? If not, why not?
14. Do you feel it would be possible to prevent labour related problems between salespeople and their managers if all managers stuck to the company's organisational culture and behaved ethically in all labour related issues? Would that eliminate the need for a trade union in your opinion?

Appendix D

Unstructured questionnaire – employers (Evaluation)

Question	Evaluation questions	
1. Do all your sales staff currently have an official employment contract that spells out : <ul style="list-style-type: none"> • Working hours • Leave • Commission structure • Targets • Job description • Areas designated to you with regards to sales territory • Clients that you service and the commission paid on deals concluded with these clients? • UIF • PAYE • Pension Scheme • Medical Aid 	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	
	Will the participant willingly answer this question as asked?	Yes
2. How well do you adhere to these employment contracts?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	
	Will the participant willingly answer this question as asked?	Yes
3. How often, if ever, have you changed your sales staff's sales targets without consulting them and getting their written agreement ?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes

4. How often, if ever, have you changed your sales staff's commission structure? Did you consult them and did you get their written agreement?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes
6. How often, if ever, have you short paid your sales staff on their commission and what were your reasons for doing so?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes
	Will the participant willingly answer this question as asked?	Yes
7. How often have you used a bonus as an incentive for your sales staff reaching a sales target and then not been paid the bonus? What were your reasons for doing so?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
8. Do you believe that there is a need for an organisation that represents salespeople and acts in their interest with regards to labour matters?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
9. If you do, what would you state as the main reason for your believing that there is such a need?	Should this question be asked?	Yes. With background information
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.

	Will the participant willingly answer this question as asked?	Yes
10. In your opinion, does your company have a strong organisational culture?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
11. Does your organisational culture include ethical behaviour as a value? If the company has an ethical culture, is it clearly communicated to all salespersonnel?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
12. Do you feel compelled to behave ethically when dealing with your sales staff with regards to their compensation structures and payment and why?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes
13. Do you feel that if managers were to adhere to an ethical set of values that are part of the company's organisational culture that that would eliminate the need for a trade union for sales people?	Should this question be asked?	Yes
	Is the question of proper scope and coverage?	Yes
	Can the participant adequately answer this question as asked?	Yes.
	Will the participant willingly answer this question as asked?	Yes

* Brief background information were given to participants.

Appendix E

Examples of transcripts of interviews (Salespersons)

2. *Do you currently have an official employment contract that spells out :*

- *Working hours:* Yes.
- *Leave:* Yes.
- *Commission structure:* No.
- *Targets:* No.
- *Job Description:* Yes.
- *Areas designated to you with regard to sales territory:* Yes.
- *Clients that you service and the commission paid on deals concluded with these clients?* Yes, we are basically in the process of finalising everything. They haven't set one, they are finalising it today. Everything that is in the contract is adhered to. There was a basic commission structure but it will be changed during our weekly meeting on a Monday where they will determine the final package and final commission structure according to each client. More details will be added. They haven't set one because I was the only regional salesperson doing Africa and they weren't really sure, because all the salespeople in the different countries are different and they weren't really sure what mine should be.
- *UIF:* Yes.
- *PAYE:* Yes.
- *Pension Scheme:* No, comes out of my own.
- *Medical Aid:* No, I do it myself.

3. *How well does your employer/manager adhere to your employment contract? Has there ever been problems?*

Sort of, not problems, there was a big deal that came in. First, it said one thing on the contract and then when it happened, it was a very large amount and they said it wasn't a client that I sourced myself. My boss had already gotten the client but then I took over. I couldn't be paid the same way as I had not sourced the client myself. In that way, it wasn't stuck to.

3. *How often, if ever has your employer/manager or previous employer/manager changed your sales targets without consulting you and getting your written agreement and what measures did you take?*

Never, if they are going to change it, they will sit me down and ask me how do I feel.

4. *How often has your employer/manager changed your commission structure without consulting you and getting your written agreement?*

What measures did you take?

No, they haven't.

5. *How often, if ever, has your employer short-paid you on your commission and what measures did you take?*

Before they pay me they sit me down and say this is what we are going to pay you, how do feel? They have never short-paid me.

6. *How often has your employer withheld commission owed to you for reasons that you felt were unfair and what measures did you take?*

No, they haven't.

7. *How often were you promised a bonus for reaching a sales target and then not been paid the bonus by your employer/manager? What measures did you take and what was the outcome?*

I haven't been promised a bonus, yet.

8. *How often have you left a company only to find out that your UIF contributions were not paid by your employer and that you are unable to claim?*

It has not happened to me, but I have heard stories of people not being able to claim

9. *How well do you know what your rights as an employee are according to the Labour Law?*

I actually don't, to be quite honest.....because people work late hours at our office. I don't know what the rules are.

10. *Do you believe that there is a need for an organisation that represents salespeople and acts in their interest with regard to labour matters?*

Definitely.

11. *If you do, what would you state as the main reason for your believing that there is such a need?*

I am a very soft person, so for example, if I get short paid and I know they are actually taking a chance, I hate confrontation, I am not going to confront them to settle the issue.

It would be so nice to know that you actually have that back-up and there is someone to do it for you. Time out of your day to actually go and sort it all out is also an issue.

12. Would you be interested in joining a trade union that organises the sales industry and gives salespeople in companies a collective voice?

Yes, definitely, yes.

13. In your opinion does your company have a strong ethical culture?

They are trying to enforce one; this entire year they have been trying to instill an ethical culture into the company; they are definitely in the process.

14. Does your employer communicate the values and culture of the organisation to you clearly?

Yes, there is lots of re-enforcement around that.

15. Do you feel that if managers were to adhere to an ethical set of values that are part of the company's organisational culture that that would prevent labour related problems for sales people? Do you think that there would not be a need for a trade union, then?

I think so, because I don't know if they would be able to cover everything. If they have got ethics, they have to be able to stick to it 24/7. Even though you want to, it will obviously not happen.

16. Do you think that joining a trade union would help you to get your company to give you benefits such as medical aid and pension?

Definitely, you know the thing about getting a medical aid in a company makes people want to work for the company, regardless of if they are paying R300 or a R1000 it is still a benefit. If an employee is unhappy they will think about what I have got to lose. I think it is very important to have these things to keep your staff.

Appendix F

Examples of transcripts of interviews (Sales managers)

1. Do all your sales staff currently have an official employment contract that spells out :

- Working hours
- Leave
- Commission structure
- Targets
- Job description
- Areas designated to them with regards to sales territory
- Clients that they service and the commission paid on deals concluded with these clients?
- UIF
- PAYE
- Pension Scheme
- Medical Aid

Yes, we're working on a new contract which will include that. We were actually in a workshop yesterday. They sign a contract where it stipulates, their leave, their working hours, job description and so forth. However, there are certain things that are mentioned that are not there in the contract which we are looking at including going forward. Commission structure we have just worked out right now. It's not there yet. But, in future it will not include that. UIF? Yes. Yes, they have an official employment contract.

2. How well do you adhere to these employment contracts?

We do, hey, one thing that we do is performance appraisals, when it comes close to your increase time, it is time for appraisal, we sit them down and agree on what is achieved and work according to that.

3. How often, if ever, have you changed your sales people's targets without consulting them and getting their written agreement and why?

Never, we sit down when budgets have been made for the company. I sit down and we go through what is achievable looking at their client base and I make sure there is agreement from both parties.

4. How often, if ever, have you changed any of your sales staff's commission structure without consulting them and getting their written agreement? What were your reasons?

Never. Sales commission is a very sensitive issue. We have changed our commission structure but it was a process. It took us six months because the commission structure was not aligned with the company's objectives. You need to consult and get the buy-in of the sales people.

5. How often, if ever, have you short paid your sales staff on their commission and what were your reasons for doing so?

No, however, we may short-pay when there is negligence from their side. We have to prove that there was negligence, when a client decides that they want a credit, I can't pay them if the client wants a credit. The company needs to achieve certain objectives, I engage with the employee and prove that it was their negligence and they have to agree.

6. How often have you withheld commission from your sales staff and what were your reasons for doing so?

Never.

7. How often have you used a bonus as an incentive for your sales staff reaching a sales target and then not paid the bonus? What were your reasons for doing so?

We always pay it and we have never not paid it.

8. Do you believe that there is a need for an organisation that represents salespeople and acts in their interest with regards to labour matters?

I don't think so. Salespeople run their own business. I don't think a trade union would add any value.

10. In your opinion, does your company have a strong organisational culture?

We've got that.

11. Does your organisational culture include ethical behaviour as a value? If the company has an ethical culture, is it clearly communicated to all salespersonnel?

That is our value. We have certain ethics that we follow and we pride ourselves on those behaviours. People have been dismissed because of displaying negative ethical

behaviour. Our DNA issues are not negotiable. Professional. Deliver what you promise. We have in the past dismissed people because they did not display those behaviours.

12. Do you feel compelled to behave ethically when dealing with your sales staff with regard to their compensation structures and payment and why?

Yes, I do. Business is sales-driven and if these people are not happy we are not going to achieve our targets. We need to ensure as management that these people are motivated, willing to work, so that they can yield positive results for the business. If the salespeople are not motivated, then you do not have a business.

13. Do you feel it would be possible to prevent labour related problems between salespeople and their managers if all managers stuck to the company's organisational culture and behaved ethically in all labour related issues? Would that eliminate the need for a trade union in your opinion?

It would eliminate the need for a trade union, it is not like an admin position.

Appendix G

Codes themes / topics / ideas / terms

Category 1: Existence of a legal employment contract that list terms of employment and benefits and adherence thereto

- P1: Don't have a pension scheme with my company.
- P2: I pay for my own medical aid.
- P3: They sit me down and we discuss changes in sales targets/commissions.

Category 2: Knowledge of Labour Law and support for the formation of trade union for salespeople

- P4: Really don't know my rights according to the Labour Law.
- P5: There definitely is a need for a trade union for salespeople.
- P6: It would be nice to know that there is a back up in cases of unfair dismissal/very busy/lack of knowledge in case of problems.
- P7: Would definitely join a trade union.

Category 3: Views on ethical behaviour by managers and the relation to the formation of a trade union for salespeople

- P8: Even though managers behave ethically, will still need a trade union.
- P9: Trade union would assist in obtaining medical aid and pension.