

The Role of Trade Unions in South Africa: A Case Study of Mondi Craft Industry in KwaZulu-Natal Province

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ABSTRACT The study investigated how trade unions influenced the Industrial Relations System at Mondi Craft Industry in Kwa-Zulu Natal Province. Data was collected from a sample of 50 participants. To test the hypotheses, the study used the Chi-square (χ^2) statistics to measure the agreement or disagreement between the sample data versus the hypotheses. From the findings of this study, it can be concluded that trade unions have taken various structures in their endeavors to protect their members' rights. This study therefore recommended that there is a need for employers to recognize trade unions in their places of business. Both employers and employees have to engage in a reciprocal relationship in order to maintain peace and harmony in the work environment. The industrial relations system in South Africa remains dynamic because it is influenced by changes in the labor and sociopolitical spheres.

INTRODUCTION

South African Trade Unions have a history dating back to the 1980s. Information obtained from the Department of Labor indicates that approximately 2,000 registered unions claimed a membership of 3.5 million workers in 2003, of which 465 came from informal employment (Barker 2007: 92). In the period 1980-2000, the membership of unions increased sharply with an annual increase of ten percent (Barker 2007: 93). According to Barker, this could be attributed to various reasons, including the political instability and turmoil in South Africa during that time, as well as heightened awareness of worker rights. However, the new South African Labor Relations Act (LRA) made it easy for the registration of unions including the increased recruitment drive for union membership, led to a rapid increase in 1996 and 1997. Unions that were established early were mainly for Whites only. The South African Confederation of Labor then established favored employment policies based on racial segregation.

The industrial workers union of South Africa, which was the first union to organize Black workers, was established in September 1917. This union was formed by a revolutionary syndicalist international league (Wikipedia 2013). During the apartheid era prior to 1994, trade unions played a major role in the economic and political resistance forcing employers to realize the need

to talk to employees through their union representatives (Wikipedia 2013). Prior to the present democratic government in South Africa, trade unions emerged as powerful drivers of political rights, when Black South Africans were denied to exercise their rights. Unions organized boycotts and strikes to make their voices heard (Venter et al. 2011). Trade unions played an important role in the change from apartheid to the present democratic South Africa (Wood and Mahabir 2001).

Section 27 of the Labor Relations Acts gives workers the right to engage in socioeconomic protest actions under certain circumstances. Currently, unions can still challenge the government on certain issues (Venter et al. 2011). The LRA gives rights to employees and their representative unions redress through arbitration, mediation and conciliation. In almost all sectors of the economy employees have union representatives who engage with employers on issues affecting their union members.

In April 1994, the African National Congress (ANC), which was supported by the South African Communist Party (SACP) and the Congress of South African Unions (COSATU), as the majority party assumed power and formed the Government of National Unity (Bendix 2000). This alliance is known as the Tripartite Alliance. COSATU is also a partner in the Treatment Action Campaign (TAC), which advocates for the treatment of HIV/AIDS (Collins 2004). COSATU has

indeed played a major role in South African politics (Venter et al. 2011).

Major Union Federations in South Africa

In February 2013, there were 191 registered trade unions according to the Department of Labor. There are three prominent trade union federations with affiliates operating in the different sectors of the economy. These three major union federations are the National Council of Trade Unions (NACTU), COSATU and the Federation of Unions of South Africa (FEDUSA). All three federations have representation at the National Economic, Development and Labor Council (NEDLAC). COSATU established in 1985, is the largest of the three main labor federations, consisting of 2.2 million members, which are grouped into 20 union federations affiliated to COSATU. These are 2012 figures (SAinfo 2013). In addition to playing a major role in South African politics, COSATU also played an important role in the establishment of the industrial relations policies in South Africa and was instrumental against apartheid (Torres 2000). It currently has by far the most significant impact on South African employment relations of all the union federations (Nel et al. 2012).

The Federation of Unions of South Africa

The Federation of Trade Unions of South Africa (FEDUSA), which was established in 1997 with a membership of 530,000, is organized into 28 affiliates. One of the biggest affiliates of FEDUSA is the Public Service Association, which has approximately 200,000 members (Venter et al. 2011). NACTU, which was formed in 1986 consisting of 400,000 is the country's third largest union federation in South Africa. NACTU advocates for a just society whereby political power should be in the hands of its members (SAinfo 2013). Both NACTU and PAC believe in the ideologies of Black consciousness (Venter et al. 2011).

Finnemore (2009) points out that in order to enhance a union's power it is important to form a federation. Finnemore is also of the view that when unions come together and form a single federation, they are in a better position to achieve their economic and political goals.

Labor Environment in South Africa

The main contributing factors of strikes in South Africa are wages unhappiness and general working conditions of employees. In 2010, the major cause of strikes was wages, accounting for 99.3 percent of working days lost and 69.7 percent of the number of strikes (Levy et al. 2010:11). Political and socioeconomic conditions contribute greatly to the number of lost working days per year (Nel et al. 2012).

South Africa recently experienced inter-union conflicts and unprotected strike action in the mining sector. On 16 August 2012, 34 striking miners were shot by the police at the Lonmin platinum mine. A few days before the shooting of the 34 miners, 10 miners died in a clash between two groups led by the National Union of Mine Workers (NUM) and the Association of Mineworkers and Construction Union (AMCU). Unfortunately, management at Lonmin, the Police and the Department of Mineral Resources did not take the necessary precautionary measures to prevent the killing of the striking workers (Tamukamoyo 2012).

The five-month strike by platinum miners, the longest in the history of South Africa is now over. Goldberg and Wilkinson in their article published on 21st January 2013 indicated that the industrial relations state in South Africa is bleak as a result of the violence in the mining sector. The violence and tension contribute negatively to the country's economy and results in a number of job losses. On the other hand, the Director-General of the Department of Labor in South Africa, Nkosinathi Nhleko, expressed the view that the South African Leadership and Labor relations are still strapped in an endless mode of hostility.

Collective Bargaining in South Africa

Freedom of association, employers' associations and the registration of trade unions are provided for in the Labor Relations Act through the process of collective bargaining. The Act also provides for certain union organizational rights and the establishment of bargaining councils. All collective agreements whether negotiated at the plant level or bargaining councils are informed by the South African Labor Relations Act.

The Present Study

The aims of the study are as follows.

- (a) To determine if financial hardships are responsible or not responsible for employees to call off a strike action.
- (b) To establish if failure by management to meet the employees' demands is directly responsible for a strike or not.
- (c) To determine the impact of trade unions in influencing management to increase the wages of workers.
- (d) To determine if trade unions play a significant role in the industrial relations system in South Africa.

RESEARCH METHODS

50 respondents from the Human Resources department and the plant section at Mondi Craft Industry participated in the study. A stratified sampling technique was used to divide the respondents into different departments (Bailey 1994). From each department, the researcher used simple random sampling to choose the participants. The number of participants chosen from each stratum constituted a function of the total number of participants that were available from the human resources department and plant section at Mondi Craft industry. The researcher used the questionnaire as an instrument to obtain data on the role of trade unions in industry. In testing the hypotheses, the researcher used the chi-square (χ^2) statistics to measure the agreement or disagreement between the sample data versus the null hypotheses. Data was also analyzed using frequencies and percentages.

RESULTS AND DISCUSSION

The hypotheses for the study were:

- (a) Financial hardships to sustain the employees do not contribute towards influencing employees to call off a strike action.
- (b) Strike action is not responsible for management's inability to yield to employees' demands.
- (c) Trade unions have not had a significant impact in influencing employers to increase the wages of employees.
- (d) There is a relationship between trade unions and their influence on the industrial relations system at Mondi Kraft.

Table 1 indicates that 41 (82%) participants were males and 9 (18%) were females. The above table confirms that females are not well represented at Mondi Kraft. The sociological analysis here is that females have been discriminated against in the past years. However, a critical analysis of the statistical distribution of sex and race indicates that more White females are employed than Black females at Mondi Kraft. The sociological inference that can be drawn from these statistics is that the management at Mondi Kraft industry has not fully implemented the Labor Relations Act of 1995, where racial discrimination is strongly rejected.

Table 1: Distribution of respondents according to sex

<i>Sex</i>	<i>Frequency</i>	<i>%</i>
Male	41	82
Female	9	18
Total	50	100

Table 2 shows that at the time of this study, 19 out of 50 participants who took part in trade union activities were between 45 to 55 years, 13 were aged between 35 to 45 years, 7 were between 55 to 65 years, 6 were between 26 to 35 years, 4 were between 21 to 26 years and only 1 respondent was in the age category of 65 years and above. The sociological inference that can be drawn from the table above is that individuals in their forties and fifties are more likely to participate in trade union activities. As people move towards the sixties and above, they tend to lose interest in union activities. The reason for this could be attributed to the fact that as people move towards their retirement age, they become more concerned about their days of absence at their places of employment. Individuals in their twenties and thirties tend to have a

Table 2: Age distribution of respondents and their interest in participating in trade union activities

<i>Age</i>	<i>Frequency</i>	<i>%</i>
21-26	4	8
26-35	6	12
35-45	13	26
45-55	19	36
55-65	7	14
65 over	1	2
Total	50	100

high level of participation in union activities. This high level of participation could be attributed to the fact that these individuals have not really made up their minds on whether or not they would stay on as employees at Mondi Kraft.

Table 3 shows that the majority of the participants, that is, 25 (50%) are Africans, 22 (44%) are Whites, 2 (4%) are Indian, and only 1 (2%) Coloured. Table 3 shows that most of the participants are Africans followed by Whites. This shows that Mondi Kraft is dominated by Africans.

Table 3: Distribution of respondents according to race

<i>Ethnic groups</i>	<i>Frequency</i>	<i>%</i>
African	25	50
Coloured	1	2
Indian	2	4
White	22	44
Total	50	100

Hypothesis 1

H_0 : Financial hardships to sustain the employees do not contribute towards influencing employees to call off a strike action.

H_1 : Financial hardships to sustain the employees do contribute towards influencing employees to call off a strike action.

Table 4: Perception of the effect of financial hardships to call off a strike action

<i>Respondents</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Yes	21 (17.98)	8 (11.02)	29
No	10 (13.02)	11 (7.98)	21
Total	31	19	50

Where,

Observed $X = 3.178$

Critical value = 3.841

Df = 1

Level of significance = 0.05

Therefore, H_0 is accepted.

The result of the chi-square test shows in that financial hardships to sustain the employee do contribute towards influencing employees to call off a strike action.

The contingency coefficient is " C " = 0.03.

The chi-square statistic shows that there is a weak relationship between finance and strike action.

The sociological explanation of why workers have to call off a strike in fear of financial hardships can be attributed to their family responsibilities. Compared to Whites, it is unlikely that Africans who are the majority at Mondi Kraft would agitate for a strike to be called off in view of their family responsibilities. Compared to their White counterparts, most Africans do not qualify for banking loans and overdraft facilities to sustain them during a strike. For these reasons, they are not likely to engage themselves in a prolonged strike. However, other reasons why Africans would not prefer to engage in a prolonged strike are beyond the scope of this research.

Hypothesis 2

H_0 : Strike action is not responsible for the management's inability to yield to employees' demands.

H_2 : Strike action is responsible for the management's inability to yield to employees' demands.

Table 5: Gender differences in the perception of the effects of strike action on management's willingness to meet workers' demands

<i>Respondents</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Yes	16 (19.98)	11 (7.02)	27
No	21 (17.02)	2 (5.98)	23
Total	37	13	50

Where,

Observed $X = 6.26$

Critical value = 10.872

Level of significance = 0.001

Since, X is < than the critical value, H_2 is accepted.

The result depicted in Table 5 confirms that there is a relationship between strike action and the management's inability to yield to employees' demands.

The contingency coefficient " C " = 0.05.

This shows that although there is a relationship, but it is very weak. Based on the findings, the researcher would like to know why the management in most companies are always reluctant to meet the employees' demands when there is a strike. Maybe the reason why management responds to the employees' demand during strike action could be associated with huge loss in profit during strikes. The next question to ask is,

if profit made by employers could be negatively affected by strike action, why do employers not avoid such action through negotiations before it happens? The researchers' submission in this finding is that employers should learn to negotiate with employees and show concern about the wellbeing of employees so that strikes could be minimized or totally eliminated if possible.

Hypothesis 3

H_o : Trade unions have not had a significant impact in influencing employers to increase the wages of employees.

H_a : Trade unions have had a significant impact in influencing employers to increase the wages of employees.

Table 6: Gender and the perception of unions' successes in facilitating wage increases

Respondents	Male	Female	Total
Yes	30 (31.2)	10 (10.4)	40
No	9 (7.8)	11 (2.6)	10
Total	39	11	50

Since Chi-square (χ^2) is greater than the critical value, H_a is accepted.

The contingency coefficient "C" is 0.001.

The result (see Table 6) confirms that trade unions have had a significant impact in influencing employers to increase the wages of employees. This confirms the primary function of trade unions being that of improving the financial welfare of employees by negotiating better salary packages for its members on an annual basis. Unions always ensure that current wages meet the present cost of living. In addition to negotiating for better salaries, unions might also negotiate for better benefits for their members, such as pension funds and medical aid (Venter et al. 2011). During the discovery of gold in South Africa, trade unions were at the forefront to fight for wage increase for the workers. To date, one still witnesses the activities of unions like NUM and AMCU in the recent strike that took place at Lonmin platinum where unions were fighting for the increase of wages for their members.

Hypothesis 4

H_o : There is no relationship between trade unions and their influence on the industrial relations system at Mondi Kraft.

H_a : There is a relationship between trade unions and their influence on the industrial relations system at Mondi Kraft.

Table 7: Gender variations in the perception of trade unions as capable of influencing the industrial relations system

Respondents	Male	Female	Total
Yes	44 (42.24)	4 (5.76)	48
No	0 (1.76)	2 (0.24)	2
Total	44	6	50

Where,

Observed $\chi^2 = 0.305$

Critical value = 10.827

Df = 1

Since χ^2 is < than the critical value, H_a is accepted.

The result (see Table 7) shows that there is a relationship between trade unions and their influence on the industrial relations system at Mondi Kraft. The above table shows that 48 respondents, consisting of 44 males and 4 females, agreed that trade unions are capable of influencing the industrial relations system. Only 2 female respondents disagreed that trade unions are not capable of influencing the industrial relations system. According to Webster, the sociological role of trade unions is to regulate workplace relationships in a manner that is beneficial to its members. Webster goes on to say that regulating workplace struggles does not take the defensive dimension only but it also takes a radical one (Webster et al. 2003).

During the 1980s and early 1990s in South Africa, trade unions emerged as a model of a militant movement by improving the working conditions and wages of its members while engaged in a successful struggle for democracy against the apartheid regime (Adler and Webster 2000; Buhlungu 2001). Since trade unions in South Africa are recognized by the constitution, the Labor Relations Act gives recognition to employees and their representative trade unions, redress through conciliation, arbitration and mediation.

CONCLUSION

The aim of this research was to investigate the role of trade unions in the Industrial Relations System in the South African Industry. From the findings of this research, it can be concluded

ed that trade unions in South Africa emerged as militant movements by improving the working conditions of its members since the Labor Relations Act gives recognition to workers and trade unions redress through mediation, arbitration and conciliation.

RECOMMENDATIONS

It is recommended that management take the necessary measures to encourage employees to participate in trade union activities in their work environments. Employers should also encourage collective bargaining in order to maintain peace and harmony in the work environment. It is also recommended that future research be conducted on a similar study using a different sample.

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