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FACT SHEET

SNAPSHOT OF LABOUR RELATIONS IN SOUTH AFRICA

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INTRODUCTION

The pandemic has certainly seen the increasing need for engagement and consultation with employees. It highlighted again the importance of constructive labour relations in the workplace to not only address the pandemic's impact, but broader socio-economic issues such as productivity, engagement, and unemployment. The SABPP undertook a survey to explore and develop a snapshot of labour relations in the country. The present Fact Sheet reports on the findings of the survey. It begins with the context of the survey and the broader purpose of the survey. The survey forms one part of the broader engagement by the SABPP on labour relations in the country. Previously, the SABPP published the *Labour Market Scenarios 2030*, which stated:

“Projections concerning the South African labour market into the future are almost invariably gloomy. It seems that unemployment will not reduce significantly and the shortage of skills which hampers strategy execution for many South African organisations will not improve any time soon as the education system from early childhood to university fails to meet the needs of both young people and employers. One of the major factors influencing how the labour market develops is the economy, and at present, debate over the economy is marked by entrenched ideological differences between politicians, business leaders, union leaders and other key stakeholders, and an apparent inability to dialogue constructively to find an accepted way forward.”

The rating scale used in the survey was a Likert 5-point scale with 1 meaning extremely low and 5 meaning extremely high. The Fact Sheet reports these results using alphabets as was used in the survey itself, and as indicated in the below table:

1	2	3	4	5
A	B	C	D	E

CONTEXT OF LABOUR RELATIONS SURVEY

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UNION REPRESENTATION

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EMPLOYEE PRODUCTIVITY, ENGAGEMENT, AND COMMITMENT

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CONTEXT OF LABOUR RELATIONS SURVEY

The SABPP's Labour Market Committee (LMC) believes that the most important issue in South Africa's labour market that needs to be addressed is the extremely high level of unemployment in South Africa. It is understood that the increasingly high rate of unemployment will not be reversed until South Africa has a strong and growing economy. This will certainly depend on the substantial increase in the productivity of South African businesses. The level of productivity and competitiveness of the country is concerning. The **2021 World Competitiveness Ranking**, as reported by the Institute for Management Development, places South Africa 62nd out of 64 countries, which means the country is behind Botswana, Mongolia, Peru and Colombia. The World Competitiveness Ranking is an important indicator of comparative national economic productivity.



One of the key reasons identified for the low levels of productivity in South Africa is the problematic state of employee relations in many businesses. In this context the Labour Market Committee has carried out a survey to assess the levels of productivity and the state of employee relations amongst members of the SABPP. The survey was also an invitation to the SABPP members to share their views on the improvement of business productivity and employee relations, and their views on the expected effect of such improvement on the macro economy and on unemployment in South Africa.

Based on the findings of the survey and the committee's continued analysis of the labour and economic dynamics in South Africa, the LMC intends to engage business, labour and government to persuade them to make a drastic change to South Africa's labour-economic recipe. This change should be based on the need to address the severely divisive effects of Apartheid on South Africa's labour relations. That is, the politics of our past have bred industrial relationships that are, at best, characterised by indifference and disengagement, and, at worst, mistrust and rancour. The required fundamental change therefore needs to be based on ensuring that businesses and their employees address the baggage of the past, work together in a partnership and share together the fruits of the resulting improvement in productivity and profitability. The ensuing inclusive system will feed the sustainable development of our economy and will promote the growth of employment.

SURVEY FINDINGS

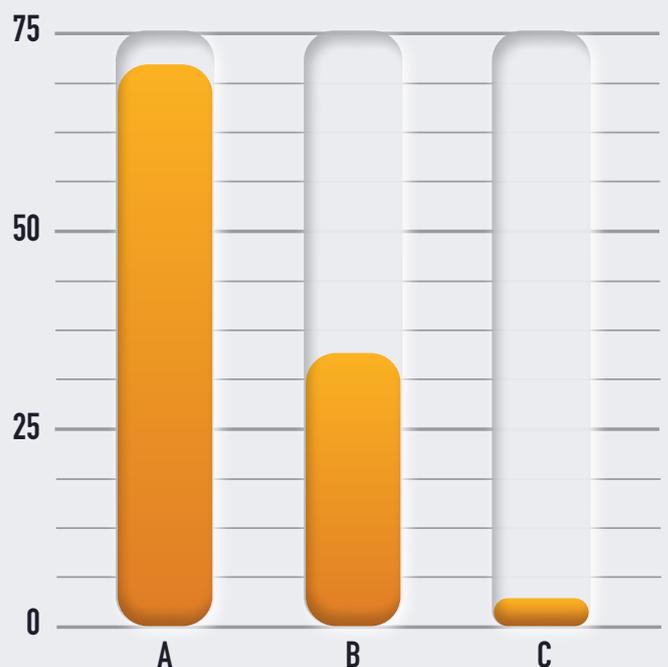


- DEMOGRAPHICS
- UNION REPRESENTATION
- EMPLOYEE PRODUCTIVITY, ENGAGEMENT, AND COMMITMENT
- EMPLOYEE PRODUCTIVITY, ENGAGEMENT, AND COMMITMENT
- MANAGEMENT OF LABOUR DISPUTES
- IMPROVING LABOUR RELATIONS IN ORGANISATIONS
- IMPROVING LABOUR RELATIONS IN THE COUNTRY

**Navigate the menu by clicking on desired heading.

DEMOGRAPHICS

A total of 106 SABPP members completed the survey. The respondents were mainly from the private sector with the following distribution: (a) 71 in the private sector, (b) 33 in the public sector, and (c) 2 in the non-profit sector.



The positions held by the respondents were mostly at the HR Manager, HR Executive/Director, and HR Specialist levels respectively. The table and figure below profile the various positions of the respondents across the sectors and within the private and public sectors individually. Do note that the scales on the different figures are different.

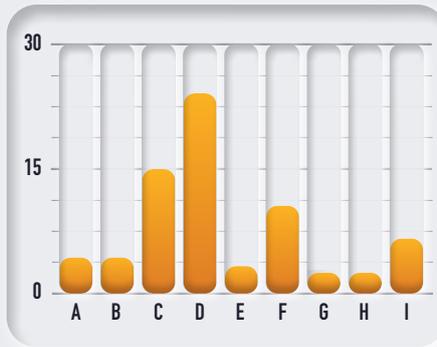
ALL SECTORS

- A. Founder/Owner manager (4 out of 106)
- B. Executive/Director (4 out of 106)
- C. HR Executive/Director (20 out of 106)
- D. HR Manager (35 out of 106)
- E. Line Manager (6 out of 106)
- F. HR Specialist (17 out of 106)
- G. HR Administrator (2 out of 106)
- H. Independent consultant (4 out of 106)
- I. Other (14 out of 106)



PRIVATE SECTOR

- A. Founder/Owner manager (4 out of 71)
- B. Executive/Director (4 out of 71)
- C. HR Executive/Director (15 out of 71)
- D. HR Manager (25 out of 71)
- E. Line Manager (3 out of 71)
- F. HR Specialist (9 out of 71)
- G. HR Administrator (2 out of 71)
- H. Independent consultant (3 out of 71)
- I. Other (6 out of 71)



PUBLIC SECTOR

- A. Founder/Owner manager (0 out of 33)
- B. Executive/Director (0 out of 33)
- C. HR Executive/Director (5 out of 33)
- D. HR Manager (9 out of 33)
- E. Line Manager (3 out of 33)
- F. HR Specialist (8 out of 33)
- G. HR Administrator (0 out of 33)
- H. Independent consultant (1 out of 33)
- I. Other (7 out of 33)



The industries represented by the respondents in the private sector were predominantly (1) manufacturing, engineering, and chemical industries, (2) education, training, and development, and (3) construction and mining. These comprised approximately 62% of the respondents. Whereas in the public sector the respondents were mainly from (1) government departments, state owned enterprises, and professional bodies and (2) education, training, and development. These are detailed in the below table and figure.

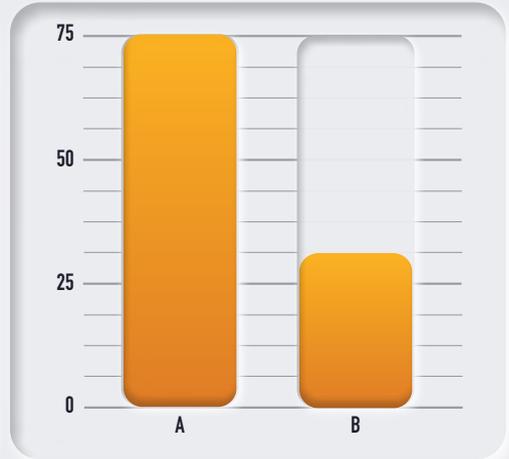


UNION REPRESENTATION

In the majority of the respondents' organisations there is union representation, at 75% as illustrated below.

Union is present in organisation

- A. A. Yes (75 out of 106)
- B. B. No (31 out of 106)

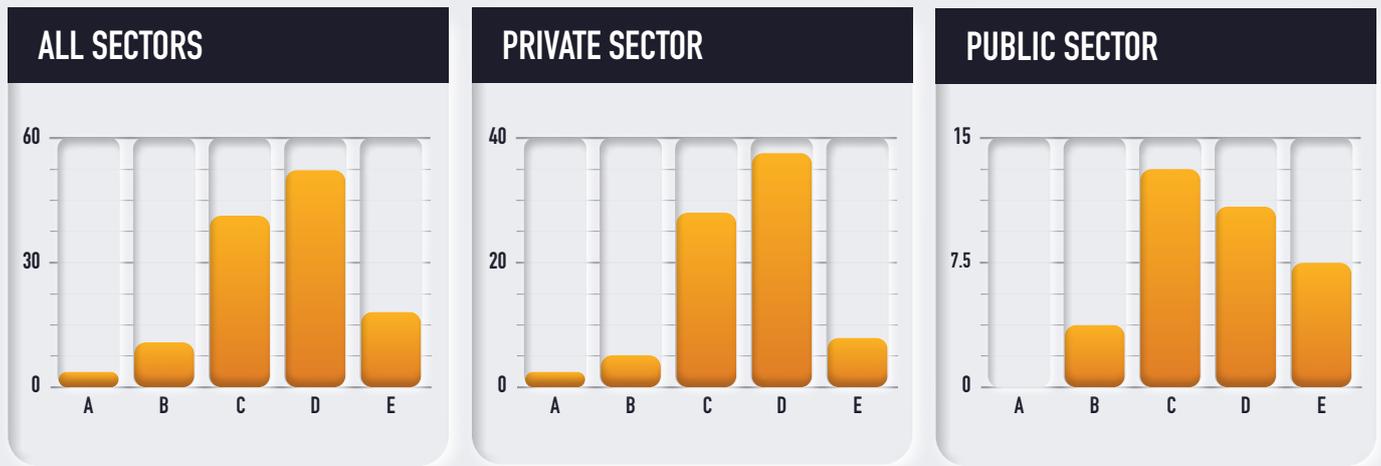


However, there are sectorial differences with 45 of 75 (60%) respondents in the private sector indicating union representation in contrast to the public sector with 29 of 33 (88%) indicating the same.

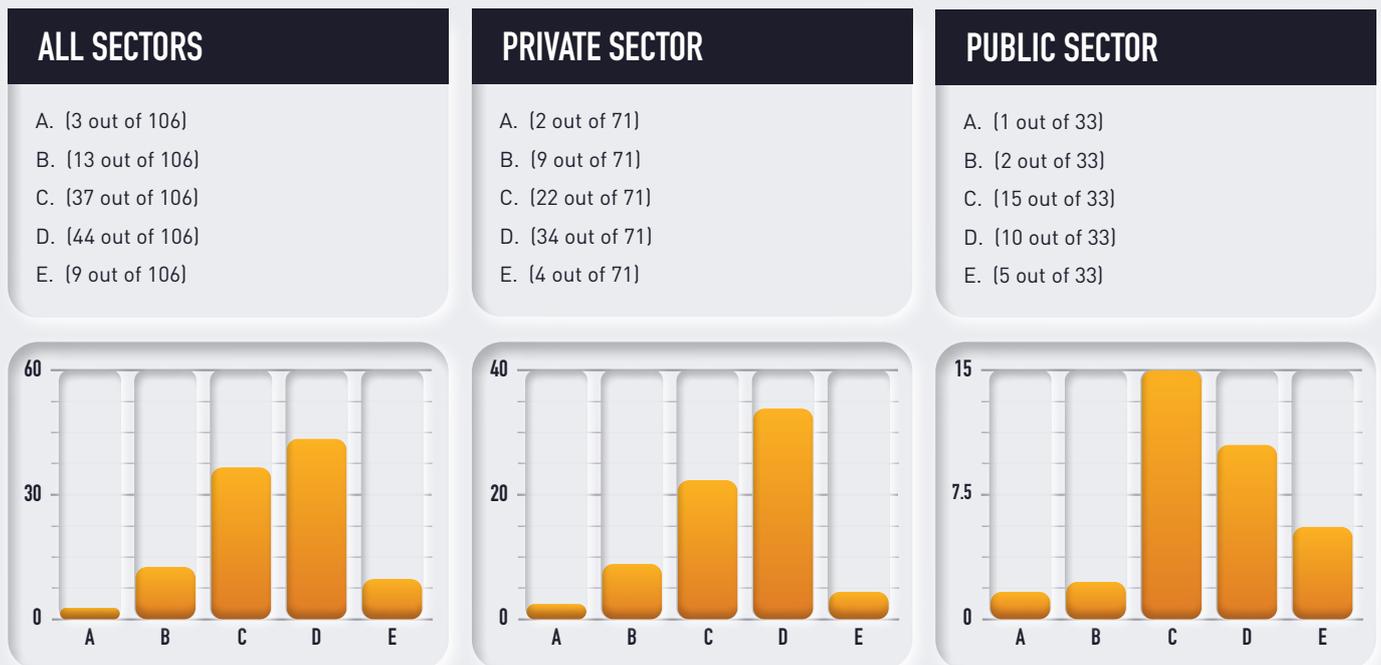


EMPLOYEE PRODUCTIVITY, ENGAGEMENT, AND COMMITMENT

Generally, the respondents rated employee productivity as high. As can be seen in the figures they tended to rate it in the middle and right of the scale, with (A) being extremely low and (E) being extremely high. However, as will be discussed hereafter, a number of respondents did cite in their responses to the open questions for the need for more constructive partnerships between employers and their employees to improve the productivity of the business. This may provide context to the ratings. On the rating patterns, one may need to consider the central tendency bias where respondents tend to rate most items in the middle of a rating scale. This could also perhaps suggest ambivalence on the part of the respondents.



A similar distribution pattern can be found in the respondent ratings in relation to employee engagement as illustrated below, with (A) being extremely low and (E) being extremely high. The figures may suggest a slight tendency for the ratings to be skewed left in the private sector in contrast to the public sector. However, overall employee engagement is rated high.



There is a slight change in distribution of ratings regarding employee commitment. Although the below figures are at different scales, overall, we see the slight shift to the left on the rating scale and shifts in number of ratings for categories (C) and (D), with (A) being extremely low and (E) being extremely high. This may be more pronounced in the public sector.



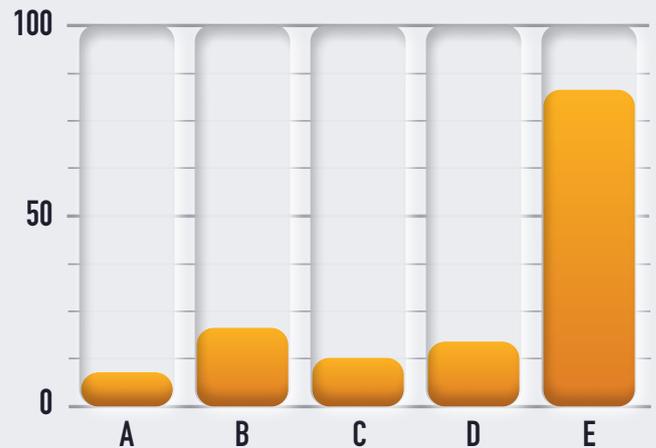
Although the overall ratings are positive, the respondents did cite in their responses to the open-ended questions on constructive approaches to labour relations the need for more consultation, engagement, and openness between management and unions and employees. And for unions to be more constructive and involved in building constructive relations in the workplace and solution generation. For example, one respondent stated, “unions should play the part of bridging the gap between employees and employers and not creating a larger rift.” Another respondent stated, “the role of the unions in South Africa needs to be revisited to ensure that they do not contribute to the unemployment rate in South Africa.” However, other respondents also pointed to the need for constructive, inclusive, and proactive approaches on the part of management: “Employers must be transparent from the beginning and don’t intimidate the employees”. This includes broader stakeholder engagement: “More inclusive approach with viewpoints from all stakeholders.” Some of the respondents suggested that this requires a change in culture, including in how profits are shared: “Change the culture to one where employees and management partner in making the profits and sharing the fruits thereof fairly.” As one respondent states, the “manner in which we engage must change from opposites of a coin to parties that can co-operate to achieve most of their competing interests.”

“Employer and employee partnering in organisational strategy. Employee share scheme can assist in increasing productivity, employee morale, retention of staff and minimisation of strikes in the workplace.”

A theme coming through the responses is the reciprocal relationship between employer and employee: “To understand the viewpoint from an employee’s perspective as well, and educate employees to understand the viewpoint of an organisation.” The latter means transparency as one respondent suggested: “Interaction and communication on all issues that affect employees. My employer tends to ask for inputs after the decision has already been taken. All for window dressing.”

One could consider that during the COVID-19 pandemic there perhaps was more interaction, engagement, and/or reciprocity between employers and employees as they attempted to navigate through the challenges posed by the pandemic and lockdowns on business continuity. This may help us understand the pattern of ratings versus the open-ended responses on lack of, and need for more, constructive approaches to labour relations. And it may caution us on drawing generalisations from the ratings across the different questions. The sample is small and perhaps those respondents who felt more positive of their labour relations self-selected to participate in the survey.

One of the negative impacts related to the lack of constructive approaches to labour relations that is suggested by some respondents is high unemployment. The respondents rated their extent of concern at the level of unemployment in South Africa mostly as extremely high, as indicated by the figure on the right.



QUALITY OF RELATIONSHIP WITH UNIONS AND EMPLOYEES

The ratings of the quality of relationship with unions seems more varied in relation to the quality of relationship with employees. The quality of relationship with unions seems to display a normal distribution curve, noting that with the private sector there is a considerable number of extremely low ratings at 18%, whereas the relationship with employees is skewed more to the middle and right of the rating scale, with (A) being extremely low and (E) being extremely high.

ALL SECTORS

PRIVATE SECTOR

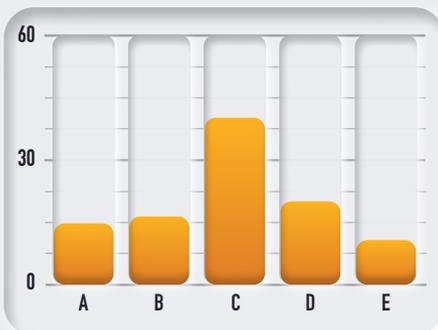
PUBLIC SECTOR

QUALITY OF RELATIONSHIP WITH UNIONS

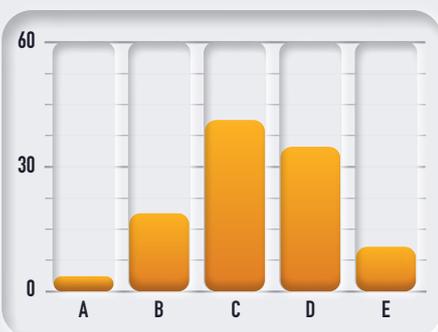
A. (15 out of 106)
B. (16 out of 106)
C. (41 out of 106)
D. (24 out of 106)
E. (10 out of 106)

A. (13 out of 71)
B. (7 out of 71)
C. (27 out of 71)
D. (15 out of 71)
E. (9 out of 71)

A. (1 out of 33)
B. (9 out of 33)
C. (13 out of 33)
D. (9 out of 33)
E. (1 out of 33)



QUALITY OF RELATIONSHIP WITH EMPLOYEES



In contrast to the above ratings in relation to their respective organisations, the respondents tended to rate the quality of labour relations in the country slightly less, with 47% for (C), 21% for (B), and 12% for (A).

ALL SECTORS

- A. (13 out of 106)
- B. (22 out of 106)
- C. (50 out of 106)
- D. (16 out of 106)
- E. (5 out of 106)



PRIVATE SECTOR

- A. (10 out of 71)
- B. (14 out of 71)
- C. (34 out of 71)
- D. (11 out of 71)
- E. (2 out of 71)



PUBLIC SECTOR

- A. (3 out of 33)
- B. (7 out of 33)
- C. (15 out of 33)
- D. (5 out of 33)
- E. (3 out of 33)



MANAGEMENT OF LABOUR DISPUTES

There appears to be a contrast between the respondents in the private and public sectors in their ratings of the effectiveness of dispute management and resolution by the management in their respective organisations. 89% of the respondents in the private sector rated their effectiveness high to extremely high. With respondents in the public sector there appears to be more of a spread in their ratings. The high rating by respondents in the private sector may need further investigation, including how they self-evaluate and rank their effectiveness and whether those who perceive their labour relations as positive in the organisation self-selected more to participate in the survey. However, we can note that in the aggregated HR Audit findings of the SABPP, overall, the audited organisations scored 6 out of 10 on the Employment Relations Management Standard, where the aggregate audit result for private sector organisations is 6.5 and the aggregated audit result for the public sector organisations is 5.5. It appears then that there may be some correspondence between the ratings of the respondents in the survey and the aggregated results of the HR Audits.

ALL SECTORS

- A. (5 out of 106)
- B. (12 out of 106)
- C. (27 out of 106)
- D. (49 out of 106)
- E. (13 out of 106)



PRIVATE SECTOR

- A. (2 out of 71)
- B. (6 out of 71)
- C. (14 out of 71)
- D. (38 out of 71)
- E. (11 out of 71)



PUBLIC SECTOR

- A. (3 out of 33)
- B. (6 out of 33)
- C. (11 out of 33)
- D. (11 out of 33)
- E. (2 out of 33)

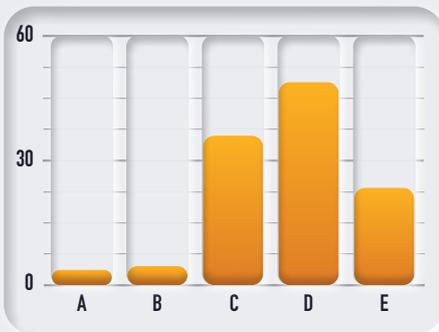


IMPROVING LABOUR RELATIONS IN ORGANISATIONS

Across sectors it appears that the respondents rated high the extent to which they feel they are equipped to deal with the task of improving labour relations in their respective organisations. Perhaps future engagements can unpack this further and explore the realities of improving labour relations. Here again, we can note the aggregate HR Audit findings cited earlier.

ALL SECTORS

- A. [3 out of 106]
- B. [4 out of 106]
- C. [34 out of 106]
- D. [48 out of 106]
- E. [17 out of 106]



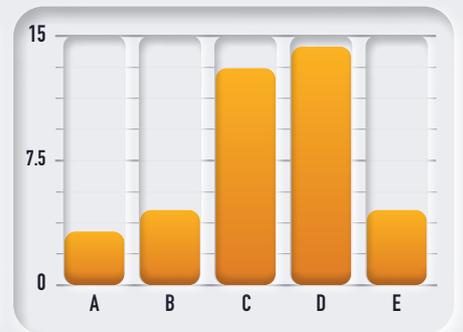
PRIVATE SECTOR

- A. [1 out of 71]
- B. [1 out of 71]
- C. [21 out of 71]
- D. [34 out of 71]
- E. [14 out of 71]



PUBLIC SECTOR

- A. [2 out of 33]
- B. [3 out of 33]
- C. [11 out of 33]
- D. [14 out of 33]
- E. [3 out of 33]

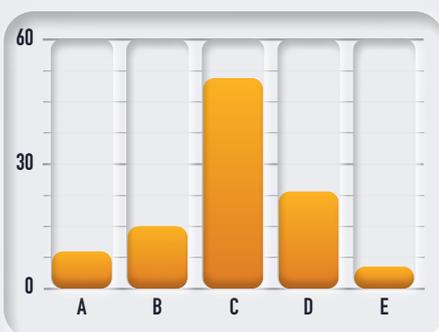


IMPROVING LABOUR RELATIONS IN THE COUNTRY

50% of the respondents rate the likely possibility of improving labour relations in South Africa in the middle of the rating scale, which is somewhat similar to the previous question on the quality of current labour relations.

ALL SECTORS

- A. [9 out of 106]
- B. [15 out of 106]
- C. [53 out of 106]
- D. [23 out of 106]
- E. [6 out of 106]



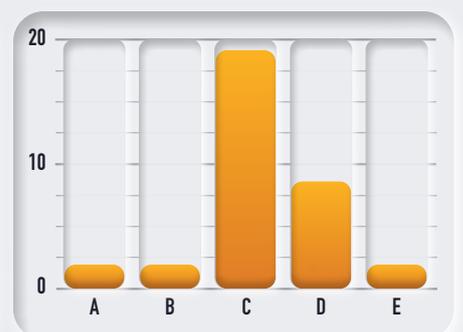
PRIVATE SECTOR

- A. [7 out of 71]
- B. [13 out of 71]
- C. [32 out of 71]
- D. [15 out of 71]
- E. [4 out of 71]

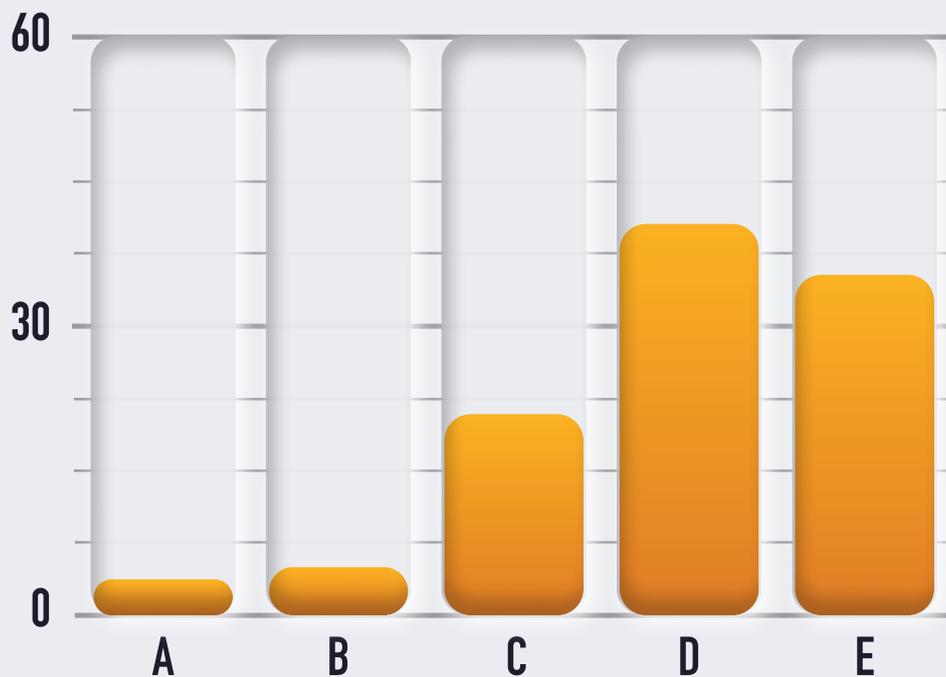


PUBLIC SECTOR

- A. [2 out of 33]
- B. [2 out of 33]
- C. [19 out of 33]
- D. [8 out of 33]
- E. [2 out of 33]

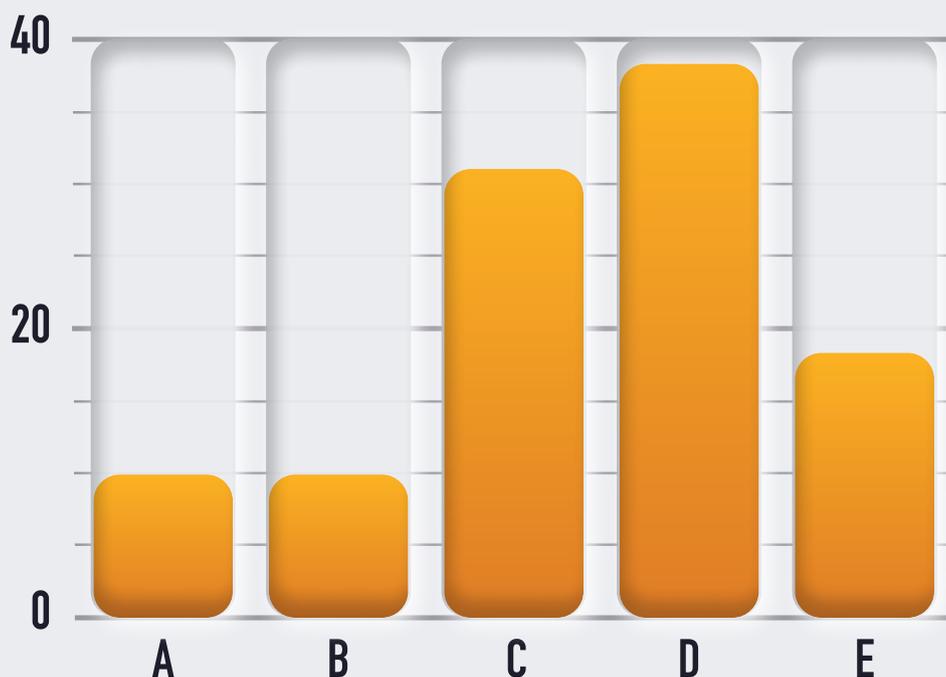


However, the respondents predominantly rated as high their interest in constructive approaches to labour relations in the country as indicated in the figure below.



Given this rating of high interest, one may consider the central tendency bias in the previous question and/or the possibility that the respondents may not have been certain of the possibility of improving relations and of the impacts of the pandemic and socio-economic conditions within the country.

The respondents suggested that improved labour relations could assist with addressing unemployment.



CONCLUSION

The survey provides an interesting snapshot of labour relations in the workplace. However, these need to be contextualised with the responses to the open-ended questions on constructive labour relations and the pandemic where perhaps there was greater engagement and reciprocity between employers and employees. One needs to also consider that the sample size is relatively small in relation to the SABPP membership base and the number of South African organisations. With these caveats, one notes the similar distribution in scores between productivity and employee engagement and commitment levels. These may suggest a relation between these, which is also suggested by theoretical and empirical research (Albrecht, Bakker, Gruman, Macey, & Saks, 2015; Attridge, 2009).

The Labour Market Committee aims to host a conference in 2022 to further deliberate on the findings and set the agenda for constructive labour relations in South Africa, including addressing the high unemployment rate.

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Attridge, M. (2009). Measuring and managing employee work engagement: A review of the research and business literature. *Journal of Workplace Behavioral Health*, 24(4), 383-398.





PREVIOUS EDITIONS OF THE FACT SHEET

2020

February	HR'S PLACE IN THE FOURTH INDUSTRIAL REVOLUTION
March	INNOVATION AND DISRUPTION DILEMMAS FOR FIRMS AND THEIR HR FUNCTIONS
April	CORONAVIRUS AND COVID-19
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June	HR'S ROLE IN SHAPING LEADERSHIP IN THE NEW NORMAL
July	THE ROLE OF ALGORITHMS, AUTOMATION AND ARTIFICIAL INTELLIGENCE IN HUMAN RESOURCES MANAGEMENT
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2021

February	FUTURE WORLD OF WORK SERIES: EVOLVING DEFINITION OF EMPLOYEES
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May	FUTURE WORLD OF WORK SERIES: KEY THEMES AND QUESTIONS FOR HR 4.0
June	UNDERSTANDING AND ADDRESSING STIGMA DURING THE PANDEMIC
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September	DEVELOPMENTS IN TALENT MANAGEMENT: THE INTERNAL TALENT MARKETPLACE
October	NET - ZERO: THE ROLE OF HR
November	UNDERSTANDING AND MAPPING ORGANISATIONAL NETWORKS