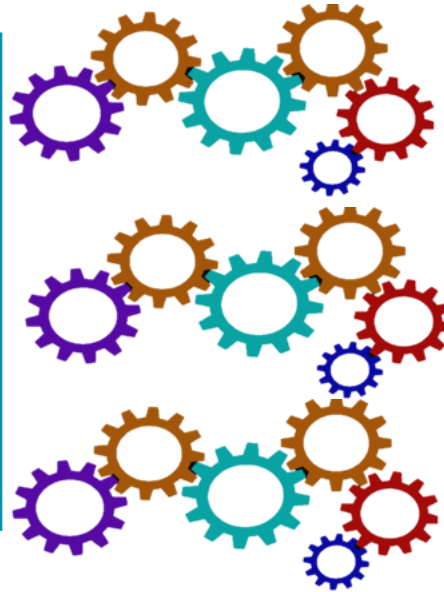
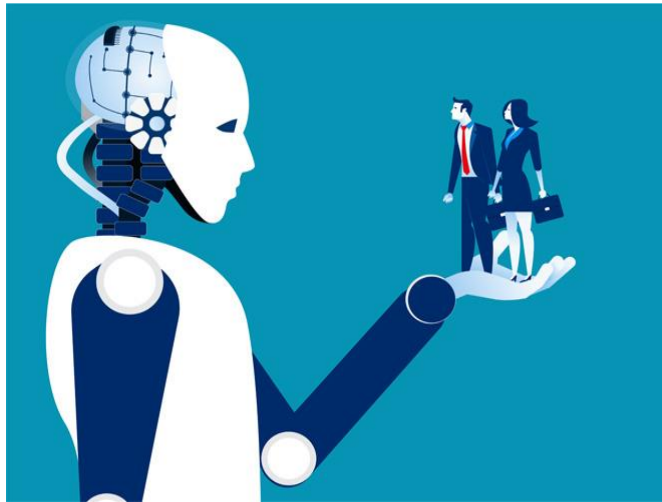




**PLENARY 1:  
2017 INDUSTRIAL ACTION REPORT: ANALYSING THE STATE OF  
LABOUR RELATIONS IN SOUTH AFRICA  
27 SEPTEMBER 2018**



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# PRESENTATION OUTLINE



1. **Constitutional imperatives underpinning workplace relations**

2. **National socio-economic dynamics impacting on labour relations**

3. **Statistics outlook of the 2017 industrial action report**

4. **Economic factors a driving force for work stoppage**

5. Necessary building blocks to improve workplace relations

6. Systems architecture to configure healthy workplace relations

7. The do's and don'ts in consolidating the gains of labour relations practice in South Africa

8. Critical areas requiring empirical research

# CONSTITUTIONAL IMPERATIVES UNDERPINNING WORKPLACE RELATIONS



*The Constitution is South Africa's vision statement, which guides policies and action. It reaffirms commitment to advance the ideals of our country's Constitution at all times.*

Workplaces must be the nerve centers of-

- just labour practices;
- equality, fairness and the treatment of others with dignity and respect at all times; and
- social justice and transformation to enable workers to enjoy the fruits of political reforms in the country.

It is important to have regard to the history of the country's transition from an apartheid state to a constitutional democracy shaped by the multi-party negotiations led by the ANC.

# NATIONAL SOCIO-ECONOMIC DYNAMICS IMPACTING ON LABOUR RELATIONS



- Slow access to socio-economic rights (water, health, education, housing, healthy environment etc.) permeate tension through communities and escalate workplace demands.
- Lack of leadership in implementing the National Human Resource Development Strategy thereby stifling employability and growth.
- Skewed distribution of economic opportunities, breeding a feeling of economic exclusion and desolation.
- High inequality and a society characterised by a dual economy (formal vs informal).
- Misalignment of ideological variables orchestrating fragile policy perspective (confluence of capital and socialist policy orientation to influence national strategy).

# STATISTICAL OUTLOOK OF THE 2017 INDUSTRIAL ACTION REPORT



- The number of work stoppages increased from 122 in 2016 to 132 in 2017. This represents an 8% increase in strikes over the last two years.
- 52% of the strikes in 2017 were protected compared with 59% in 2016.
- This might be explained by the compliance with the Labour Relations Act by most companies.
- By nature of strikes in workplaces, “strikes in company only” followed by lock-outs in workplaces were the highest.
- Most workplace disputes (89%) were resolved internally with the employer.

# STATISTICAL OUTLOOK OF THE 2017 INDUSTRIAL ACTION REPORT (CONT'D)



- Most strikes lasted for less than 11 working days.
- The number of working days lost increased by 1.5%: from 946 323 in 2016 to 960 889 in 2017.
- However, the number of working hours lost decreased from 7 613 267 in 2016 to 6 054 446 in 2017.
- The loss of workers' wages due to strike activity rose from R161 million in 2016 to R251 million in 2017.
- There were 125 125 workers involved in labour disputes in 2017 - 38.6% more than in 2016.

# STATISTICAL OUTLOOK OF THE 2017 INDUSTRIAL ACTION REPORT (CONT'D)



- It is recorded that in the second quarter of 2017, more wages were lost due to work stoppages, the principal cause being the demand for higher wages, bonuses and other compensation benefits.
- In 2017, unlike 2016, mining, the industry with potential for economic growth and labour absorption, lost more to wages - about R137 million.
- This was followed by the community, manufacturing and transport industries with total wages lost in 2017 being nearly R96 million and 80 935 workers involved in strike action.

Source: DoL RP 247/2018, ISBN NO 978-0-621-46407-8



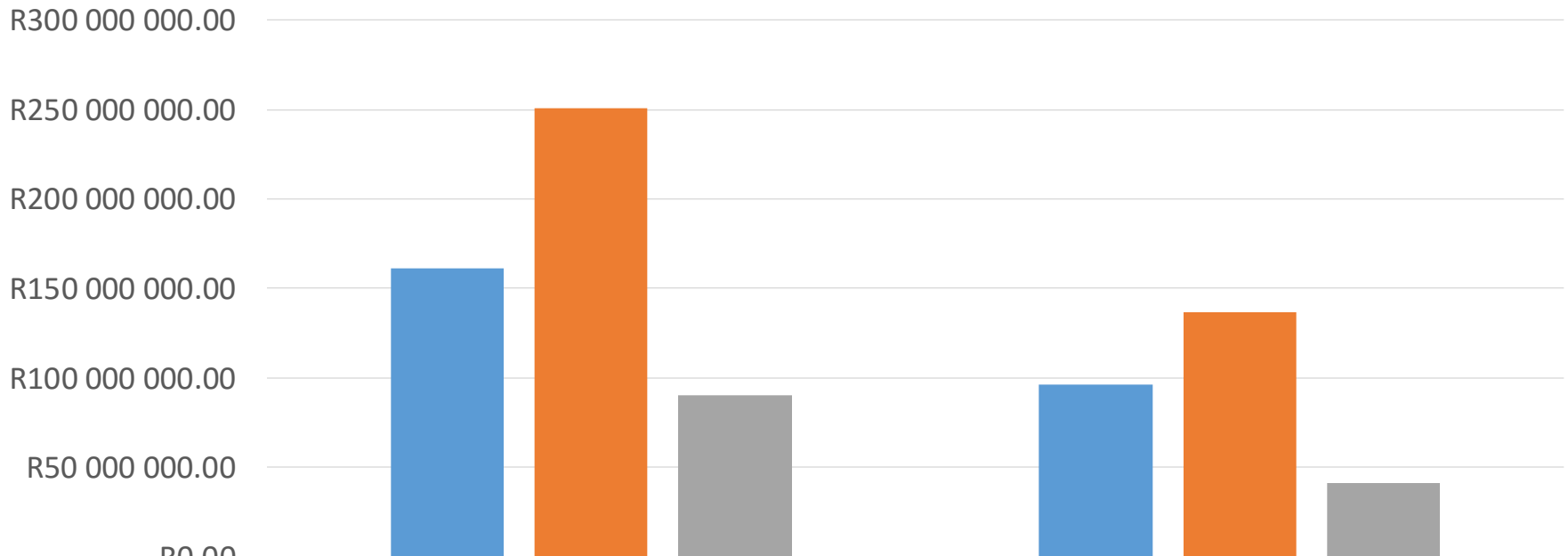
# STATISTICAL OUTLOOK OF THE 2017 INDUSTRIAL ACTION REPORT (CONT'D)



- In 2017, a higher number of working days were lost due to industrial action in the public sector than in the private sector, e.g. health and social services strikes.
- In this spirit, less than 30% of the companies affected by strikes used replacement labour.
- In terms of trade union membership participation in industrial action, NEHAWU and SAMWU members recorded the highest levels of membership participation at 29.07% and 10.01% respectively.

Source: DoL RP 247/2018, ISBN NO 978-0-621-46407-8

# WAGE LOSS – STRIKE ACTION

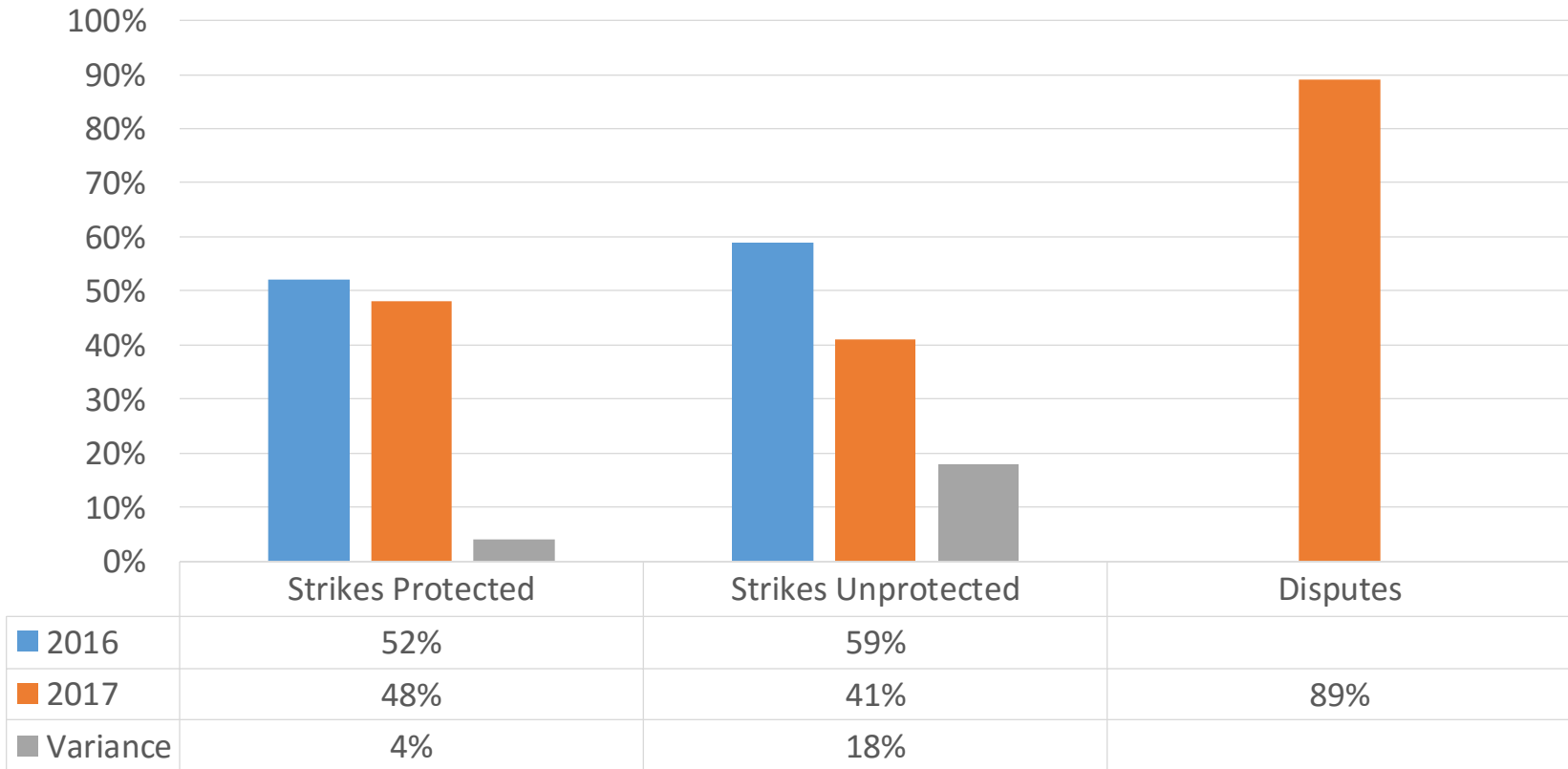


	Strike Wages Lost	Wage Loss
2016	R161 000 000.00	R96 000 000.00
2017	R251 000 000.00	R137 000 000.00
Variance	R90 000 000.00	R41 000 000.00

■ 2016 ■ 2017 ■ Variance

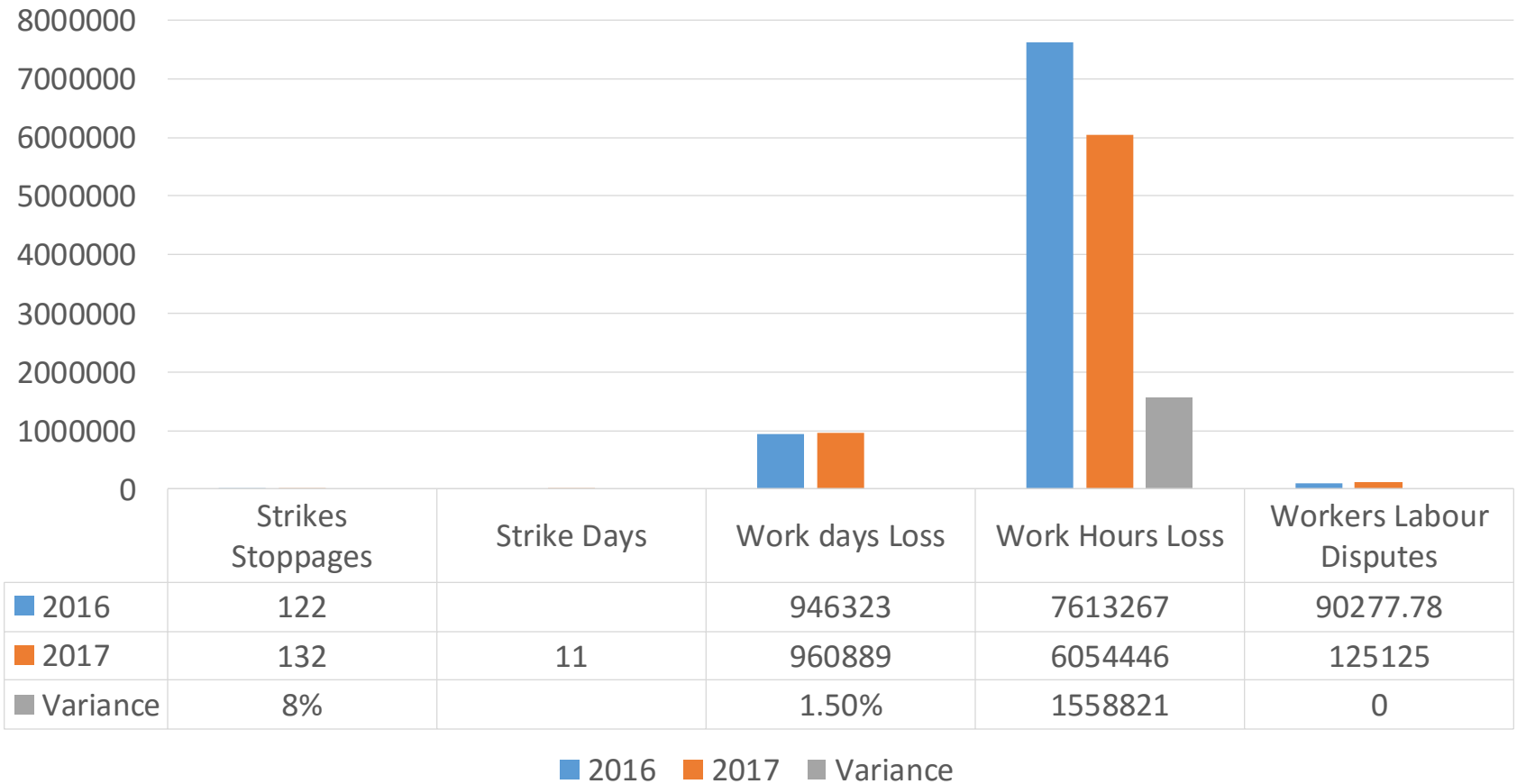
# PROTECTED VS UNPROTECTED STRIKES

100  
National Development  
Corporation  
2018  
For the Labour



■ 2016 ■ 2017 ■ Variance

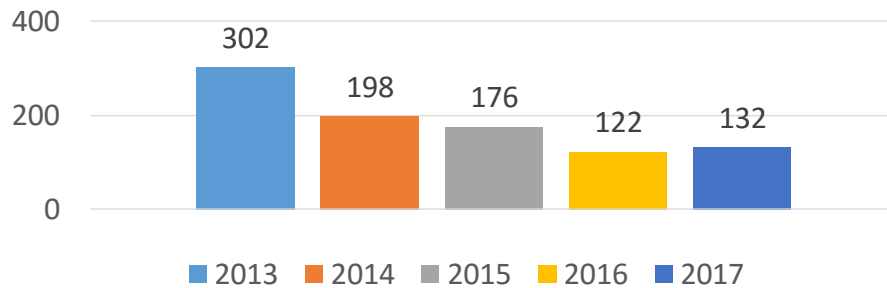
# WORK DAYS AND HOURS LOST



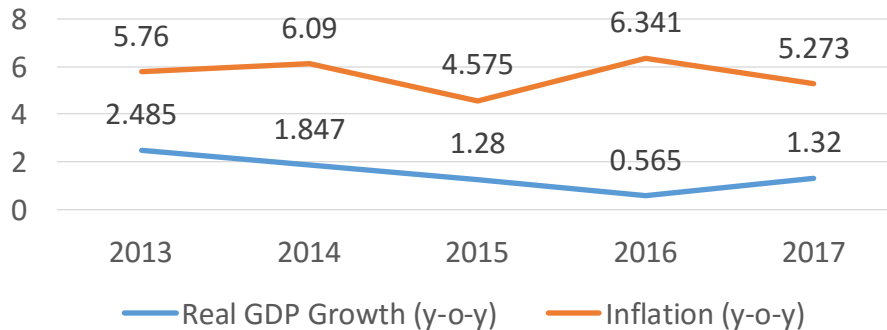
# ECONOMIC FACTORS A DRIVING FORCE FOR WORK STOPPAGE



Work stoppages (#)



Economic indicators (%)



- Economic conditions have significant bearing on work stoppage;
- prolonged decline in GDP, and consistent rise in consumer prices are;
- representative of increasingly financially strained households, mining, agriculture, and manufacturing heaviest hit sectors, and also some of the most active in terms of labour disputes;
- coupled with a tight fiscal environment, therefore increased public sector strikes;
- now in a technical recession and likely to see increased labour tensions.

Source: IMF, 2018, World Economic Outlook Database

# NECESSARY BUILDING BLOCKS TO IMPROVING WORKPLACE RELATIONS



- Unprotected strikes have declined by 11% between 2016 and 2017. This represents a positive shift towards a culture of rationed bargaining.
- Section 16 of the LRA.
- Section 135 (3) is mandatory.
- The parties engage in meaningful negotiation, mediation and consensus-seeking processes.
- Confronting the historical injustices and using open dialogue to address the issues – proper structures for engagement.
- Workplace democracy.
- Capacity building.
- Promotion of strong shop stewards into management positions.

# SYSTEMS ARCHITECTURE TO CONFIGURE HEALTHY WORKPLACE RELATIONS



- Measures to protect declining disposable income.
- Low economic growth.
- Price increase on goods.
- Affordability and profit maximisation.
- Informed strategic planning sessions.
- Mitigating the harsh employment factors.

# CRITICAL AREAS REQUIRING EMPIRICAL RESEARCH



- SA ranked 137 out of 137 WEF.
- Mistrust cultivated over the years.
- Employer's bad advice in dealing labour issues.
- Employees influencing decision making.
- Building conflict management skills.
- Retrenchment used as the first means to save businesses and being used as a 'tick box'
- Employer's applying for exemption from salary increases - goods /prices going up.
- "Us and them" mentality.



# THANK YOU



**NGiyathokoza!**      ro livhuwa!  
dankie!      ke a leboga!      **ENKOSI!**  
                                 thank you!      **udo livhuwa!**  
**inkomu!**  
                                 ke a leboha!      **ngiyabonga!**  
**siyabonqa!**