



Negotiating reconstruction

breakthrough or stalemate?

NUMSA's practical proposals for democratic reconstruction in the workplace were described in Part One of this series (vol 24 no 2). These were:

- ❑ implementing a skills-based grading and training system;
- ❑ new forms of work organisation based on teamwork and greater worker control of production;
- ❑ trade union participation in the highest level of company decision-making;
- ❑ some form of gain-sharing or profit-sharing.

Parts Two and Three of this series described informal struggles over reconstruction on the shopfloor. Part Two described how shopstewards and workers engaged in a struggle for teamwork in the iron division (vol 24 no 2). Part Three described how management attempted to use wildcat co-operation to control change in the workplace and to marginalise the union (vol 24 no 3).

This article discusses more formal attempts by NUMSA to negotiate reconstruction with management.

The 1993 negotiations

The first formal occasion on which NUMSA presented Highveld Steel with its proposals to replace the apartheid workplace regime with a new high-skill, democratic regime, was the 1993 wage negotiations. Management refused to negotiate the proposals, but suggested that

Karl von Holdt continues his series on the struggle for reconstruction at Highveld Steel. In this article he describes the attempts of NUMSA shopstewards to negotiate agreements governing workplace transformation in the company.

three joint company-union working groups be established to discuss them.

Working groups

Grading

The grading working group initially seemed to be working successfully. In 1993, after a short work stoppage, Highveld Steel agreed to reduce the number of grades from 14 to eight. The following year it agreed to NUMSA's demand to implement a new five grade structure based on skill by 1996. The grading working group was given the task of moving through Highveld Steel, division by division, developing the new grading structure and grading jobs accordingly. NUMSA's representative on the working group was shopsteward chair Most

Nhlapo, and he was able to provide direction to the group.

Nhlapo tried to use the process to strengthen union capacity by insisting that grading committees of shopstewards and managers be formed in each division to assess job descriptions. The working group refused to listen to a division manager unless he was accompanied by shopstewards from his division. This would give shopstewards an opportunity to start engaging with their managers and discussing the issues with their members.

After some months of successful progress, some shopstewards started feeling that the grading committee posed serious dangers for the union. The problem was that, while management had agreed to reduce the number of grades, there was no agreement on NUMSA's demand for reducing the apartheid wage gap through reducing the wage differentials between grades. If management implemented a new five grade wage structure without reducing the wage differentials there would be no benefit for the majority of workers. There would also be no pressure on management to upgrade the skills of the lower graded workers.

When shopstewards raised this issue with management, the human resources manager realised that the grading sub-committee had moved beyond the control of management. He issued an instruction for the sub-committee to be disbanded.

Restructuring of work

The second working group was mandated to focus on production quality, multi-skilling and the organisation of work. This group was also paralysed by the completely different aims of management and shopstewards. For example, as one shopsteward explained, 'management comes with proposals, with the view that we must accept them and help implement them, not discuss them'.

Furthermore, management was continuing to implement restructuring in the divisions, 'whether we like it or not, whether we have an agreement or not'. For the shopstewards, then, 'the challenge is - can we stop them, can we counter them in various ways so that they begin to respect us?'

So, when a division manager presented proposals for work restructuring to the committee, shopstewards would demand a thorough discussion, and would insist that they be given a chance to consult their members. They had no expectation that an agreement with management would emerge from this process - it was simply an opportunity to block management and educate workers. This meant the working group had no potential for satisfying either party: 'Management is coming with a framework, and we're operating within that framework but not in the direction that they wanted to operate. We're pushing it in our own direction. Its frustrating. The management representative also says he wants to resign from the committee because since we started it there are no results at all.'

The stalemate was frustrating to everyone concerned, and the working group was shut down at the same time as the grading working group.

Company-union relations

The task of the third working group was to develop a comprehensive agreement governing relations between the company and the union. As with the other two working groups, management and shopstewards had completely different aims in mind. The NUMSA shopstewards wanted to negotiate an agreement extending union rights in the company and define a role for the union in company restructuring and decision-making. The company envisaged a more narrowly focused procedural agreement 'that

disciplines us and tells us how we must behave as a union'.

At different points either management or NUMSA stalled these negotiations. Management finally suspended the negotiations indefinitely when it became clear that the new LRA would cover some of the same ground.

The shopstewards condemned the short-sightedness of management. Procedures would only have meaning for workers if they were located in a workplace order that they saw as legitimate; in contrast, management continued to believe a legalistic attitude towards procedure could change workplace relations. One shopsteward commented, 'You can put all the documents that you want in place, and think that the courts are going to help you, but these workers are not going to co-operate, not now. We can finalise this recognition agreement, and go to the workers and say this is how we must behave ourselves, and they will agree with you and say Amandla! But when they experience problems they forget about agreements. And if we start reminding them that we've got this agreement, they will say no, we will put that agreement aside. We want to deal with management. It's because for years management has been taking us to court instead of resolving our problems. Even if the court says we're wrong, the problem remains. That's why the procedural agreement is a waste of time.'

The process of engagement in the working groups also revealed serious capacity weaknesses in the union. There was no-one the shopstewards could rely on for advice or support from the union offices. National officials consistently failed to attend meetings where they were expected. The regional organiser who understood the NUMSA programme, was

overextended, and then resigned from the union to take up a managerial position in another company. Only two or three shopstewards were able to consistently engage with management in a proactive fashion. Nhlapo reported to the shopsteward committee that: 'The work is killing me. I am alone. The last meeting of the grading committee was cancelled because I was absent. I am carrying my union, I am carrying the other unions, and I'm carrying management.'

These weaknesses meant that the union was unable to present alternative proposals to those put forward by management in the working groups on the union-management relationship and on restructuring work.

Nhlapo also felt that participation in the working groups raised fundamental questions about the goals of the NUMSA programme, and about the strategy for achieving them - questions that neither he nor the union had answers to: 'I'm not sure whether they are negotiating forums. Are we supposed to reach consensus, or does our view of socialism involve struggle? Can we strike for real participation in decisions, or can we only participate on the shopfloor in green areas? We have never negotiated these issues in our bargaining forum, and in the working groups you have to be diplomatic. We don't have guidelines for these questions.'

The collapse of the working groups demonstrated quite clearly that the union could not implement transformation alone, but needed the co-operation of management. As one of the shopstewards, Ambrose Mthembu, put it, 'Management should co-operate for reconstruction to be a success. As the union we can initiate - but if management does not agree, at the end of the day there will be no reconstruction programme. Both sides will have to compromise.'

The paralysis of the working groups indicated that there were fundamental differences over the transformation of the workplace at Highveld Steel. While the shopstewards wanted to forge a completely new workplace regime on the basis of a negotiated partnership, management appeared unable to contemplate negotiating the shape of a new dispensation with black workers or their union. At stake was power and control. The result was a stalemate.

A model agreement

By mid-1995 there seemed to be little prospect for co-operative agreement between management and unions at Highveld Steel. The three working groups had been shut down, and management opened the collective bargaining negotiations by withdrawing its commitment to implementing a five-grade system. However, management surprised NUMSA by proposing a new Agreement of Intent to govern restructuring in the company. This was intended to overcome the conflict and paralysis in the working groups in two ways.

Firstly, it proposed that, 'in view of the uncertainties, the lack of trust and inadequate benchmarking', management and unions should jointly decide on a pilot project in a specific division and focus their energies on this. The limited scope of such a project could reduce the fears of both management and shopstewards.

Secondly, the project would be overseen by a joint management-union steering committee. This implied institutionalising a high degree of union influence, which management hoped would persuade the union to drop its strategy of resistance.

The shopstewards perceived this as a



PH: ANPA

Highveld Steel shopfloor: the model agreement failed to reach workers.

promising offer. They put forward their own proposals to amend the document 'to suit our own thinking and make it possible for us to achieve our goals'.

Two key clauses were finally accepted by the company. The first effectively gave the union a veto over change in the workplace by stating that 'no other change would be implemented with regard to work reorganisation without reference to the joint management/union steering committee'.

The second adopted the principles of co-determination - 'the full and equal participation' of the unions in 'the conception, development and implementation of any changes, and the sharing of information pertaining to this programme'. These were the clauses that shopstewards felt would give them

'leverage to deal with management'.

The shopstewards rejected a clause which implied restructuring would necessarily lead to surplus labour. They fought for a commitment to a safer workplace, and after five meetings secured a promise to 'endeavour' for this goal. They insisted on a reference to the inefficiencies of management through the recognition that not only demarcations and work practices, but also 'the levels of supervision' should be 'scrutinised'.

More broadly, the agreement committed the company and the union to making Highveld Steel 'the best manufacturer of our products in the business' through increased efficiency, lower costs, increased quality and a reduction of waste. This would provide the justification for more investment. Broad points were made about changing attitudes and working together 'at beating the competition'. The document proposed changing work practices, removing artificial demarcations and increasing flexibility, investing in training and rewarding skill.

Problems

The agreement appeared to hold the promise of a new beginning, in which unions and management could negotiate a transition to a new workplace order acceptable to them both. However, there was still no substantive agreement on how the workplace should change or what the goals should be. The shopstewards had fought to include clauses that pointed in the direction of their vision - but this did not mean that management understood or accepted the implications of such clauses.

Furthermore, despite the protracted negotiations and the signing of the agreement, senior management was still not committed to co-operation. The problem was that other options were beginning to emerge - options that seemed more

attractive because they promised to secure managerial control and sideline the union by cultivating 'wildcat co-operation'. Thus management continued to pursue such projects, and even initiated a major new project in the Vantra division, without involving the unions, after the agreement had been negotiated.

When the full steering committee finally met, a shopsteward observed that, 'Things are just as they used to be - management is supposed to make the decisions and we must accept them.'

The same senior managers who had negotiated the agreement were undermining it. In the view of the shopstewards, even the managing director and the human resources manager who had negotiated the agreement had mixed feelings about it. On the one hand, they knew that 'the rules of the game have changed now' and accepted that they had to co-operate with the union. On the other hand, they were still unable to grasp what this really meant, so 'it is a shift, but a shift that is on paper'.

Some of the shopstewards had heard that even the executive committee of the company did not fully support the 'paradigm shift'. They had been told that managers down the line were likely 'to block everything we try to come up with'. The majority of managers from top to bottom of the company were seemingly unable to transcend their history as agents of the apartheid workplace regime.

Clearly the shopstewards would face a tough battle to ensure that the agreement actually had any meaning in the workplace. The problem was that the union itself lacked the capacity to take up this battle. In the first place, the Highveld Steel shopstewards were operating completely on their own without any support from officials. They found that union policies were too broad and generalised to help them in implementing workplace strategies and engaging with

management, and were forced to improvise.

The handful of shopstewards who had the confidence and skill to do this was growing ever smaller. The key strategist and driver of the shopsteward committee, Mosi Nhlapo, was increasingly involved in union work at a national level, and was able to spend very little time at Highveld Steel. Other shopstewards were increasingly involved in political careers, or positioning themselves for promotion within the company.

These weaknesses meant that, at a certain point, shopstewards lost faith in the strategy and even in the union. Nhlapo articulated this at the end of 1995 – the union could continue to paralyse management initiatives, but had no alternative initiatives of its own: 'The first step is to make sure that within Vantra nothing happens. You block that thing, use your old tactics, call strike action, make sure that a similar thing does not happen in any other division. Then force them to implement the agreement by forming the steering committee. Then once you've done that, I don't know what the steering committee is going to do. That is how far I can think about this thing – block Vantra, block other management initiatives, then establish a steering committee – don't ask me then what. That's precisely the problem, because from here – what?'

At a shopsteward committee workshop held at the end of 1995 to assess their strategic position, discussion centred on the successful efforts of management to encourage 'wildcat co-operation', and on the need to re-establish the leadership of the shopstewards and union structures in the affected divisions. Restructuring should be brought back under the control of the steering committee provided for in the new agreement.

But the steady loss of skilled shopstewards made this an impossible

task. Union resistance had won an important concession, but it lacked the capacity to make effective use of this. The Agreement of Intent was unable to bridge the divided perspectives produced by the apartheid workplace regime, and it was effectively a dead letter.

Conclusion: lessons

The following are some of the lessons to be learnt from the struggles of the shopstewards at Highveld Steel:

- A union cannot transform the workplace without co-operation from management.
- Formalistic agreements about processes and structures – such as the working groups or the Agreement of Intent – will have little impact unless there is genuine commitment to making co-operation work.
- There is still a wide gulf separating the views of shopstewards and managers on the transformation of the apartheid workplace regime and on the construction of a new democratic workplace order. At Highveld Steel this gulf proved insurmountable.
- Negotiating an agreement to govern change has no value if the union is unable to ensure that it is implemented.
- Engaging in workplace reconstruction requires enormous capacity on the part of the union. Unless unions are able to find ways to establish this capacity they will be unable to shape the emerging workplace order in South Africa. The danger is that this will leave the terrain wide open for management to dominate. ★

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