

# **How healthy is the employment relationship?**

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**31 October 2018**

**IMPSA Conference  
Lagoon Beach Hotel, Milnerton**

**Why should we be concerned about the health of the employment relationship?**



**An unhealthy employment relationship  
negatively impacts performance.**

## Comments about the health of the employment relationship...

- ❑ “All of South Africa’s problems, low growth, high unemployment, energy instability and poor leadership, can be fixed if business, labour and government find a way to work together. We must confront the *trust deficit* that keeps us apart”  
(Ralph Mupita, CEO, Old Mutual Emerging Markets)
- ❑ “Working together is a question of *trust*...I think that is what we suffer from now. It is called a *trust deficit*” (Gwede Mantashe, ANC General Secretary)

## Comments about the health of the employment relationship...(cont)

- ❑ “One of the reasons why the South African mining industry is becoming increasingly uncompetitive is our long history of adversarial labour relations, and particularly the *trust deficit* between labour, business and government, which has been accentuated by the Marikana tragedy” (Mark Cutifani, CEO, Anglo American)
- ❑ “*Trust* is at the centre of improving labour relations in the mining industry. In order to boost productivity in the sector, it is necessary to have *good relationships* with unions and employees” (Andile Sangqu, vice president, SA Chamber of Mines)

## Comments about the health of the employment relationship...(cont)

### ❑ World Competitiveness Report 2017-2018

*In your country, how do you characterize labour-employer relations? [1 = generally confrontational; 7 = generally co-operative]*

**South Africa = 3,1 / 7**

## **Unpacking the employment relationship...**

- ❑ Human dimension**
- ❑ Economic dimension**
- ❑ Justice / Fairness**
- ❑ Power**
- ❑ Conflict**
- ❑ Individual / Collective dimension**
- ❑ Formal / Informal**
- ❑ Convergent / Divergent interests**
- ❑ Inter-dependency**

**The impact of environmental influences on the employment relationship!**



**What is the employment relationship suffering from?**





***Low levels of trust  
and  
high levels of formalisation***

**HIGH TRUST**

**"Family business"**

**"Joint problem solving"**

**LOW**

**HIGH**

**FORMALISATION**

**FORMALISATION**

**"Guerrilla warfare"**

**"Conventional warfare"**

**LOW TRUST**

## **What are the vital signs of a healthy employment relationship?**

- ❑ A high level of trust both vertically and horizontally**
- ❑ Stakeholders prefer to collaborate to resolve differences as a first option**
- ❑ A large degree of transparent and honest communication and information exchange**
- ❑ Employees have an effective voice in decisions that potentially impact on them**
- ❑ Concern for employee well-being (empathy, accepting inter-dependence)**
- ❑ Respect and fairness (the way people are treated)**

## **Improving the health of the employment relationship ...**

- ❑ View employees as stakeholders**
- ❑ Focus on balancing the objectives of the employment relationship (efficiency, equity, voice)**
- ❑ Change attitudes towards conflict (focus on benefits of well-managed conflicts)**
- ❑ Promote conflict literacy**
- ❑ Build conflict management skills**
- ❑ Emphasise fair process in decision-making (engagement, explanation, expectation clarity)**
- ❑ Facilitate Relationship by Objectives (RBO) workshops**

**Questions / Comments?**

**Thank you!**