

THE ANATOMY OF A STRIKE

How does a strike work and what contingencies must management have in place?

The numbers of strikes occurring in South Africa is set to increase. From a public relations perspective, many companies will not be ready to deal with the issues and challenges presented by industrial action.

"Indications are that we are going to see more strike action in South Africa than even before," says Evan Bloom, MD of the Crisis Communications Consultancy. "Figures released by the South African Reserve Bank show that the number of working days lost as a result of strike action increased from about 700 000 in the first half of 2005 to 1,6 million in the first half of 2006. This was the highest figure in 10 years. In light of this, local companies must ensure they have the right processes in place to deal with and communicate throughout all eventualities."

The unstable South African political environment is a key contributing factor to increased industrial action. In a Business Report article (22 September 2006), economist Mike Schussler said an increase in the number of strikes should be expected as political tensions play themselves out.

THE WAGE NEGATION PROCESS

Prior to initiating wage talks, the union will analyse market trends and issues such as inflation projections and CPIX. If the union is about to enter wage negotiations with a listed entity, it will also study the company's financial results - both interim and year-end - as well as analysing general market conditions.

Once all these facts and figures have been considered, the union goes to its branches across the country and to its membership to ask for a mandate to initiate wage negotiations.

"Our purpose of negotiating with management is to put money back into workers' pockets that inflation is taking out," says Andre Venter, divisional manager of financial and strategic support services at UASA trade union. "But we cannot rule out pushing for a bit of extra money if we see a valid need for it. We will also look at other relevant issues such as working conditions, employee benefits and annual leave and bring these to the table if need be.

Venter says that labour relations are highly regulated so unions cannot willy-nilly decide to strike or demand wage negotiations at the drop of a hat. Irrespective of whether there are bargaining councils or negotiations by way of collective agreement, the parties must follow predetermined processes and procedures as laid down in the Labour Relation Act.

During the process of listening to additional worker demands, a responsible trade union leader involved in the pre-negotiation stage must also have a feel for what is reasonable and achievable. "We must be realistic in terms of what we ask from management," says Venter. "If this is not done, workers end up making unreasonable demands, the union is unable to manage their expectations, and next there are violent marches and riots."

Once the relevant information has been collected and proper preparation has taken place, the union will contact the management of the company in question, or the representatives of an industry, and initiate a process of negotiation. "They too will have prepared a list of their wants, and they will know up to how much they can negotiate new wages or salaries," adds Venter.

"It is at this stage that the leaders of a company must prepare and develop their own contingency measures," says Bloom.

Management can also use as one of their bargaining tools the fact that if unions want more money, they will be forced to cut the workforce so they can afford the new wage. "But management dare not lie," states Venter. "One of the major contributing factors to the SAA strike was that management first mentioned to us that they did not have money and could not afford a pay increase; a couple of days later they announced their financial results which proved the opposite and this caused a complete breakdown of communication between the parties."

During the entire process of deliberating, management and organised labour either move towards an agreement, a win-win situation for all, or they are forced to declare a dispute. "In the recent security

strike, one of the unions presumably had a totally different agenda and used the process of wage negotiations to give expressions to it, with devastating consequences," continues Venter.

A strike should be the very last resort, from a union and management perspective, it should only result from extensive rational negotiations and meaningful investigation of all opportunities and alternatives, with unions reporting back to their constituents and receiving their mandate to proceed. The whole process should be characterised by give-and-take from management and the unions.

At the end of each negotiating session, trade union representatives inform their constituents about the proceedings. Some unions creatively make use of a bulk SMS system to immediately inform members what has transpired and what is next on the agenda, in so doing, keeping the momentum.

Communicating the outcome of the negotiations to inter alia the media is viewed as serious business by the unions. "During the entire process there is big competition between the parties to see who can be first with the news," continues Venter.

However, things also get complicated when a number of unions represent different factions or interests, as they compete to break the news to the media and their constituents.

If a stalemate or deadlock is reached, the unions need to obtain a final mandate from their members and if the dispute remains unresolved, it can be referred to the Commission for Conciliation, Mediation and Arbitration (CCMA). If the CCMA fails to resolve the dispute by means of conciliation, only then can the relevant CCMA commissioner issue a certificate of deadlock.

Even the issuing of a certificate of deadlock does not allow the union to immediately go on strike. The process is as follows:

Either the management of the company or the union/employees declare a dispute on a prescribed form which is referred to the CCMA

The CCMA appoints a commissioner, who was not privy to any of the previous discussions, to call the two parties together for a final round of mediation and conciliation

If the commissioner is of the impression that any further discussion will be fruitless then they will issue a certificate of deadlock

The certificate of deadlock will then be issued.

The union then has to issue a formal notice in the prescribed format to the employer of its intention to embark on strike action, providing the employer with 48 hours' notice that a strike will occur

The notice of strike action must cover a variety of issues to make it legal, such as: the date, time and place of the strike, as well as the components of the workforce that will initiate it. If these do not appear then the strike is technically illegal. If picketing is to occur then the parameters governing this must be agreed with the commissioner before the strike commences.

If improper notice is given an employer can go to the labour court to initiate an immediate and urgent action to obtain an interdict against the trade unions to prevent them from striking.

So what processes and procedures should employers have in place to help them manage the fallout from a strike? The Crisis Communications Consultancy suggests the following

BEFORE THE STRIKE:

1. Ensure that all necessary HR requirements are complied with
2. Open up a channel of communication between employees and management to provide for an 'open door' policy, and also to ensure all requests and queries are acted upon and that feedback is provided
3. Management must ensure that their vulnerability audit and scenario planning exercises include all aspects of industrial action
4. All areas of the company that could be affected by industrial action must be identified and the necessary contingencies put in place, especially from a supply chain perspective
5. The crisis management plan must be readied and updated and the crisis management team should have at least one industrial action oriented drill
6. All audiences -- internal and external -- ranging from the media to clients, stakeholders, suppliers, contractors, managers and partners must be warned that the company may be facing a strike and they should make whatever contingency plans are necessary

DURING THE STRIKE:

1. Announce continuous updates on all developing issues and events pertaining to the negotiation process and new arrangements made by the company to get its products and services delivered or made available
2. Maintain an open door policy for interacting with the media and with clients and employees
3. CEOs should meet with key clients and suppliers and give them immediate updates until the strike is over

AFTER THE STRIKE:

1. Clients and suppliers and all stakeholders must receive communication to inform them that the strike is over, and how it was resolved
2. A detailed crisis post-mortem must be held to determine what aspects of the crisis were managed correctly or incorrectly and what changes need to be made for future crisis management

Please note the above points are a basic framework for dealing with a strike related crisis. Implementation of these points will vary from situation to situation, company to company and organisation to organisation.

Further media information:

e-mail: info@crisiscomms.com