
The process of negotiation: A case study of wage negotiations

Sandi Johnson
Deon Herbst



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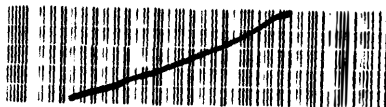


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Sandi Johnson
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CONTENTS

		PAGE
	OPSOMMING/SUMMARY	v
1	INTRODUCTION	1
2	METHOD OF GATHERING DATA	2
3	THE NEGOTIATION PROCESS	2
3.1	Procedure for settling the issue	5
3.2	Management and trade union stances	10
3.3	Duration of each meeting	16
3.4	Climate and orderliness	18
3.5	Presence/absence of participants	19
4	CONCLUSION AND SUGGESTIONS	21
5	APPENDIX	

FIGURES

		PAGE
1	POSITIVE BARGAINING ZONE	4
2	NEGATIVE BARGAINING ZONE	4

TABLES

1	PROCEDURE FOR SETTLING ISSUE	6
2	INNOVATOR VS RIGORIST	13
3	HARMONIZER VS AGGRESSOR	13
4	ASSENTOR VS DOMINATOR	15
5	TIME ALLOCATION GRAPH	17
6	CLIMATE AND ORDERLINESS	18
7	UNION MEMBERS PRESENT/ABSENT	19
8	CHAIRMAN	20
9	MANAGEMENT MEMBERS PRESENT/ABSENT	20

OPSOMMING

Die Instituut vir Mannekragnavorsing onderneem tans navorsing oor die onderhandelingsproses. Hierdie verslag handel oor 'n reeks loon- onderhandelings wat plaasgevind het tussen 'n Transvaalse maatskappy en 'n COSATU (Congress of South African Trade Unions) vakbond.

Die navorsingsinstrument wat deur mnr. D. Herbst ontwerp is, stel 'n waarnemer in staat om die onderhandelingsproses van naby af te evalueer. Sulke evaluasies tesame met notule van die vergaderings bied aan die navorser insae in die onderhandelingsproses. Aangesien hierdie verslag op 'n gevallestudie gebaseer is, het die menings en voorstelle in hierdie studie slegs betrekking op die betrokkenes in die ondersoek.

Die finale ooreenkoms wat bereik is, was vir beide groepe gunstig. Dit het ook gelei tot die uiteindelijke doel van goeie onderhandeling naamlik dat albei partye hul oogmerke bereik het. Verdere navorsing in die verband word nog onderneem.

SUMMARY

The Institute for Manpower Research is currently involved in a research programme dealing with the negotiation process. The report covers a series of wage negotiation sessions that took place between a Transvaal-based company and a COSATU (Congress of South African Trade Unions) affiliate.

The research instrument developed by Mr D. Herbst enables an observer to evaluate the negotiation procedure at close quarters. Such negotiation, together with minutes of the meetings, provided the researcher some insight into the process of negotiation. As this report is based on a case study, the opinions and suggestions are relevant only to the participants in this project.

The final agreement reached was favourable to both parties, resulting in the ultimate objective of good negotiations - a win-win situation. Further research in this field is under way.

THE PROCESS OF NEGOTIATION - A CASE STUDY OF WAGE NEGOTIATIONS

1. INTRODUCTION

Roux van der Merwe has described industrial relations (IR) as the dynamic, on-going relationship which is fundamental to the functioning of the power reality existing between capital and labour on the shop floor. Many definitions of industrial relations have been given, each of them having its own emphasis. The one common denominator emanating from the above and other definitions is that of collective bargaining. As negotiation or bargaining is central to industrial relations, one would assume that much research work has been done in this field. This is not so however. The research has centred more on IR climate surveys rather than on an in-depth study of IR as a phenomenon. While IR climate surveys are of importance to the firm being surveyed, they add little to our knowledge of the negotiation process which underlies collective bargaining. The Human Sciences Research Council has undertaken a project aimed at trying to improve the understanding of the negotiation process.

This report deals with wage negotiations that took place in August 1985 between a company operating in the Transvaal and the Metal and Allied workers Union (MAWU).

The labour force of the company numbered approximately 760, of whom 558 were Black males. Of the 206 White staff members, 149 were male and 57 female. MAWU is a "Black only" registered union, representing 500 workers at the plant. There were 11 shop stewards, all of whom were male. There was no other union active among the workers during the negotiations. The company had signed a recognition agreement with MAWU only two days prior to the start of the wage negotiations.

2. METHOD OF GATHERING DATA

The negotiations were evaluated by using a form developed by the Institute for Manpower Research called the "Mechanics of Negotiation". The form was completed by a member of the management team at each meeting (see Appendix 1 for a copy of the form and its appendix).

The wage negotiations were completed within seven separate meetings. A complete set of minutes for the negotiations was kept.

The observer evaluated all the meetings in the same way and forwarded the completed forms, together with the minutes, for analysis and interpretation. By using the same observer throughout the negotiations, any measure of bias or subjectivity would be relatively even throughout the exercise. Any observed change could therefore be regarded as noteworthy.

3. THE NEGOTIATION PROCESS

Although research on the actual process of negotiations, has been limited, some theory has been developed. A broad cycle comprising three main steps has been identified as follows:

- (a) Demand and offer
- (b) Consideration of proposals
- (d) Compromise or conflict

Within each phase there are a number of sub-phases which will differ from one set of negotiations to another. The three broad categories remain more or less applicable to all negotiations however. A brief description of each step will facilitate the interpretation of actual events as they occurred during these negotiations.

During the first phase (demand and offer) one can expect the trade union to make fairly high demands. Management will in all probability respond with a correspondingly low offer. The parties have now roughly aligned their bargaining base from which each will move toward the other, that is the union will decrease their demand and management will increase their offer. This process will unfold gradually - each party making small concessions at a time. If one examines the initial stands taken in relation to the final settlement reached, one can see how both parties use tactics and strategies, for example bluffing, threats, etc. to get the other to move. If neither party budges from the original demand or offer, the negotiations end in an early deadlock.

The second step, the consideration of the proposals, allows each party to assess the flexibility of the other. During this phase the bargaining zone is established, where each party sets a bottom line. An illustration of the bargaining zone may facilitate the understanding of this discussion.

The bargaining zone, in Figure 1, is a positive one as the final offer and demand actually overlap. A negative zone can be similarly illustrated as in Figure 2.

A gap exists between what management is prepared to pay and what the union is demanding. The point at which the final offer or demand is made is also referred to as the resistance point beyond which neither party is willing to move.

It is during this phase of considering the proposals that each party can establish the point of resistance of the other and a positive or negative bargaining zone emerges. As each side tries to influence the other in moving from that resistance point, the final step in the cycle commences.

FIGURE 1

POSITIVE BARGAINING ZONE

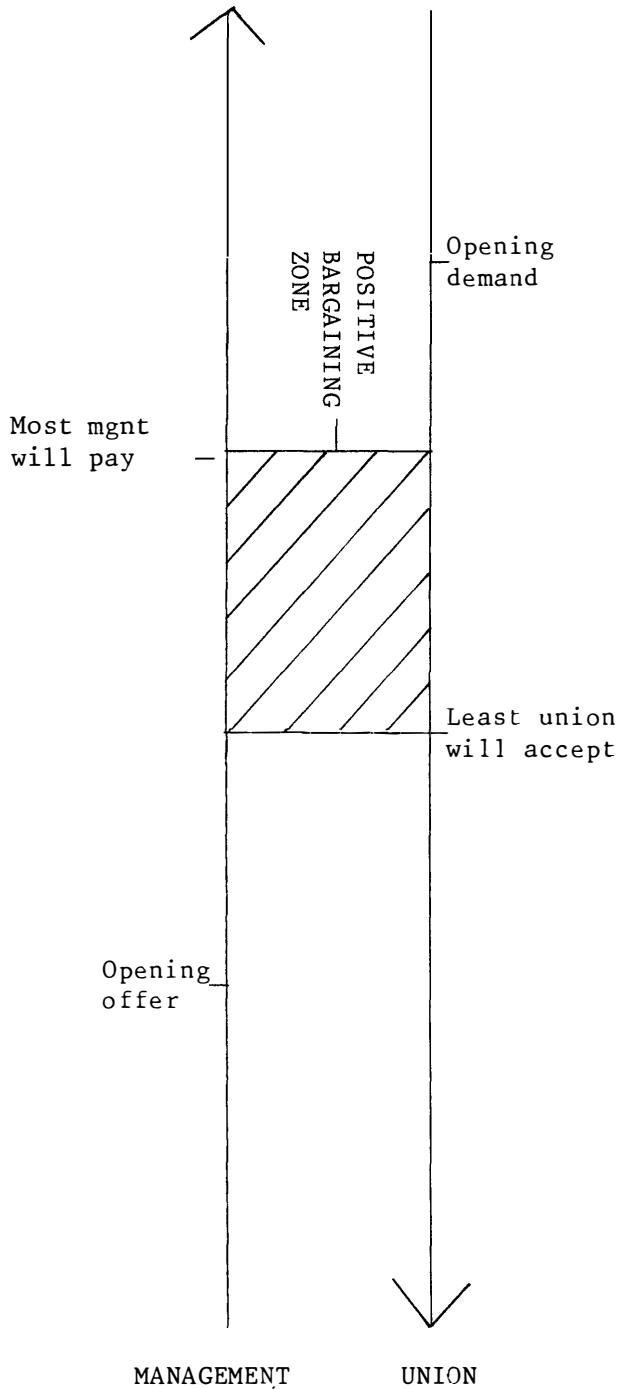
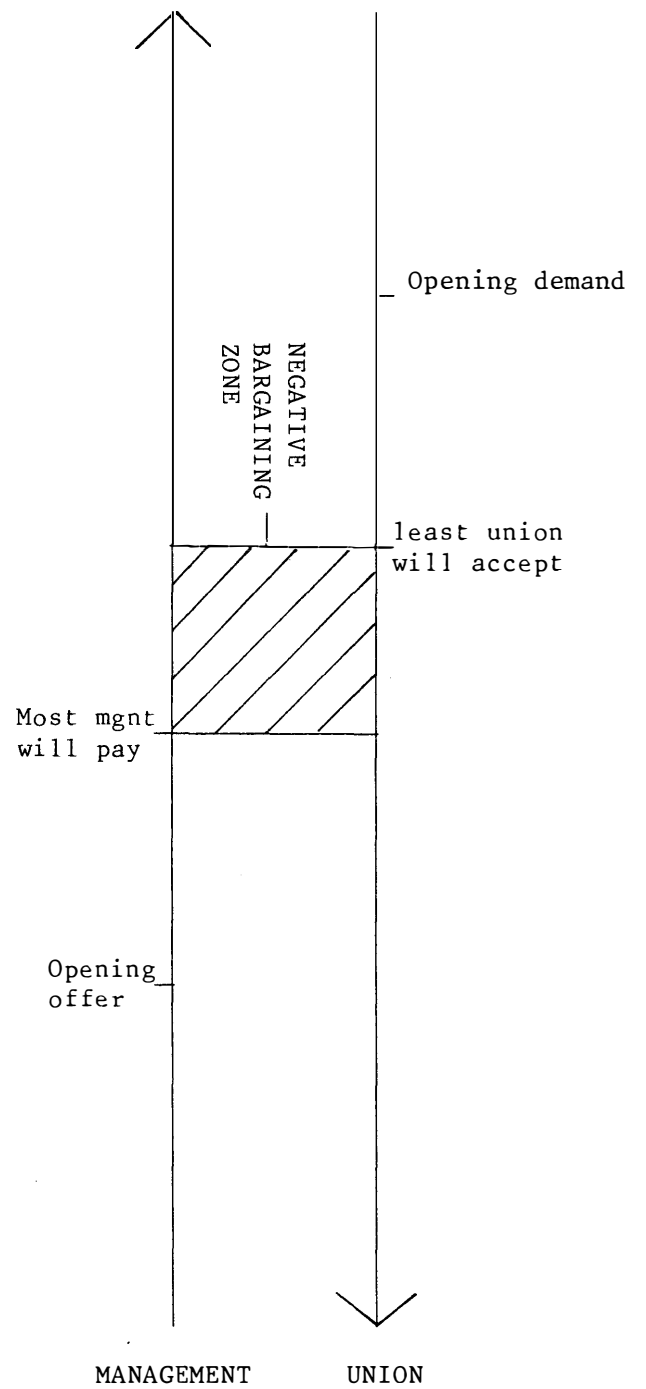


FIGURE 2

NEGATIVE BARGAINING ZONE



If a negative bargaining zone has emerged from Step 2, Step 3 is likely to end in a conflict situation. This need not end in a strike/lockout however. Both parties may agree on mediation or arbitration to settle the issue. In some cases the Industrial Court may be the final arbiter. However, should a positive bargaining zone be established, compromise is a likely outcome of such negotiations. A settlement within the bargaining zone can be reached by means of skilful negotiation.

During the discussion of these negotiations, the above theory will be used as a point of reference for the reader, that is the events which took place between management and MAWU will be clearly delineated against the above theoretical background.

3.1 PROCEDURE FOR SETTLING THE ISSUE

The instrument (Appendix 1) divides the parties into four groups, namely chairman, management, trade union representatives and shop stewards. The categories used to indicate the sequence of events in which an issue is dealt with are the following:

- (a) Who initiates the issue?
- (b) Who describes the issue?
- (c) Who reacts to the stand taken?
- (d) Who requests additional information?
- (e) Who makes the first stand?
- (f) Who is willing to settle?
- (g) To whom is the case referred?

Table 1 indicates how each of the four parties reacted to the issue (wage negotiation) at each of the meetings. The table shows an interesting sequence of events which seem to follow a certain pattern. It is important to bear in mind that each table in this report is interrelated to and, indeed, dependent on other tables presented here to clarify the findings discussed in the text. One should not read or interpret tables individually, as they are each

representative of only one part of the whole. Table 1 is presented in a grid formation which will be discussed per action, for example "who initiates the discussion" will be taken as a discussion point of each of the seven meetings and so on. If one considers the overall grid pattern, it becomes clear that Meetings 1 to 3 were management-oriented whilst Meetings 4-7 tended to be more union-oriented. However, both parties were active negotiators and they kept the discussions alive with neither party dominating the proceedings.

TABLE 1
PROCEDURE FOR SETTLING ISSUE

	Meeting Number						
	01	02	03	04	05	06	07
Initiates the issue	CH	CH	CH	SS	SS	SS	SS
Describes the issue	CH	CH	CH	SS	CH	CH	CH
Reacts to stand taken	SS	CH	TUR SS	CH	SS	CH M	CH M
Requests information	CH	TUR	CH	CH	TUR	CH	TUR
Makes first stand	CH	TUR SS	SS	TUR SS	SS	SS	SS
Willing to settle	CH M	CH M	M	M	SS	SS	TUR SS
Case referred to	SS	CH M	SS	SS	SS	SS	-

CH = Chairman
M = Management
TUR = T.U. Representatives
SS = Shop stewards

The first point on the grid refers to who initiates the issue. Management was seen as the initiator of three meetings - notably the first three. In each of these meetings management came across as fairly accommodating and in search of an agreement, for example by requesting shop stewards to give reasons for the demand made by emphasizing that the company would prefer to pay more than the minimum wage and at the third meeting, by opening the discussion with a better offer. (Minutes of Meetings 1, 2 and 3.) From the crucial fourth meeting, however, the initiative shifted to the shop stewards who reported back that a work stoppage was looming; that it would be postponed until further negotiations; followed by a demand of R0,50 an hour across the board and finally a call for continued negotiation around R0,50. (Minutes of Meetings 4, 5, 6 and 7.) It should be noted that the overt threat of a work stoppage at Meeting 4 dictated the flow of negotiations from that point onwards. Once the threat had been issued and some response given, it did not really become a strong possibility again. At the very next meeting the threat of a stoppage was dropped in favour of further negotiations. This was the turning point. The second action, namely who describes the issue remained the chairman's function throughout the series, again with the exception of Meeting 4, where the shop stewards described the issue after initiating the discussion. The tension during Meeting 4 was heightened significantly by the shop stewards who requested a delay in proceedings as the workers were awaiting the outcome of the meeting before going on strike. (Minutes of Meeting 4.) These two points could be related to Step 1 of the negotiation cycle, namely demand and offer.

The third step, that of who reacts to the stand taken, provided seemingly peculiar information, that is whereas one would expect one party to take a stand and another to react to it, in Meetings 2, 6 and 7 management as a whole or the chairman himself, reacted to the stand taken by the chairman! This is more understandable upon perusal of the minutes as it becomes evident that management/the chairman by "reacting to the stand taken", were merely explaining the stand by giving details of two objective sur-

veys conducted to determine the minimum living wage level. By so doing management was impressing upon the union that the company paid well above this minimum level. Meetings 1, 3, 4 and 5 seemed to have logical sequences, that is whoever made the stand, had an opponent party member react to it.

Requesting of additional information, the fourth action taken, was applied more by management than by the union and each time (Meetings 1, 3, 6 and 7) it was requested by the chairman. Likewise, in Meetings 2, 5 and 7 it was the union representative and not the shop steward who requested additional information. This in itself may be significant in that it seems that the more senior participants gleaned information, fed it to the panel who then used it in negotiation. This seems to have occurred in the next action, that is who actually makes the first stand. Only in the first meeting did management (the chairman) make a stand. From Meeting 2 through to 7, the shop stewards made the first stand, twice in conjunction with union representatives. This particular action shows the union to be more demanding and more aggressive than management. They also come across as stronger participants toward the end of the series. The three points above would be covered by Step 2 of the negotiation cycle namely consideration of proposals.

As much as the previous action was dominated by the union, it would seem that management were the ones who were willing to settle throughout the series except at the last two meetings. This supports the overall impression gained from reading the minutes, that is that management was agreeable to a point and the union was uncooperative at that precise point. This change takes place at the second crucial meeting of the series, namely Meeting No. 6. The union literally dug in its heels, refused to budge and ensured that the committee enjoyed the full support of its members. One sees that only in the seventh and final session did the union representatives also appear willing to settle.

Finally, the issue of to whom the case is referred appears to involve only the shop stewards, except for the second meeting where management needed time to give consideration to the points raised by the committee. (Minutes of Meeting 1.) At the end of each of the other meetings, the shop stewards were to report back to the members regarding the development of the negotiations. The final two points of this discussion relate to Step 3 in the negotiation cycle, namely conflict or compromise.

The above explanation of what the grid represents is supported by the minutes kept of each meeting. The overall picture is one of continual negotiation with both parties participating actively throughout. The union however gave the impression of having just tipped the scales in their favour in respect of what was gained for their members and also in respect of their method of negotiation.

From the previous analysis of participation in the negotiation, it is clear that the chairman, and not management, was the chief negotiator for the company. This is a common, yet erroneous practice which occurs in many negotiations. The chairman should always be as neutral as possible regarding the issue in contention. He is in his capacity as convenor, not as the spearhead of the attack; in this way the chairman can come across as a strong negotiator and a worthy opponent of the union. Instead he dominated his party, that is he handled the major part of the negotiations himself with support from management. The ideal would be to use this man as the chief negotiator but not as the chairman simultaneously.

A final comment regarding behaviour during negotiations deals with the use of aggression. The trade union appears to have been well-versed in the constructive use of aggression, that is employing aggressive behaviour for maximum benefit. In the same way, management could have made use of this tactic as a ruse to give away as little as possible. Aggression in negotiations is not always what it seems to be. It is widely used as a strategy or a bluff, often with good results.

On the whole, both management and the union are to be congratulated on a good bargaining session, particularly in the light of the recency of their recognition agreement.

3.2 MANAGEMENT AND TRADE UNION STANCES

When two groups are locked in a struggle in which one wishes to give as little as possible while the other hopes to gain as much as it can, members behave in different ways. Putnam (1982) uses a number of concepts to describe this behaviour. Among other things, she says that members may use strategic behaviour which involves messages designed to influence the expectation and action of the opponent. Four examples of strategic behaviour would be commitments, threats, promises and demands. Putnam divides the categories of behaviour into six broad classes (strategic behaviour being one of them) which are then subdivided into specific behaviours which occur at the negotiation table.

This study has analyzed behaviour along similar lines. The behaviours have been labelled as follows:

Innovator - Rigorist
Harmonizer - Aggressor
Assentor - Dominator

Definitions of these behavioural traits will assist the reader in gaining clarification on these points when they are mentioned in certain contexts in this report.

Innovator - The innovator generates new thoughts and ideas on and approaches to the matter to be discussed or viewed.
Rigorist - The rigorist displays a rigid, inflexible attitude towards the issue and is usually opposed to change or renewal.

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- Harmonizer - The harmonizer will make an attempt to restrict friction and conflict between the two parties by offering a view that could calm the emotions.
- Aggressor - The aggressor adopts an aggressive attitude during negotiations which is revealed by rash, crude, negative statements.
- Assentor - The assentor shows understanding of the problems experienced by the other party and is prepared to reach agreements.
- Dominator - The dominator is not prepared to listen to the case of the other party and tries to impose his view on them.

The observer had to plot his perception of where each party stood (first at the beginning and then at the end of the meeting) on a three-point scale, for example 1 = innovator, 3 = rigorist, with 2 being a neutral standpoint. An attempt will be made to identify these perceptions throughout the meetings to establish whether or not a similar pattern to the one already described, is distinguishable in this more subjective section of the exercise. Although each set of criteria will be discussed as separate entities, it is important to note that they do not function independently of one another and should therefore be seen as forming a whole in terms of interrelations at the bargaining table; they can then be taken as a contributory factor to reading the global report. In order to facilitate interpretation and understanding thereof, each set will be examined as a subentity of the negotiation process.

An important factor to bear in mind when interpreting these stances taken is that neither extreme of any of the three sets of criteria is necessarily positive or negative, that is one could possibly assume that innovator, assentor and harmonizer represent the more positive view while rigorist, aggressor and dominator constitute more negative attitudes. This would be an erroneous assumption as each characteristic described as per definition has an important con-

tribution to make to the negotiation process. Thus when reading the following interpretation, one should be aware that the traits are seen in the context of the negotiation procedure. It may become necessary to increase aggression, for instance, or to be less innovative given the particular climate and context of the negotiations.

When examining Table 2 which deals with innovator vs rigorist, a number of interesting developments can be observed. At the beginning of Meetings 1-3 management remained innovative while the union was perceived as being rigorist in its stance taken. A change occurred at Meeting 4 where management became neutral. Very interesting is the fifth meeting where the union changed from rigorist to innovator - rather a dramatic switch. One should note that this meeting lay between the two identified crucial meetings and indeed, in Meeting 6, the "battleground", both parties were perceived as being rigorists. At the end of the meetings, except for Meeting 6, management had remained innovative, the union had moved from rigorist to neutral - particularly in the last three meetings.

Table 3 is less indicative of extreme stances, but nevertheless plots the relationship as it developed throughout the negotiation process. Management adopted the neutral position between harmonizer and aggressor at the beginning of each meeting. This neutral stance changed to that of harmonizer at the end of Meetings 2 and 7. It is rather the union's stance which calls for attention here as they were fairly neutral to begin with. Then, at the end of Meeting 2 they became more aggressive.

Meetings 4 and 5 remained the same at the beginning and at the end, namely during Meeting 4 the union was the aggressor throughout and then changed completely to become the harmonizer during Meeting 5. This change in behaviour, though startling is explained by the minutes kept during the meetings, that is after a threat of a work stoppage in Meeting 4, the threat was dropped in favour of further negotiations in the fifth session.

TABLE 2

INNOVATOR VS RIGORIST

BEGINNING OF MEETING

	01	02	03	04	05	06	07
Management	INN	INN	INN	NEU	NEU	RIG	NEU
Trade union	RIG	RIG	RIG	RIG	INN	RIG	RIG

END OF MEETING

	01	02	03	04	05	06	07
Management	INN	NEU	INN	INN	INN	RIG	INN
Trade union	RIG	NEU	RIG	RIG	NEU	NEU	NEU

INN = Innovator
 NEU = Neutral
 RIG = Rigorist

TABLE 3

HARMONIZER VS AGGRESSOR

BEGINNING OF MEETING

	01	02	03	04	05	06	07
Management	NEU	NEU	NEU	NEU	NEU	NEU	NEU
Trade union	NEU	NEU	NEU	AGG	HAR	NEU	NEU

END OF MEETING

	01	02	03	04	05	06	07
Management	NEU	HAR	NEU	NEU	NEU	NEU	HAR
Trade union	AGG	AGG	NEU	AGG	HAR	NEU	NEU

HAR = Harmonizer
 NEU = Neutral
 AGG = Aggressor

Also noteworthy is that the change happened again at Meeting 4 - in fact Meetings 1-3 were neutral on both sides, while Meetings 4-6 were recorded identically at the beginning and end of each one. The trade union's aggressive stance in the first two meetings may also be attributed to tactical reasons.

Table 4 refers to the role of assessor vs dominator. Although the table does not reflect the pattern already well established at this stage, there are some commonalities to be perceived. At the beginning of Meetings 5-7 both management and union were perceived as being neutral. At the end however (Meetings 6 and 7) management became the dominating party with the union becoming the assessor in Meetings 5 and 7 and remaining neutral in Meeting 6. The minutes point out that the committee appears to have been satisfied with the amount negotiated for their members, but that the workers were applying pressure for further increases. Management, it seems, sensed the committee's satisfaction and became increasingly dominating regarding the final offer. The final meeting therefore finds them at opposite ends of the scale. One very important action recurred time and again at Meeting 4. Upon comparing each meeting in respect of all the criteria it was found that at the beginning and end of Meeting 4, the union was consistently rated as 3 or i.t.o. the verbal scale as rigorist, aggressor and dominator. Management, on the other hand, with the exception of being innovative once, was seen as being neutral at this meeting. This finding lends credence to the pattern established and reaffirmed throughout this report, that is that Meeting 4 was the turning point of the series and served to set the scene for the two parties to establish their bargaining zone.

TABLE 4

ASSENTOR VS DOMINATOR

		BEGINNING OF MEETING						
		01	02	03	04	05	06	07
Management		NEU	ASS	DOM	NEU	NEU	NEU	NEU
Trade union		DOM	DOM	NEU	DOM	NEU	NEU	NEU

		END OF MEETING						
		01	02	03	04	05	06	07
Management		NEU	NEU	ASS	NEU	NEU	DOM	DOM
Trade union		DOM	NEU	DOM	DOM	ASS	NEU	ASS

ASS = Assentor
 NEU = Neutral
 DOM = Dominator

Meeting 5 then followed, seemingly the calm before the storm - whereupon the penultimate session ensued and served as the final negotiations, taking place within the parameters laid down during the fourth meeting. The final meeting served more as an administrative exercise than as a negotiation session. One should be wary of dismissing Meetings 1-3 as non-contributive or as simply meaningless. On the contrary, these meetings served as an important preparation ground for the eventual agreement to be reached. They have been grouped together as they form a unit of negotiation in establishing the power base of each party and preparing the way of progressive negotiations to take place.

In relation to the theory discussed on pages 2, 3 and 4 of this report the negotiation cycle corresponds to this set of negotiations as follows:

Demand and offer	-	Meetings 1, 2 and 3
Consideration of proposals	-	Meetings 4 and 5
Conflict or compromise	-	Meetings 6 and 7

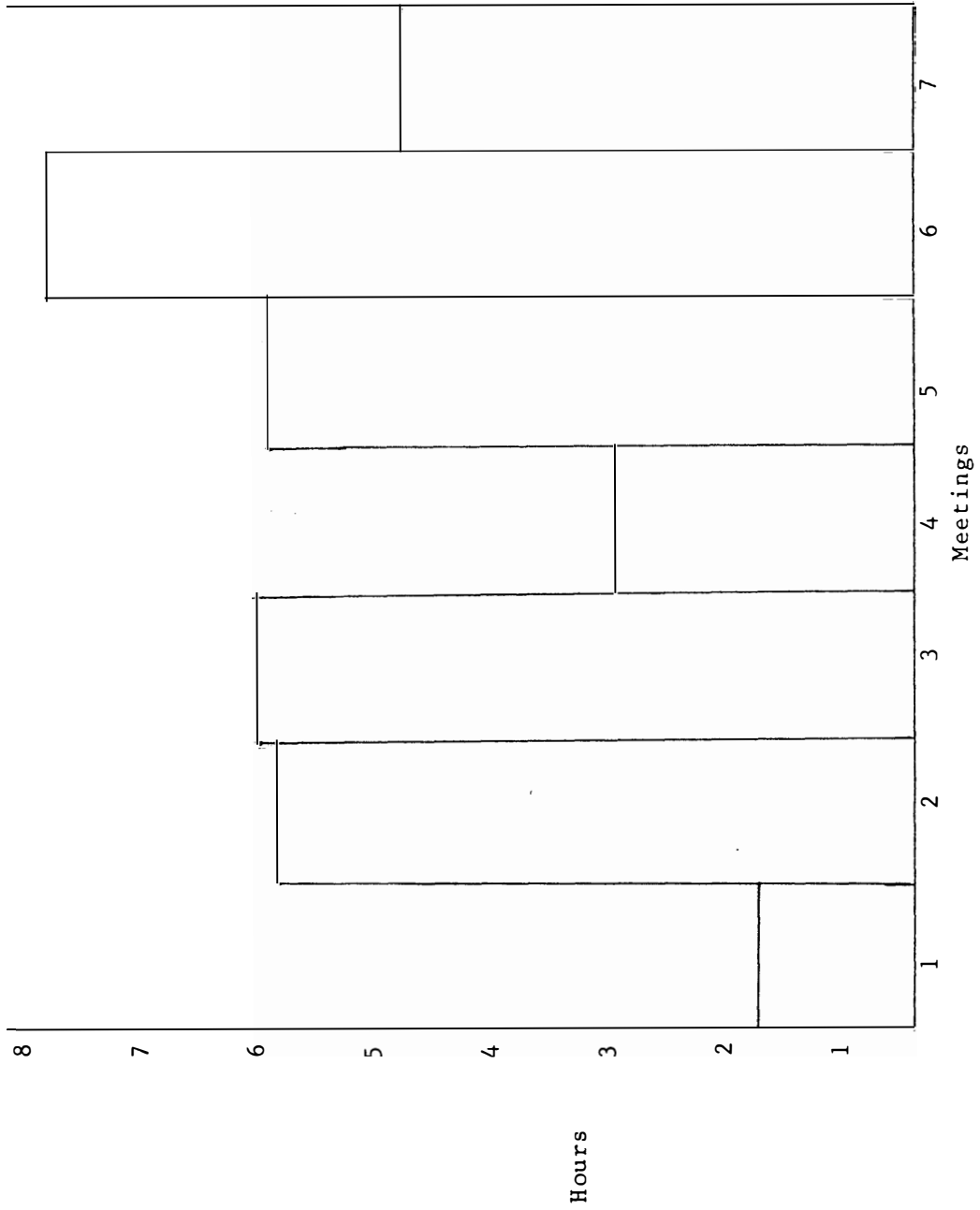
3.3 DURATION OF EACH MEETING

With the previous sections discussed at some length, the following comments will serve as precluding remarks, that is one can see how the pattern of events fell into place when the duration of each meeting was discussed (Table 5). This discussion relates to Meeting 2 in Appendix 1 where the observer had to stipulate the time at the beginning and end of each meeting. The seven meetings are graphically illustrated to facilitate the visual perception of time duration per meeting.

Taken together, the wage negotiations lasted 33,08 hours, the average length per meeting being 4,73 hours. The shortest meeting (1 hour 35 minutes) was the first one, while Meeting 6 (7 hours 15 minutes) was the longest. This was the penultimate negotiation session. Meeting 4 (2 hours 25 minutes) would indicate a significant change in time spent when seen in relation to Meetings 2, 3 and 5, all well over 5 hours in duration. The duration of the final meeting (4 hours 30 minutes), was also slightly shorter and not unexpected as agreement had been reached after a lengthy series of negotiations.

The three meetings distinguished by duration of time were thus Meetings 1, 4 and 6. Upon perusal of the minutes it is clear that the first meeting was over before it had begun, mainly as a result of unpreparedness on behalf of both parties, particularly the trade union. The reason for this may well be that the meeting was scheduled at short notice, allowing insufficient time for adequate preparation. During the fourth meeting (the most dramatic of the series) the "battleground" was laid and threats of a work stoppage were issued. Management and union alike were no longer discussing wages; instead the possible consequences of a work stoppage for

TABLE 5
TIME ALLOCATION GRAPH



both parties was the issue at hand. This meeting was short, brusque and conducted in a rather tense atmosphere. Meeting 6, in turn the longest session of the series, saw the union make its greatest demands and management concede as little as possible without facing a stoppage. This penultimate meeting is, it would seem, usually the longest meeting if agreement is eventually reached. The common ground is finally arrived at, leaving the last meeting with the task of signing the agreement.

3.4 CLIMATE AND ORDERLINESS

The following section relates to B in the appendix and deals with the atmosphere and orderliness of the meetings. The pattern that has already been established continued in this section. It is perhaps better illustrated as follows:

TABLE 6
CLIMATE AND ORDERLINESS

Meeting No.	01	02	03	04	05	06	07
Climate	F	F	F	F	G	P	F
Orderliness	G	G	G	G	G	F	G

G = Good
F = Fair
P = Poor

It is interesting to note that in this table the climate and orderliness of the issue remained constant (although the climate is related as "fair") until Meeting 4 whereafter the climate improved to "good". At Meeting 6 the climate deteriorated to "poor" and the orderliness from a constant "good" to "fair". The final meeting saw the improvement in both climate and orderliness. While the crucial Meeting 4 remained stable, one notes the change occurring (for the better) immediately following Meeting 5. Meeting 6 was

however the final uphill battle before the race was completed and apparently proved to be quite arduous. Again it is important to read this and every other table against the general background information presented in this report.

3.5 PRESENCE/ABSENCE OF PARTICIPANTS

A further dimension was examined in attempting to shed additional light on the proceedings under discussion here. This matter deals with persons present at each of the meetings. Each participant was designated by a numeral and the following tables facilitate the task of discovering whether there is a correlation between persons present at the meetings and the processes taking place there.

TABLE 7 - UNION MEMBERS PRESENT/ABSENT

Meeting No.	01	02	03	04	05	06	07	
			X				X	Shop steward
		X	X	X	X	X	X	Local organization
	X	X	X	X	X			Senior S/S
		X	X	X	X	X	X	Shop steward
	X	X	X	X	X	X	X	Shop steward
	X	X						Shop steward
	X	X		X	X	X	X	Shop steward
	X	X	X	X	X	X	X	Shop steward
	X		X	X	X	X	X	Shop steward
			X	X	X			Shop steward
		X		X	X	X	X	Shop steward
					X	X	X	Shop steward
			X	X				Shop steward
Total people present	6	8	10	10	10	8	9	

TABLE 8
CHAIRMAN

Meeting No.	01	02	03	04	05	06	07
	FD	FD	FD	FD	FD	PM	FD

FD = Financial Director

PM = Production Manager

TABLE 9
MANAGEMENT MEMBERS PRESENT/ABSENT

	01	02	03	04	05	06	07	
		X	X	X	X	X	X	Personnel Manager
	X	X	X	X	X	X	X	Factory Engineer
	X	X	X	X	X	X	X	Quality Control Manager
			X	X	X		X	Production Manager
Total people present	2			4	4	3	4	

A general observation made upon scanning Tables 7 & 9, is that Meetings 1, 2 and 6 had the fewest participants in both parties, while Meetings 3, 4 and 5 each had ten union members and four management representatives, the highest attendance of the series. This observation may not necessarily have predictive value but it does serve to focus attention on the middle part of the series once again. The question of chairmanship is of interest here (Table 8) particularly if one links it to Table 6 (climate and orderliness). At Meeting 6 the production manager, who had been present at Meetings 3, 4 and 5, took the chair. Table 6 indicates a change in climate at meeting 6 - which went from good to poor; orderliness changed from good to fair.

The production manager was closer to the workers on the shopfloor than the financial director and thus has a different perspective in his dealings with the union. Had he been a more dominant figure in the negotiations, a different pattern in these discussions could have emerged. A senior shop steward was absent at Meeting 6 (Table 7) another possible factor accounting for the changes observed in Table 6. Putting the above in a clearer context, one should note that Table 2 indicates increased rigorist behaviour at Meeting 6 which is corroborated by increased dominant behaviour by management in Table 4.

It seems then that persons present/absent did have an effect on the proceedings, again underlining the necessity of choosing one's negotiating team with care.

4. CONCLUSIONS AND SUGGESTIONS

The preceding discussion is an interpretation of information gleaned by means of the informal, verbal remarks of an observer and by means of verbal minutes, a structured form developed by the HSRC and completed by the observer. It should be emphasized that the above report is an interpretation of the events which took place between the parties - not by any means the only plausible interpretation.

Different interpretations could produce different results, indeed alter the interpretation of the established pattern considerably.

Generally, it would seem that all went well. The negotiations developed systematically and in a climate conducive to agreement. Both parties participated in the proceedings and an equitable settlement was reached. As this report was written for the benefit of management, it directed its comments at the management negotiation team. The following suggestions are based both on this report and on sound negotiation principles:

(1) Management should ensure that planning and preparation for wage negotiations are thorough. These two components of the negotiation process cannot be overemphasised. Management should plan its strategy by anticipating demands, tactics, strategies, etc. Reasons for counteroffers should be given logically.. The final settlement figure should not be rigid - management should create a bottom line and ceiling around this figure.

(2) Upon entering into the negotiations, management should be aware of the procedures laid down for such negotiation. Each negotiation will vary somewhat from such a procedure provided both parties are operating within the parameters of this procedure.

(3) Management should avoid using financial/economic jargon which is firstly not always understood by the union and secondly does not contribute meaningfully to the discussion. Instead management could use simple language or consider the benefits of running a course which would familiarize union members with terms used at the bargaining table.

(4) Management should try to keep things on an even keel, that is not to lose control of the negotiations, as valuable face can be lost this way. Threats and counterthreats are not conducive to bargaining in good faith. A negotiator should weather the blows as they come and negotiate around them rather than retaliate with blows of his own.

(5) A strategy very seldom used by management generally and also in these particular proceedings, is that of reporting back to top management. Of the seven meetings management only reported back on the first one. The union used this technique with good effect - even if all it does is allow them some breathing space.

(6) Management could consider using aggression during the discussions. This is used as a ploy or tactic in leading the other party to believe that their eventual gain is worth more. Naturally it

will not always be effective - that depends on the negotiations, the issue in question, etc.

(7) The final suggestion is of importance in negotiation. Management should avoid using their best negotiator as the chairman. Reasons for this have already been outlined, but the most important of all is that the negotiator is worth more as the chief negotiator than as the chairman who should be as neutral to the issue as possible.

As these wage negotiations took place at the beginning of the management - labour relationship it would be wise for management to note what they learned from this experience for the sake of future negotiations. It seemed imperative for both parties to make a statement regarding their power base. Consequently, they now have a foundation upon which their future relationship can be built. Although MAWU is affiliated to COSATU, a group of unions known for their militant and political rhetoric, the parties were able to reach agreement despite few apparent problems regarding different ideological perspectives.

A final comment on the outcome of the proceedings: It seems that both sides had to compromise somewhat and yet both shared good gains: the union for the wage increase it could win for its members and management for settling before reaching their bottom line. This resulted in a win-win settlement - the ultimate objective of any negotiation process.



RGN·HSRC

MECHANICS OF THE NEGOTIATING PROCESS

PROJECT MM209

B. INFORMATION FORM OF MEETING

1 Company: _____
 2 Locality of meeting: _____
 3 Series number of meeting: _____
 4 Date: _____
 5 Labour union: _____
 6 Number of union representatives: _____

Office use

_	1-2
_	3-4
_	5-6
_ _ _ _	7-12
_	13-14
	15
_ _ _ _	16-19
_ _ _ _	20-23
_ _ _ _	24-27
_ _ _ _	28-31
_ _ _ _	32-35
_ _ _ _	36-39
_ _ _ _	40-43
_ _ _ _	44-47
_ _ _ _	48-51
_ _ _ _	52-55
_ _ _ _	56-59
_ _ _ _	60-63
_ _ _ _	64-67
_ _ _ _	68-71
	74
MM209B	75-80

6.1 Name, position and sex:

		M	F
_____ (leader) _____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	
_____	1	2	



7 Name and position of chairman: _____

8 Number of members of management: _____

8.1 Name, position and sex:

	M	F
_____	1	2
_____	1	2
_____	1	2
_____	1	2
_____	1	2
_____	1	2
_____	1	2
_____	1	2
_____	1	2

	Yes	No
9.1 Agenda submitted	1	2
9.2 Agenda amended	1	2
9.3 Minutes kept?	1	2
9.4 Meeting on time	1	2
9.5 Agenda made available beforehand?	1	2
9.6 More than 3 days beforehand (1)/ Less than 3 days beforehand (2)	1	2
9.7 Who compiles the agenda? (If determinable)		

Labour union	1
Shop stewards	2
Union reps + shop stewards	3
Management	4
Other (spec.).....	5

office use
1-6

7-9

10

11-14

15-18

19-22

23-26

27-30

31-34

35-38

39-42

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44

45

46

47

48

49

2 74

MM209B 75-80



10 Comments on the minutes

	Sol-ved	Unsolv-ed	Issue no.
1	1	2	
2	1	2	
3	1	2	
4	1	2	
5	1	2	
6	1	2	
7	1	2	
8	1	2	
9	1	2	
10	1	2	

										7-11
										12-16
										17-21
										22-26
										27-31
										32-36
										37-41
										42-46
										47-51
										52-56

3 74

MM209B 75-80

11 Agenda

	Existing		New		Discussed	
	Old	New	Old	New	Yes	No
1	1	2	3	4	1	2
2	1	2	3	4	1	2
3	1	2	3	4	1	2
4	1	2	3	4	1	2
5	1	2	3	4	1	2
6	1	2	3	4	1	2
7	1	2	3	4	1	2
8	1	2	3	4	1	2
9	1	2	3	4	1	2
10	1	2	3	4	1	2
11	1	2	3	4	1	2

										1-6	
											7-12
											13-18
											19-24
											25-30
											31-36
											37-42
											43-48
											49-54
											55-60
											61-66
											67-72

4 74

MM209B 75-80



C. GENERAL REPORT FORM OF MEETING

- 1 PREPARATION _____

- 2 REPORT BACK _____

- 3 COMMUNICATION QUALITY _____

- 4 MEETING PROCEDURE _____

- 5 AGGRESSION _____

- 6 USE OF TIME _____

- 7 IGNORANCE CONCERNING RESPONSIBILITIES _____

- 8 IGNORANCE CONCERNING CONTENT _____

- 9 OBSERVABLE TACTICS _____

- 10 GENERAL _____



APPENDIX 1 EVALUATION OF ISSUE

Office use

Company _____
 Locality of meeting _____
 Series number of meeting _____
 Issue no. _____
 Type of issue _____

1 Issue: _____
 Duration of issue: Beginning: _____ End: _____

A SETTling PROCEDURE OF ISSUE

	Chairman	Members of management	Representative	Shop stewards
1 Which party raises the issue?	1	2	3	4
2 Who defines the issue?	1	2	3	4
3 Who responds to the stand taken?	1	2	3	4
4 Which party requests additional information?	1	2	3	4
5 Who is first to take a stand?	1	2	3	4
6 Which party is willing to settle?	1	2	3	4
7 To whom is the issue referred back?	1	2	3	4
8 Issue settled (1) Issue not settled (2)	1		2	

B CHARACTERISTICS OF THE ISSUE

	Good	Reasonable	Poor
1 Atmosphere in which issue was discussed	1	2	3
2 Orderliness of the issue	1	2	3

3 Beginning

3.1 Management	Innovator	1	2	3	Rigorist
	Harmonizer	1	2	3	Aggressor
	Assentor	1	2	3	Dominator

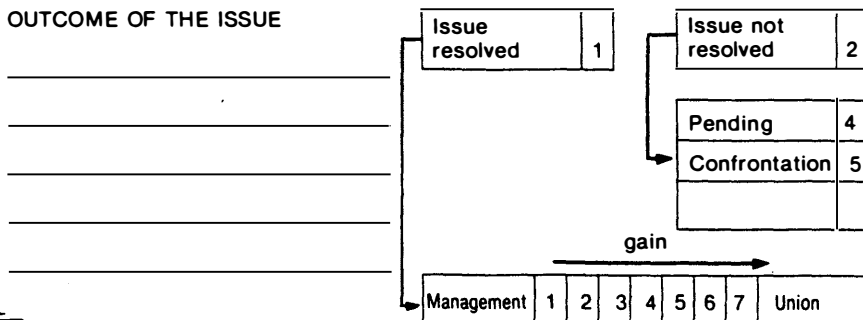
3.2 Union	Innovator	1	2	3	Rigorist
	Harmonizer	1	2	3	Aggressor
	Assentor	1	2	3	Dominator

4 End

4.1 Management	Innovator	1	2	3	Rigorist
	Harmonizer	1	2	3	Aggressor
	Assentor	1	2	3	Dominator

4.2 Union	Innovator	1	2	3	Rigorist
	Harmonizer	1	2	3	Aggressor
	Assentor	1	2	3	Dominator

C OUTCOME OF THE ISSUE



1-2	
3-4	
5-6	
7-10	
11-12	
13-14	
15-18	
19-22	
23-26	
27-30	
31-34	
35-38	
39-42	
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