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## LABOUR RELATIONS IN A ZIMBABWEAN PARASTATAL

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THE CASE OF 'Parastatal' — in which research was carried out from 1984 to early 1988, before the Parastatals Commission was established — exemplifies that the advent of Independence and the Mugabe Government's labour policies had a major impact on labour relations in some enterprises in Zimbabwe. Before Independence, management practices and attitudes were typical of colonial enterprises: White managers ruled Black workers with a mixture of racism and paternalism. Managers did not feel compelled or obliged to react to workers' grievances. After Independence there was hostility between workers and management as workers sought to have their pent-up grievances resolved. Over time, co-operative relations were established between workers and management. Workers' demands were recognized as legitimate and management genuinely took workers' views into account. Structures were established to enable workers' representatives to negotiate labour relations policies from the shop-floor workers' committees through to the employment board for the industry. Many Whites refused to conform to the post-Independence labour relations regime and left Parastatal, and this gave rise to rapid Black advancement which facilitated the shift from racist management practices. In this case, too, the workers' committees did not undermine trade unions; in fact the workers' committees relentlessly endeavoured to strengthen union organization.

Parastatal is a statutory authority which was established in 1952. At the time this research was undertaken, it was virtually a monopoly purchaser, processor and supplier, controlling over 95 per cent of the domestic market for its products. Domestic market competition occurred with respect to some of its minor products, although Parastatal was the sole supplier to its private-sector competitors of the basic ingredients for such products. Sales were overwhelmingly to the domestic market, with limited exports to Southern African countries. In 1984 sales realized \$71.5 million. The national workforce numbered approximately 3 800 people in six processing enterprises and 48 depots located throughout the country. Thus the organization was quite large and played an important role in Zimbabwe's economy.

Parastatal operated in deficit, funded by state subsidies. The annual trading account deficit increased dramatically after Independence, rising from 7 per cent of sales in the year to June 1980 to over 50 per cent of sales

in each year from 1983. Parastatal managers stated that the company did not operate at a loss: the deficit was the inevitable result of government pricing policy and, in particular, its subsidy to consumers. Government set the price paid to producers and the selling price for processed products. A major factor in the deficit, then, was that the average prices paid to producers increased by 126 per cent from mid-1980 to 1985, while the price to consumers remained static from 1 July 1979 until a 50 per cent increase in September 1983, and a 20 per cent increase in November 1984. After Independence, the government decided to remove the subsidies to parastatals gradually and began raising consumer prices, though economic difficulties interrupted this policy and deficits continued. In addition, Parastatal was required to accept everything that registered producers produced, regardless of market demand. In the mid-1980s, this requirement to accept production which was surplus to market demand contributed to Parastatal's deficit. The consequence for labour relations was that funds were not available to meet workers' demands involving money. This situation was largely beyond management's control.

#### DECISION-MAKING AT PARASTATAL

There were many decision-making tiers above the six processing plants (see Table I). Each of the six regional managers of the processing plants reported to the General Manager through other managers at Head Office in Harare. Head Office in turn reported to the Agricultural Marketing Authority (AMA), primarily through the industry committee of the AMA.

At Independence virtually all managers and senior employees were White. There were two conditions of service: for 'established staff', which generally meant skilled and senior employees, most of whom were White, and for 'non-established staff', who were invariably Black. There was no industrial relations officer within the enterprise, nor was there any trade union of any significance, although some Black Bulawayo workers joined a union federated to the United Food and Allied Workers' Union (UFAWU). There was no formal disciplinary code or grievance procedure, and record-keeping for Black workers was sketchy at best. Workers' representatives did exist before Independence, but they were nominated by the personnel officer, a management representative. Industrial relations between Black workers and White managers were probably no worse than in other companies; managers ruled with a mixture of paternalism and authoritarianism. Members of the workers' committee fondly recalled one White manager who disciplined workers 'like a father does'.

In the absence of an effective voice for workers through trade unions, and in line with government policy, workers' committees were formed in 1980. In the early 1980s, a volatile atmosphere characterized industrial

Table 1

## AUTHORITY STRUCTURE AT PARASTATAL PRE-1988

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Cabinet Committee on Parastatals  
 [Parastatals Commission 1988-1990]  
 Minister of Agriculture, Ministry of Agriculture  
 Agricultural Marketing Authority  
 AMA Industry Committee  
 General Manager  
 Regional Managers

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## Processing plants

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Harare	Bulawayo	Gweru	Kadoma	Mutare	Chipinge
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relations at Parastatal and the workers' committees were in the forefront of these confrontations. A strike took place at the Harare processing plant in April 1980. Many White managers left, but wages and basic conditions of employment did not improve as quickly as workers had hoped. The two different conditions of service remained intact, although senior Blacks now enjoyed the superior benefits in terms of pension, health and leave entitlements. Tensions built up as workers' calls for increased wages, improved conditions and an end to authoritarian management were not met. Workers were frustrated and a Black manager was beaten up by workers at one Harare depot in August 1982. This involved the police and a court case ensued against the workers, including workers' committee representatives. The manager was transferred. The labour relations climate was fractious, and the workers' committee agitated strongly for demands to be met. They could not afford to be accused of being *vatengesesi* (sell-outs).

## LABOUR RELATIONS AT PARASTATAL

Harare plant managers stated that Parastatal workers remained 'heated up' and 'Bolshie' until the Harare bus drivers' strike early in 1982. The centre of this strike was situated immediately across the road from Parastatal's Harare processing plant, and its workers witnessed police using batons to load about 500 workers into police vans. This signal that the government would no longer tolerate strikes had a powerful impact in dampening workers' demands. It was clear that militant action would not be tolerated by the government, to whom workers had felt they could turn for support against management. The prosecution of workers following the depot assault confirmed this, and workers' claims became less sweeping and instead focused on more immediate issues, those thought to be more

achievable. With moderated demands, tension was reduced between management and workers and relations slowly became more amicable. Militancy declined, though workers' committees still pushed for reforms, and labour relations procedures were gradually placed on an institutionalized basis. These included worker representative bodies, disciplinary and grievance procedures, job grading and remuneration, training and promotion.

The Paterson Method of job evaluation was implemented in 1982 after a government decision that all agricultural parastatals would use this method. There were constant appeals from workers for jobs to be regraded. Many workers and their representatives were perplexed by the Paterson Method but they were unable to formulate persuasive objections to the scheme as a whole. However, Parastatal management agreed to regrading exercises and generally these were carried out by mutual agreement.

The disciplinary procedures at Parastatal were handled amicably. There was a strong emphasis on reaching consensus, and generally management administered discipline quite leniently. In many disciplinary hearings the head of department was extremely loathe to dismiss workers even where clear grounds existed under the code of conduct. This was in keeping with management's policy to act as an enlightened employer. Another factor was that the Ministry of Labour had a marked influence on the outcome of disciplinary cases. Many applications for dismissal were rejected by the Ministry and, as a result of these precedents, hearing committees frequently decided not to dismiss employees on the basis that the Ministry of Labour would probably reject the application. In the assault case mentioned earlier, the Ministry of Labour ordered the reinstatement of the workers' committee chairman even after the General Manager had argued strongly for his dismissal and had sought support for the dismissal from the Ministry of Agriculture.

Parastatal's workers' committee representatives strongly defended accused workers. In one case, a clerk with six years of unblemished service was apprehended in a theft valued at 48 cents. The code of conduct stated that theft entailed dismissal but workers' committee members staunchly defended the employee for over an hour, and the head of department was sympathetic to their case. The hearing committee was unable to reach a decision, and the workers' committee successfully appealed to the Regional Manager for the employee's retention. Workers felt that discipline was generally carried out fairly. Senior employees, and not just workers, were subject to dismissal: in one case a White transport controller was dismissed for misusing company property.

Training was extensive at Parastatal and Black advancement took place rapidly. By 1984 most managerial and senior positions were held by Blacks. Ten of the thirteen senior head office positions were held by

Blacks, including that of the General Manager, and three of the six regional managers were Black. At the Harare processing plant, six of the fourteen senior positions were held by Blacks in late 1984, and this increased to eight in mid-1985, including the post of Regional Manager. One major reason for the departure of Whites was their racial views, and another was the much higher pay levels in the private sector. The rate of promotion for Black managers was exceptional.

This high rate of promotion was beneficial for employee morale, and was a major compensation for low managerial salaries. But there were a number of problems associated with high staff turnover. Most serious was the promotion of inexperienced personnel into important managerial positions. Parastatal was fortunate in that most of its staff coped well under these hectic conditions. There were some cases where staff were considered not to have coped, and this resulted in some demoralizing demotions. This issue was complicated, since no formal performance appraisal was in operation at least until mid-1985. Another problem with rapid promotions was that high expectations were raised and senior staff tended to become frustrated as promotions slowed in the later 1980s. The slowing down of promotions resulted in a decline in morale.

Rapid promotion, however, did not apply to low-level workers. Turnover there was very low and many semi-skilled workers viewed the rise of the bright young Blacks with a certain degree of wistfulness. This was similarly the case with some of the White senior employees who stayed during the mid-1980s. There were cases where older or more experienced Whites felt passed over for promotion in favour of Blacks, though Whites continued to be promoted after Independence and some experienced rapid promotion. The general view remained, though, that Blacks were favoured for advancement. This form of affirmative action was to be expected given the historical changes in Zimbabwe, government policy and the fact that the company is a Parastatal.

#### PARASTATAL'S WORKERS' COMMITTEES

At the Harare processing plant, there were 30 members of the central workers' committee, one from each department and from nearby depots. They elected six members to negotiate with management on the works council, including the chairman and secretary. Since there was no certified trade union, each of the workers' committees at the six processing plants elected a member to a national committee to represent workers at the employment board for the industry (see Table II). Training for labour negotiations had been provided to workers' committee representatives at Silveira House, a respected Catholic-funded organization that had long promoted the development of Black Zimbabweans.

Table II

THE STRUCTURE OF WORKER REPRESENTATION  
AT PARASTATAL

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Employment Board

Domestic Employment Board Meeting

National Employee Representatives Meeting  
Workers' Committee Chairmen + Harare Secretary

(Harare      Bulawayo      Gweru      Kadoma      Mutare      Chipinge)

Harare Works Council  
(4 workers + 4 managers)

Central Workers' Committee  
(30 workers)

Workforce

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At the plant level, workers' committees and works councils dealt primarily with day-to-day labour relations issues, such as work scheduling, job grading and canteen issues. There was also some interest in the functioning of the enterprise, such as promoting the company's more profitable products, and questioning of appointment procedures following the embezzlement of funds by a recently appointed accountant. Executive members exhorted workers' committee representatives to encourage honest work and deprecate absenteeism and laziness. The achievements through these bodies tended to be piecemeal, like setting pay-day a few days earlier in the month or having specific jobs regraded. At the national level, workers' committee representatives obtained broader benefits such as the formulation and review of the job evaluation scheme and code of conduct, the introduction of shift allowances, increases in vacation leave, bonuses and long-service leave, and the provision of a basic wage for vendors who sell on commission. Workers' committee representatives also negotiated general pay increases at employment board level (see below).

#### WORKER-MANAGEMENT RELATIONS

Many demands of the workers were not met by management: these included calls for massive wage increases (30 to 60 per cent) and the unification of the conditions of service between established and non-established staff. Established staff enjoyed superior conditions of service (for example, a

shorter working week, and longer vacation leave). This division continued throughout the period of my research, despite persistent strong calls from workers for unification. Management correctly argued that this was a government decision and workers had to put their case to the AMA. This they did and the AMA in turn maintained it was a ministerial, indeed Cabinet, decision. This buck-passing was largely an accurate reflection of the extensive decision-making layers controlling all parastatals. However, it was also a convenient means for higher authorities to avoid a difficult issue. Parastatal's management was committed to maintaining differential rewards, and resisted moves from workers' committees to challenge this. Furthermore, its large deficits led Parastatal's management and government authorities to minimize wages, allowances and other costs, so workers' requests that involved increased expenditure generally met with strong opposition. At times the atmosphere in meetings was very charged as workers became frustrated with management's unwillingness to agree to their proposals.

Contrary to the view that workers' committees have undermined trade unions, Parastatal's workers' committees worked hard to strengthen union organization. Two rival unions existed in the industry, both of which were unregistered. As mentioned earlier, a few hundred Bulawayo workers belonged to a union federated to the well-established United Food and Allied Workers' Union based in Bulawayo, and several hundred Harare workers were members of a union operated virtually by one man, the Secretary-General, R. Marufu. On 28 February 1983 Marufu's union consisted of only 461 members. By February 1984 this number had doubled, although the union was poor. It operated from a single room in offices shared by other poor, ZANU(PF)-aligned unions. The Ministry of Labour had rejected an application for its registration, since government policy was to have only one union in each industry and the union was in competition with the unregistered Bulawayo-based union; hence neither union could represent its members at employment board meetings. The Harare union did very little for Parastatal's workers. This was understandable, given the union's lack of financial and other resources. The workers' committee continued to support the union, and gave its blessing to check-off payments, even though there was very little return for the workers' Z\$5 dues per year. They argued that it was necessary to support the union in the hope it would eventually merge with the Bulawayo union and become registered.

Parastatal's workers' committees were thus not a threat to union organization: indeed, for years they pushed the two rival unions to merge and then be registered, without success. In early 1985 the workers' committees decided to hold the workers' union dues in trust until a merger was achieved. When this did not happen, the workers' committees



formed a new union which was registered in October 1985, and was affiliated to the UFAWU. During this long process, the workers' committees carried out the functions of trade unions.

Workers' committee representatives also fought hard to obtain wage increases, but government wage policy had greater impact on wage rates. Table III shows that while the statutory industrial minimum rose slightly in real terms between 1980 and 1985, the real minimum at Parastatal fell during this period.

Relations between Parastatal's workers and management were strained on several issues. Workers' committee members at times prejudiced the

*Table III*

NOMINAL AND REAL MINIMUM WAGES FOR PARASTATAL  
COMPARED TO THE INDUSTRIAL MINIMUM WAGE

<i>Date (July)</i>	<i>Parastatal's minimum wages (Z\$ per month)</i>		<i>Industrial minimum wage (Z\$ per month)</i>	
	<i>Nominal</i>	<i>Real*</i>	<i>Nominal</i>	<i>Real*</i>
1980	91,21	91,21	70,00	70,00
1981	104,90	92,75	85,00	75,15
1982	125,00	99,84	105,00	83,87
1983†	135,00	87,61	115,00	74,63
1984	152,25	82,21	125,00	67,49
1985	175,09	87,15	143,75	71,55

\* In 1980 prices.

† For September 1983.

working relationship with management. A prominent case in this regard was the assault on the depot manager. The Harare workers' committee chairman gave conflicting evidence to the police and the court, and management believed him to be involved in the assault. However, in my view it would be incorrect to argue that at Parastatal the workers' representatives have been co-opted into compliance. The co-optation argument might be summarized as follows. Institutionalized procedures like the code of discipline locked workers into the management system and removed their militancy; national employee representatives were accommodated in hotels three times per year to buy them off; and two of the most articulate workers' committees' chairmen were promoted to be industrial relations officers in order to quieten them. This line of argument does not convince me that workers' representatives were co-opted to compliance. The formal procedures were a substantial improvement on

the previous arbitrary and discriminatory practices. The intensity with which workers' representatives debated when bargaining with management also belies the co-optation thesis. The promotion of the two workers' committee chairmen did not quieten the next vociferous chairman, and the workers' committee members strongly supported these appointments because they then had sympathetic officers with whom to deal. Furthermore, the election results, in which a high proportion of the workers' committee incumbents were returned, indicated that the workforce in general did not regard the workers' committee as sell-outs.

### CONCLUSION

Labour relations at Parastatal were conducted in a basically co-operative manner. The organization was faced with severe constraints in terms of a lack of finance and the extensive decision-making layers through which government placed controls over Parastatals. This meant that many of the workers' claims involving funds were opposed, as were their requests for conditions of service that were not in conformity with those in other Parastatals. Despite these constraints, workers and management overcame the hostilities of the early 1980s and developed a constructive working relationship. To an extent, this decline in hostilities was imposed by the government, which acted to prohibit strikes and other industrial action. However, conflicts were not simply repressed: there were many ways in which management and workers developed an understanding of the other's position. Personnel and labour relations systems such as those for job evaluation and discipline were introduced and fairly managed, and rapid Black advancement took place. Employee development and promotions were an important compensating factor for the low pay levels at Parastatal compared to private sector companies. Workers' committees played a major role in improving relations between workers and management and at the same time they vigorously pursued workers' interests. The workers' committees endeavoured to strengthen trade union organization, and eventually formed their own union affiliated to an existing union federation.

Management showed trust and reasoned with workers' committee members rather than relying on autocratic rule. Fundamental differences remained between the two parties, and workers were certainly not prepared to forego the pursuit of their interests in favour of organizational goals. Nonetheless, workers and management were able to establish a *modus vivendi* to balance the interests of the organization and the workers.

Government had a substantial impact on the conduct of labour relations at Parastatal in the years following Independence. Before 1980 managerial positions were dominated by Whites, and labour relations were characterized by a mixture of paternalism and autocratic rule. Workers

endeavoured to obtain improved terms and conditions of service before Independence, but management retained the prerogative to determine which issues could be discussed. After Independence, management's power over labour relations outcomes was reduced. Government intervened to attenuate management's right to hire and fire. Selection for and promotion to senior positions was no longer the preserve of Whites, and termination of employment was regulated by the government in important ways. Management felt obliged to bargain in good faith with employees and not merely pay lip-service to workers' claims. The settler state was no longer there to buttress a racial and dictatorial approach to management. Managers generally considered that the new government actively championed workers' interests. Conflicts between workers and management continued beneath the surface, and these regularly broke out into the open. But over time bitter conflicts were avoided, and both sides attempted to reach negotiated agreements.