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SYMPOSIUM PROCEEDINGS CURRENT ECONOMIC PROBLEMS

November 2: LABOUR ISSUES

November 3: EXPORT DEVELOPMENT

ARTICLES		Page
LABOUR PROBLEMS IN RHODESIA		
1. <i>An Employer's Viewpoint</i>	K. B. Crookes	1
2. <i>Two Trade Union Viewpoints</i>	P. F. Sithole and W. F. Duncan	9 & 15
3. <i>Farm Labourers in Rhodesia</i>	G. L. Chavunduka	18
<i>On-the-Job Training on the Assembly Plant of a South African Motor Vehicle Producer</i>	A. Spandau	26
<i>Labour Problems in South Africa</i>	F. A. H. Wilson	46
EXPORT DEVELOPMENT		
1. <i>Transport for Exports</i>	R. T. R. Hawkins	49
2. <i>Finance for Exports</i>	J. T. Gilbert	58
3. <i>Export Prospects of Manufacturing Industry</i>	P. Whyte	64
4. <i>The Mining Industry as an Exporter</i>	C. A. Gibson	72
5. <i>Agriculture as an Exporter</i>	W. Margolis	81

Articles

**LABOUR PROBLEMS IN
RHODESIA
An Employer's Viewpoint**

Contributors

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LABOUR PROBLEMS IN RHODESIA: AN EMPLOYER'S VIEWPOINT

K. B. CROOKES

The fundamental "labour problem" which faces an employer in any country is the efficient economical use of the labour resources available to him. Availability in itself constitutes a problem. Related to the Rhodesian scene employers in the last two to three years particularly have been much pre-occupied with the shortage of skilled labour, and the efficient and meaningful utilisation of the vast reserve of unskilled labour available to us. I am using the term "skilled" in its broadest sense meaning all categories of labour other than the completely unskilled.

Shortages of skills inhibit the employer in attempts to improve the efficiency of the work force as a whole, and generally inhibit expansion. Wage inflation brought about by individual employers bidding for labour, or as a result of "skilled labour" negotiating wage conditions from a position of strength, lead to uncertain cost structures. Uncertain cost structures is merely a euphemism for cost inflation.

It was this very wage inflation cost push factor that had received so much press publicity that led ACCOR to undertake its "Manpower and Wage Survey of the Rhodesian Economy", in October, 1970, the results of which were published in January, 1971. Subsequently Government convened a manpower conference in April, 1971, with representatives from Government, employers and employees, at which the union representatives refused to accept the ACCOR surveys findings. It is significant that this meeting was attended by observers from a number of Ministries, notably the Treasury and Mines, indicating their very proper concern with this problem. Following this abortive meeting there were a number of meetings between the Minister of Labour, first separately, and thereafter jointly, with the representatives of the employer organisations and trade unions, to examine the problem further. These meetings culminated in the Central Statistical Office undertaking a survey of employment and existing vacancies as at the 30th November, 1971, in the trades designated in terms of the Apprenticeship Training and Skilled Manpower Development Act, 1968, that is to say in 73 designated occupational categories, the results of which published in April, 1972, revealed the following:

NUMBER EMPLOYED, NUMBER OF VACANCIES AND VACANCY RATES BY INDUSTRY AS AT THE 30th NOVEMBER, 1971

<i>Industry</i>	<i>Number employed</i>	<i>Vacancies</i>	
		<i>Number</i>	<i>Rate %</i>
Aircraft maintenance, overhaul and repair	385	12	3,0
Building	3 339	267	7,4
Electrical engineering	1 463	189	11,4
Mechanical engineering	4 129	377	8,4
Motor	1 864	223	10,7
Printing, packaging and newspaper	753	50	6,2
	<hr/> 11 933	<hr/> 1 118	<hr/> 8,6

These statistics are to be produced regularly in future. A first step, albeit halting, to some form of manpower planning advocated as long ago as 1967 by

Professor J. L. Sadie in his report on "Planning for the Economic Development of Rhodesia".

More recent statistics suggest there has been a sharp reduction in the number of vacancies, but the employee coverage of the latest returns is far less comprehensive than the November survey and casts some doubt on the validity of the findings.

The results of the survey in so far as they went, largely confirmed those of the earlier ACCOR survey, but the scope of the ACCOR survey was very much wider. This survey was broadly divided into categories of executive, professional, clerical, sales, technical, journeyman and other grades. Two categories (overall) showed serious shortages—the professional at 7,9% and journeymen at 8,2% as against the Central Statistical Office's 8,6%. The manufacturing sector as a whole reflected the greatest shortage with the figure of 4,6%. The overall shortage for all categories and sectors was 4,1% which at that time compared with the South African figure for a similar survey of 4,8%.

The ACCOR survey covered two further factors—staff turnover and wage increases. In a disturbing 15,7% of cases staff turnover per annum was over 25%. On the wages side 54,6% of returns indicated that wages and salaries were up by more than 10% over a 12-month period, the inflationary factor at the root of the exercise.

Finally, the survey requested an estimate of the likely increase in staff to cover expansion to which firms were already committed, in 1971. Results indicated an increase in vacancies in the professional category of 11,5% or 102 employees, followed by journeymen 8,8% or 598 employees.

I have dealt at some length on the findings of the ACCOR survey because of its very much wider scope than the Central Statistical Office survey. The employer relies to a great extent on the service grades, a term I used to embrace such people as clerks, bookkeepers, storemen, typists, etc., for the efficient running of any organisation. Do not underestimate the contribution these categories make to the economy and the value particularly of experience in these categories. Countries to the north of us have made the mistake of assuming that these categories can quickly be filled with a minimum of training and without experience with near disastrous results on their economies.

A small but disconcerting commentary on the availability of manpower comes from a number of industries who express their concern with the average age of their journeymen, and by implication the decline in productivity in the manual trades with age. The details collated by the Central Statistical Office survey indicate that 21,93% of artisans are in the category 50 years and over, which is a significant percentage.

Employers are resorting to a number of remedies to overcome their immediate difficulties including the working of overtime, the use of temporary or part-time staff, the employment of pensioners, etcetera. They are bidding for labour by increasing wages and salaries, offering additional fringe benefits, and even in some cases by reducing hours of work. All measures inflationary in their impact in terms of higher costs per output hour.

There are three ways in which in the long term the shortage of skills can be overcome:

- (1) Immigration to import the skills that are in short supply.
- (2) Training.

- (3) Re-assessment of job contents to employ different techniques of production that would enable semi-skilled workers to perform "fragmented" aspects of industrial functions under qualified supervision.

Immigration has a high cost to it both in imported wage inflation and the capital foreign currency costs of housing immigrants and providing them with the necessities for life in this country. Nevertheless immigration is going some way to solve the shortage, and the Secretary for Labour and Social Welfare in his report for the year ended 31st December, 1971, said "The estimated rate of growth of the gross domestic product of 10% in real terms increased the demand for skilled manpower which was met to a considerable extent by European immigration. The labour force gained 3 505 male and 250 female economically active immigrants. . . . More than half the net migration of economically active European males were classified as production and related workers. Over 70% of the net migration of economically active European females was classified as clerical and related workers. . . . The net migration of European male engineers and accountants increased by 56% and 38% respectively."

Generally speaking the most popular remedies with employers for filling vacancies are training and promotion from within the organisation. However, this depends on a number of factors such as the capacity of the organisation itself to train, the availability of outside institutions to assist, the traditional attitudes of staff and customers to work being carried out by qualified or unqualified personnel, or by white or black people, quite apart from the availability or willingness of recruits. The figures quoted in the report of the Secretary for Labour and Social Welfare for 1971 for apprenticeships completed and apprenticeships due to be completed in the various trades are as follows:

REGISTERED APPRENTICESHIPS COMPLETED, 1967 TO 1971, AND
DUE TO BE COMPLETED, 1972 TO 1975

Industry/Trade	Apprenticeships Completed					Apprenticeships due to be completed			
	1967	1968	1969	1970	1971	1972	1973	1974	1975
Aircraft maintenance, overhaul and repair	10	6	9	14	10	10	14	12	12
Building	2	5	15	14	18	16	26	45	101
Electrical									
Engineering	27	35	37	64	58	52	61	44	66
Mechanical									
Engineering	79	92	147	135	109	123	141	135	174
Motor	60	54	89	85	65	40	87	46	132
Printing, packaging and newspaper									
	27	26	22	21	24	30	28	34	36
Sub-Total	205	218	319	333	284	271	357	316	521
Hairdressing	52	43	50	47	63	35	51	43	Nil(a)
Total	257	261	369	380	347	306	408	359	521

(a) Four-year apprenticeship.

You will note apprenticeships to be completed in 1971, 284, or 1972, 271, against estimated vacancies quoted earlier 1 118. The target figure for the apprenticeship intake for 1972 excluding hairdressing, was 825. The actual intake was 749, leaving a shortfall of 76 against target, already far short of the apparent requirements of the industries.

In the middle of last month the Authority issued its own projection of the numbers required in the designated trades as follows:

	<i>Nov. 1971</i>	<i>Nov. 1974</i>	<i>Total</i>
	<i>to</i>	<i>to</i>	<i>to</i>
	<i>Nov. 1974</i>	<i>Nov. 1978</i>	<i>Nov. 1978</i>
Aircraft	134	225	359
Building	1 237	1 821	3 058
Electrical	519	765	1 284
Mechanical	1 741	2 808	4 549
Motor	641	909	1 550
Printing	353	602	955
	<hr/>	<hr/>	<hr/>
	4 625	7 130	11 755

These figures do not take into account apprenticeships completed.

No one can explain conclusively why these vacancies for apprentices exist. The number of school leavers in Rhodesia with the necessary basic educational qualifications is well in excess of the numbers required even allowing for the demand of the non-formalised occupations in the clerical, selling, administrative and professional categories. Many employers feel that the rigid adherence to a period of training and a syllabus that were probably laid down in England in the time of Queen Victoria, have much to do with the failure to attract the right sort of person to the trades. Many feel that the syllabuses and periods of training should be realistically revised, and that better than average pupils be allowed to qualify in a shorter time than the traditional 5 years.

The position in the Building Industry is particularly difficult where with the larger number of small contractors in the field and English scarcely spoken on a building site, European apprentices are not attracted to the industry. There are proposals now in a number of industries to reduce the period of training to enable the more capable apprentices to qualify in a shorter period than normal, subject to their passing the appropriate trade tests. For example it has been suggested that refrigeration mechanics may be permitted to qualify in 4 years. This applies to other industries. As yet these are only proposals but it is hoped that they will be implemented shortly. However, there are problems over trade testing.

Not only do we have a shortage of recruits for training, but when youngsters do qualify and are eager to get experience of a more sophisticated range of operations than is generally available to them here, they go down south or overseas where they have no difficulty in getting jobs, to broaden their experience—a tribute in itself to the training they receive here. Many of them of course come back, but their absence which can be looked on as an extension of their training period at best, postpones their availability to fulfil current vacancies and thus further aggravates the position.

I should at this stage deal with two other "wastage" factors. The first is not an overall factor in the sense examined by the Central Statistical Office.

It is the movement between industries of trained personnel as for example where a joiner moves out of the building industry to go to say mining or an electrician goes as a maintenance man to a factory. Employers in the various sectors have for long bitterly complained that they bear the cost of training only to lose a man on qualification. This complaint has to a large extent been overcome with legislation which now requires all employers of journeymen, notwithstanding the fact that they are employed outside their industry, to contribute to an apprenticeship training levy for the training of future journeymen in the particular occupation. Further, there is no wastage to the extent that the individual is employed in his trade in an occupation which calls for his particular skill. The Central Statistical Office survey has picked up the overall requirement by trade. The next wastage is promotion from the shop floor to foreman, supervisory or management grades. Surely this is the traditional training ground for management promotion and has always been accepted as such by employers, but I have heard resentment expressed at this "crossing of the floor" by the unions as though it were a deliberate attempt to undermine their membership or to create false vacancies.

We now come to the third remedy, and the one which provokes the sharpest reaction from the "skilled" unions, labelled arbitrarily "fragmentation", and considered to be a very dirty word. Unions are by nature traditionalists and much concerned, quite rightly, to protect the status of their journeymen members. Any suggestion of a revision to the job specification, or a re-assessment of the work content of a sequence of operations, is immediately viewed with distrust as an attempt at wholesale fragmentation so that, if employers are to seek this solution to their skilled shortage by a re-distribution of work load, they have an uphill task in convincing employee representatives. Further, the Minister of Labour outlined his policy on manpower to the Senate in March, 1971, when he stated that "Any erosion of the rate for the job, for example, by massive fragmentation negotiated for reasons of expediency . . . will inevitably mean a lowering of standards, a situation which government cannot accept if it is to protect the interests of the country as a whole." However, and perhaps more significant, he went on to say, "I have referred to fragmentation as the vehicle through which the rate for the job and standards may be eroded. I will, nevertheless, concede that, with technological advances taking place almost daily, it would be quite unrealistic to apply inflexible rules which would have the effect of preserving outdated methods and inhibiting a modern rationalisation of job content."

The converse of "fragmentation" is "job reservation". The unions tend to think that this is unacceptable to employers in any form but this is not so. Employers accept that without job reservation commerce and industry would not have advanced to where they are today. Jobs are reserved for those holding prescribed technical qualifications, or those who fall within certain age limits, or those who speak a certain language, etcetera. The employer's concern is with the practice of demanding a type of job reservation to ensure an artificial manpower shortage or supply, and therefore an artificially higher wage level.

I have dealt at some length with skilled labour shortages and possible remedies. There are other factors apart from reducing hours of work referred to briefly earlier, which tend to aggravate the labour supply position. For example it will be interesting to see the changing employment patterns which will be brought about by manpower shortages and the side effects of inter-industrial bidding for labour in industrial negotiations with the employee representatives, not only on a wage or salary basis, but on conditions and

fringe benefits. Consider the influence that the virtually universal 5-day week which now applies in Salisbury since the Government introduced this a couple of years back, has on the employment of European married women in commerce and other service industries. Quite apart from the question of leisure preferences and the ability to indulge these with higher real wages, and the natural desire for women to be with their families when their husbands are at home; with our relatively unsophisticated transport system work on Saturday mornings presents a transport problem with mutual dependence on the family car. It is increasingly difficult to retain the services of existing female staff, let alone recruit new staff, where there is a Saturday morning work commitment. Again, the Report of the Shop Hours Commission, 1972, recommends a 72-hour week, and it will be interesting to see how shopkeepers will resolve their labour problems if they are to open for longer hours, with the conditions of service of their employees, quite rightly, prescribed by Industrial Agreements and Board Regulations which provide for a maximum of 9 hours per day with not more than 5½ hours work without a break of 1 hour, and a maximum of 45 hours in the week. Will the smaller shopkeeper be able to survive faced with the increased cost of staffing his establishment over longer hours? Will the female European shop assistant progressively fade from the scene? What will the public pay for the convenience of longer shopping hours?

Turning now to the question of the utilisation of unskilled labour, the employer is much concerned with the under-employment of the unskilled grades. In many cases employment is based on minimum standards but the problem of introducing meaningful wage differentials as incentives to greater productivity, is complicated by the language, educational and work-attitude differences of our multiracial society quite apart from the traditional difficulties of increasing productivity. Apart from this the differential, and widening differential in wages, between the unskilled, semi-skilled and skilled categories of employees in an organisation, represents a wage structure which in itself highlights the inefficient utilisation of labour. The employer is fully aware of the danger of destroying incentives by reducing differentials. However he must be sure that incentives do exist, effort is recognised, and that the wage gap does not render promotion too hazardous a possibility both from his and the employee's point of view. Conversely those who negotiate on behalf of the lower category employees can fall into the trap of pricing themselves out of a job by demanding too high a rate for a job that can more economically be combined with another requiring greater skills at a higher cost. The true converse of fragmentation? The philosophy of "if I have got to pay that for a clerk I will employ a qualified bookkeeper".

Now I have been presenting an employer's viewpoint on some of the problems affecting employers. Two prominent trade unionists are to follow and present the employees' viewpoint. To put matters in perspective I must now deal with the mechanics for the reconciliation of these viewpoints. Industrial relations in this country are covered by the Industrial Conciliation Act, Chapter 246, which provides for conditions of work to be negotiated on the one hand by Industrial Councils made up of representatives of employers and employees; and regulated on the other hand by the Minister of Labour on the recommendation of Industrial Boards made up of representatives of employers and employees appointed by the Minister, together with an independent member and an independent chairman. I must add that the Act provides for a great deal else if things go wrong and unhappily it starts off "To establish an Industrial Court . . .".

It is important to bear in mind the distinction—a Council made up of employer and employee parties, as against a Board made up of the Minister's appointees representing the interests of employers and employees. Councils arrive at agreements, but the Minister makes regulations based on Board recommendations.

The parties to an Industrial Council, and there may be more than one employer or employee party, are registered with the Industrial Registrar for the interests they claim to represent, and the scope or authority of the Council is determined by the representative character of the parties thereto.

Dealing with the unions, there were as at the 31st December, 1971, 50 registered trade unions, in alphabetical order from the Air Transport Union to the United Textile Workers Union of Rhodesia. The report of the Secretary for Labour and Social Welfare for the year ended 31st December, 1971, reveals that during the year four trade unions' registrations were cancelled due mainly to fall off in membership, whilst two trade unions were registered. Twenty unregistered trade unions were known to be in existence during the year but only a few were active. The majority are unlikely to become registered until the standards of leadership of their office bearers and officials are improved and their membership increased. At the 31st December 5 federations of trade unions were functioning. "Two federations representing the interest of skilled employees continued to operate effectively and to serve the interests of their members in a responsible manner." These two were registered. The others not.

The number of registered employers' organisations as at the 31st December, 1971, was 35, there having been no changes in the year. To deal with these alphabetically they range from the Bulawayo Engineering and Allied Trades Association to the Umtali Master Builders and Allied Trades Association.

There were 27 Industrial Councils registered at the 31st December, 1971, from the 50 trade unions and 35 employer organisations. It is estimated that the approximate number of employees governed by Industrial Council Agreements was 153 176.

Again at the 31st December there were 62 Industrial Boards in operation, two new boards having been established during the year. It is estimated that these Industrial Boards covered 135 559 employees.

Bearing in mind that the Industrial Conciliation Act does not apply to agriculture, government service, or domestic servants, the number of employees covered by Industrial Councils and Industrial Boards, 288 700 compares favourably with the total number of employees in the industries to which the Industrial Conciliation Act applies, 410 800, particularly as this latter figure includes many categories of employment excluded from the provisions of Industrial Agreements or Board Regulations by virtue of occupation, such as management and supervisory grades, or by salary barrier.

I apologise for the mass of statistics but it is important to grasp the multiplicity of organisations dealing with employer employee relations as part of the overall problem.

Now to examine some problems that arise from the conciliation structure. An Industrial Council cannot deal with matters affecting classes of employees not represented by the trade unions in terms of their registered interests. To the extent that these are not representative of the full range of employment categories in the industry, this inhibits employers from negotiating a comprehensive set of conditions for the industry as a whole. In fact it can introduce a positive barrier to any re-assessment of job contents to employ different

techniques of production that would enable semi-skilled workers to perform "fragmented" aspects of industrial functions under qualified supervision, the third solution to our shortage of skills. On the other hand, very real difficulties can exist with vertically integrated councils where there are two employee parties in a multi-level Industrial Council embracing staff, skilled, semi-skilled and labour grades, especially where such multi-level council is multi-racial as it must in terms of our legislation. Different principles are involved in negotiations with employees at different levels. For example negotiations in respect of the lower categories are based on subsistence or economic factors, whereas the higher grades are based on productivity and skills. Again, there are the language, educational and work attitude differences I have referred to earlier. Certainly employers must pay very careful attention to the constitution of any multi-level Industrial Council to ensure that wages and conditions for the varying levels can be negotiated by sub-committees whose decisions cannot be frustrated by the voting requirements of the full council, which are normally that proposals shall be carried by a majority of employers and of employees. Some industries have vertically integrated multi-level councils as for example with the National Industrial Council of the Mining Industry of Rhodesia, whose employees' representation is the Associated Mineworkers of Rhodesia and the Rhodesian Mine Officials and Salaried Staff Association. Others have an Industrial Council looking after the skilled categories, with a Board looking after the unskilled categories. An example of this on a national basis is the General Engineering Section of the Engineering and Iron and Steel Industry whose Council has three employer representations, the Bulawayo Midlands, and Salisbury Engineering Employers' Associations; and three employee representations, the Amalgamated Engineering Union, the Rhodesian Boilermakers', Iron and Steel Workers' and Shipbuilders' Society, and the Rhodesian Engineering Trades Union.

Another problem that employers must face is whether or not they negotiate conditions on a national basis or on a regional basis. There are only in fact seven National Industrial Councils if one includes the Railways Industrial Council and the Statutory Industrial Council for the Banking Undertaking of Rhodesia. Employers who opt for regional agreements as for example with the building industry where there is a Council for Mashonaland and a Council for Matabeleland and Midlands, and they are not the only ones, could find themselves in trouble unless the activities of their respective employer organisations are well co-ordinated, with unions working on a national basis with representation in all centres. The standard practice is to obtain concessions in one centre and then demand these as a right in another thus obtaining the best of all worlds—the old leap frogging technique. This can extend across industrial boundaries where a Union is registered in a number of industries as for example with the A.E.U. This cannot happen again under the present Act, the A.E.U.'s position having been established before promulgation.

Finally, should those individual employers or employer organisations at present dealing with an Industrial Board opt for Industrial Councils where in theory the ideal of good industrial relations, agreement by negotiation, is achieved? This must depend on the employers assessment of the wisdom of encouraging an embryo trade union related to the classes of employee it seeks to represent and its probable overall total representation of those categories of employees. The question of representation as to numbers is finally at the discretion of the Registrar who will determine whether representation as a percentage is sufficient for the formation of a Council and continues to be sufficient. Once in therefore it is hard to get out.



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