FACT SHEET

SABPP™
SA BOARD FOR
PEOPLE PRACTICES
Setting HR standards

TOWARDS A CODETERMINATION
MODEL FOR SOUTH AFRICA

INTRODUCTION

The South African context of Employee Relations is volatile and ER practitioners are required to rethink approaches to collective bargaining. Some of the trends of the ER Landscape in South Africa is characterised by:

- The number of strikes have decreased overall but the duration of strikes are longer (Wocke, 2016).
- The number of working days lost to strike action rose to 5.2 million in 2013 compared with 3.5 million in 2012 (Andrew Levy 'The wage settlement survey').
- The number of working days lost to strike action in the first half of 2014 rose to 7.5 million, compared with 1,8 million in the first half of 2013 and the overall total of 5.2 million in 2013 (Andrew Levy 'The wage settlement survey').
- Strikes have caused the IMF to revise its economic growth forecast for South Africa.
- There are 52% protected strikes and 48% unprotected strikes (Department of Labour, 2013)[1] With reference to the SABPP Labour Market Scenarios 2030, "Pride of Lions" scenario, economic growth accelerates on the back of an innovative and adaptive private sector, supported through social compacts between government, business and labour which have found new ways of dealing with protection of vulnerable employees, new ways of encouraging employers to employ and train young people, and new ways to match the education system to the needs of the new world of work.
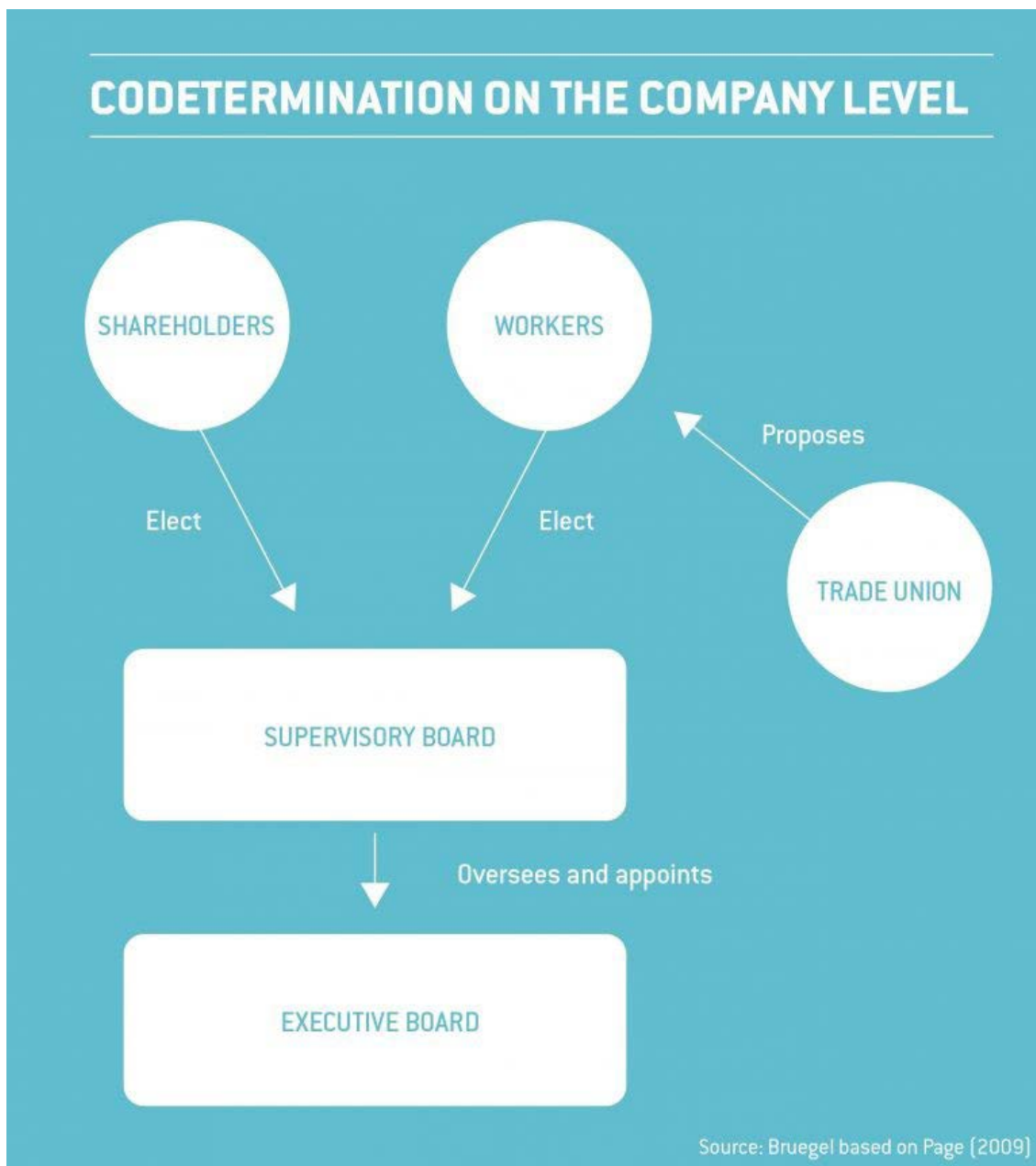
The new structures and collaborative approach enable flexibility as the structure of the economy and completely new business models emerge (like Co-determination), flourish and are in turn transcended and disappear. To reach these social compacts, the parties have abandoned fixed, ideologically based approaches and have found new ways to accommodate genuine and fundamental interests of different segments of the population. Government has implemented the NDP, South Africa has an efficient and politically independent civil service and as a result, service delivery has improved and the lives of poor South Africans continues to improve, albeit slowly. Once again, the South African people have found a way to navigate a seemingly impossible transition.

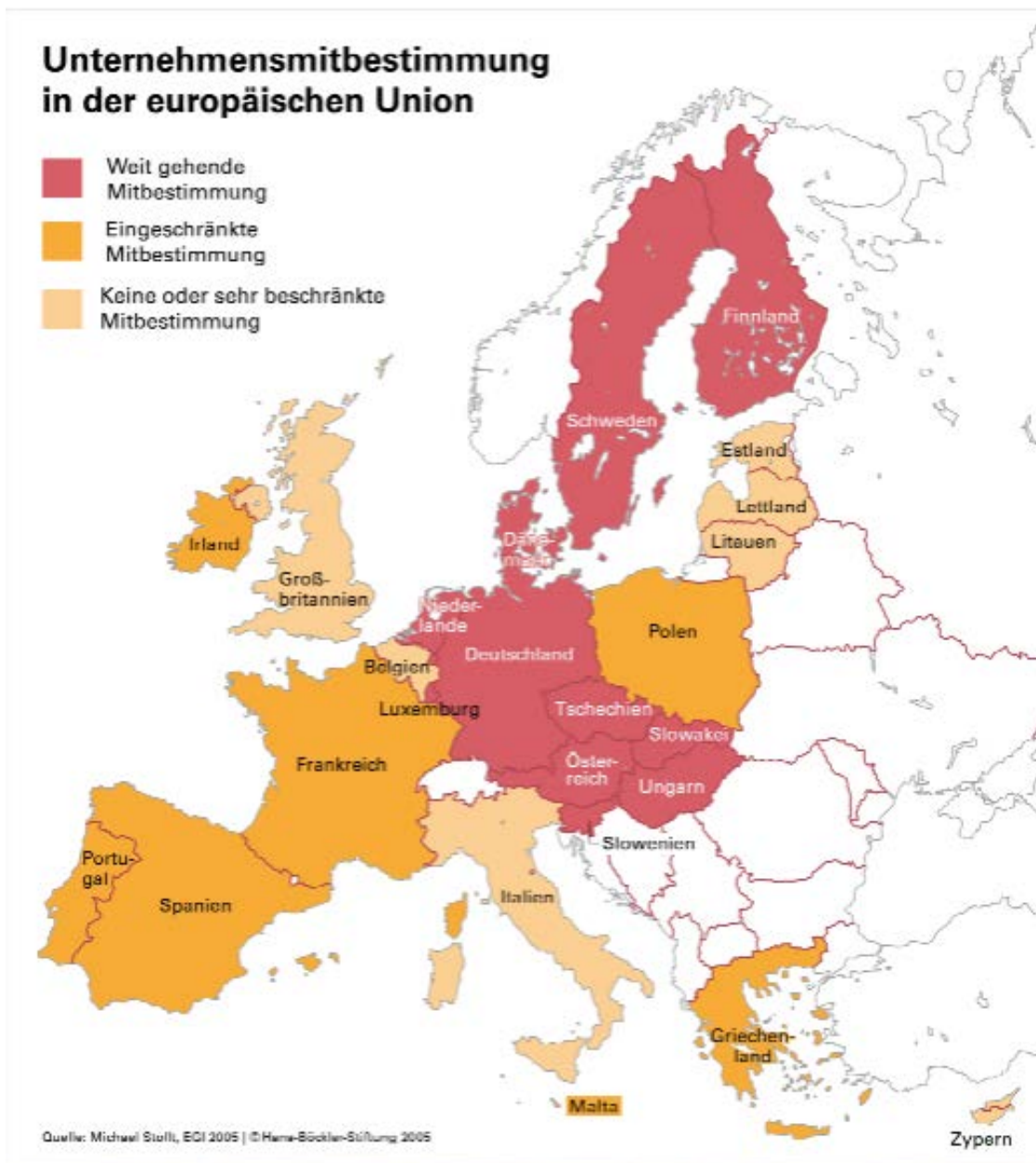[1] Annual Industrial Action Report of the Department of Labour 2014

CODETERMINATION

"Co-determination or "Mitbestimmung" – the German term for worker participation in a company's decision making – has recently attracted attention as UK Prime Minister Theresa May and US presidential candidate Hillary Clinton promised to strengthen workers' rights and interests. The latter has called for rewriting "the rules so more companies share profits with their employees". Mrs May has repeatedly stated her intention to reform corporate governance such that workers and consumers are represented on boards, to "reform capitalism so it works for everyone – not just the privileged few." [2]

CODETERMINATION ON THE COMPANY LEVEL

SHAREHOLDERS

WORKERS

Proposes

Elect

Elect

TRADE UNION

SUPERVISORY BOARD

Oversees and appoints

EXECUTIVE BOARD

Source: Bruegel based on Page (2009)

Co-determination is part of the German corporate governance and has been in existence since the Co-determination Act of 1976. "It has an explicit social dimension: as the German Constitutional Court ruled, co-determination on the company level is meant to introduce equal participation of shareholders and employees in a firm's decision making and shall complement the economic legitimacy of a firm's management with a social one."[3] The current usage of the model is evident in mostly European countries and have been monitored in terms of value and success. Below is an outline of the countries using the co-determination model.

Map: Board-level co-determination in the European Union red: extensive co-determination beige: restricted co-determination pale beige: no or very restricted co-determination.

Unternehmensmitbestimmung in der europäischen Union

- Weit gehende Mitbestimmung
- Eingeschränkte Mitbestimmung
- Keine oder sehr beschränkte Mitbestimmung

Quelle: Michael Stoll, EGI 2005 | © Hans-Böckler-Stiftung 2005

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3   https://www.weforum.org/agenda/2016/10/codetermination-boosting-cooperation-between-management-and-employees/

Co-determination in Germany: *Heiner Michel*

The Recent Debate

West Germany	Establishments with Works council	Employees in establishments with works councils
5-50 employees	7 %	12 %
51-100 employees	45 %	47 %
101-199 employees	73 %	74 %
200-500 employees	86 %	87 %
501+ employees	95 %	96 %
Total	11 %	50 %

Table 1: Co-determination implementation in Germany

PRINCIPLES AND OBJECTIVES OF THE GERMAN CO-DETERMINATION MODEL

Employees are key Stakeholders/Equality of capital and labour

The word Co-determination or "mitbestimmung" in German refers to a concept of employee consultation and participation in company decisions. The ideology of Co-determination is that labour and capital have equal importance and therefore should have an equal voice in running the company. In other words, employees are as much a part of the company as are shareholders and therefore Germany has a consensual approach to corporate decision making and encourages labour participation by treating employees as key stakeholders.

Control of economic power/co-responsibility

The objectives of Co-determination are inter alia to ensure equality between providers of capital and providers of labour to promote democracy in the economy and to promote social development. Co-determination also aims to promote adequate control of economic power where economic power congregates, control is an important instrument in avoiding its misuse.
Whether participating in company decisions or contributing on company matters, the principle is the same in every case: Co-determination means co-responsibility. Employees just like the

employer need to keep an eye on the long term development of the company. This is why all the laws on Co-determination are directed towards enabling fruitful co-operation between both sides and creating a productive balance of interests. Co-determination is an important factor in stabilisation of our economic and social order.

Democracy in the economy/resolving of conflicts

Co-determination is not just transferring parliamentary forums but more importantly is about the principle of democracy and the resolving of conflicts not by force but through dialogue of co-decision.

Social development/increase living and working conditions

Through a better consideration of employees' interests when making establishment and company decisions Co-determination contributes to the improvement of working peoples' living and working conditions.

The two tier board structure:

Employee involvement takes place on two levels: –
Works Councils are an establishment or management level that runs the day to day operation of the company and on a higher level, supervising boards that's directly involved in decisions of fundamental importance to the enterprise. German legislation strictly separates the functions of the supervisory boards and management board to allow for creation of optimum effectiveness. In this way, the supervisory board closely scrutinises the performance of the management board to ensure that the interests of employees will not be neglected.
This Two Tier Board System encourages employees to participate in the decision-making process and by doing so, produces a compromise in management between shareholders and employees and balances the pursuit of short term profit with social-justice considerations and long term strategic planning.

Establishment of Works Councils

The conflict of interests between the employer and employees has its most direct effect on this level of the establishment. The individual employee is not usually in a position to defend his/her interests at an equal level with the employer. For this reason, a body is required to represent the interests of those working in the establishment. At the Works Council, the parties should work with each other in a spirit of "mutual trust" discussing the, matters at issue "with an earnest desire to reach an agreement" workplace may adopt rules of procedure and agree on representation of delegates and voting procedures.
Works Councils shall have the following rights:
• Right to information;
• Right to inspect documents;
• Right of supervision;
• Right to make recommendations;
• Right to be consulted;
• Right to advise;

- Right of opposition;
- Right to vote;
- Right to negotiate;
- Right to initiate measures;
- Obligation to agree.

In terms of recent labour law trends, many companies are considering the benefits of utilising the co-determination model. A clear trend according to Kommission Mitbestimmung (1998), the main aims of co-determination consist in making investments in human capital profitable, and "rewarding" employees' loyalty towards the firm with participation rights. This fact sheet discusses the codetermination model and its application within a South African context. The Interstate Bus Line (IBL) case study has the inclusive approach of the SABPP National HR Standards and the codetermination model. The link of the co-determination model holds relevance to the SABPP National HR Standard Element 9: Employment Relations Management (ERM). The SABPP defines ERM as:

> *"Employment relations is the management of individual and collective relationships in an organisation through the implementation of good practices that enable the achievement of organisational objectives compliant with the legislative framework and appropriate to socio-economic conditions."*

The co-determination model supports the SABPP ERM standard as it focuses on creating good labour practices that create respect, inclusivity of employees and improves the socio-economic conditions by creating opportunity for employees.
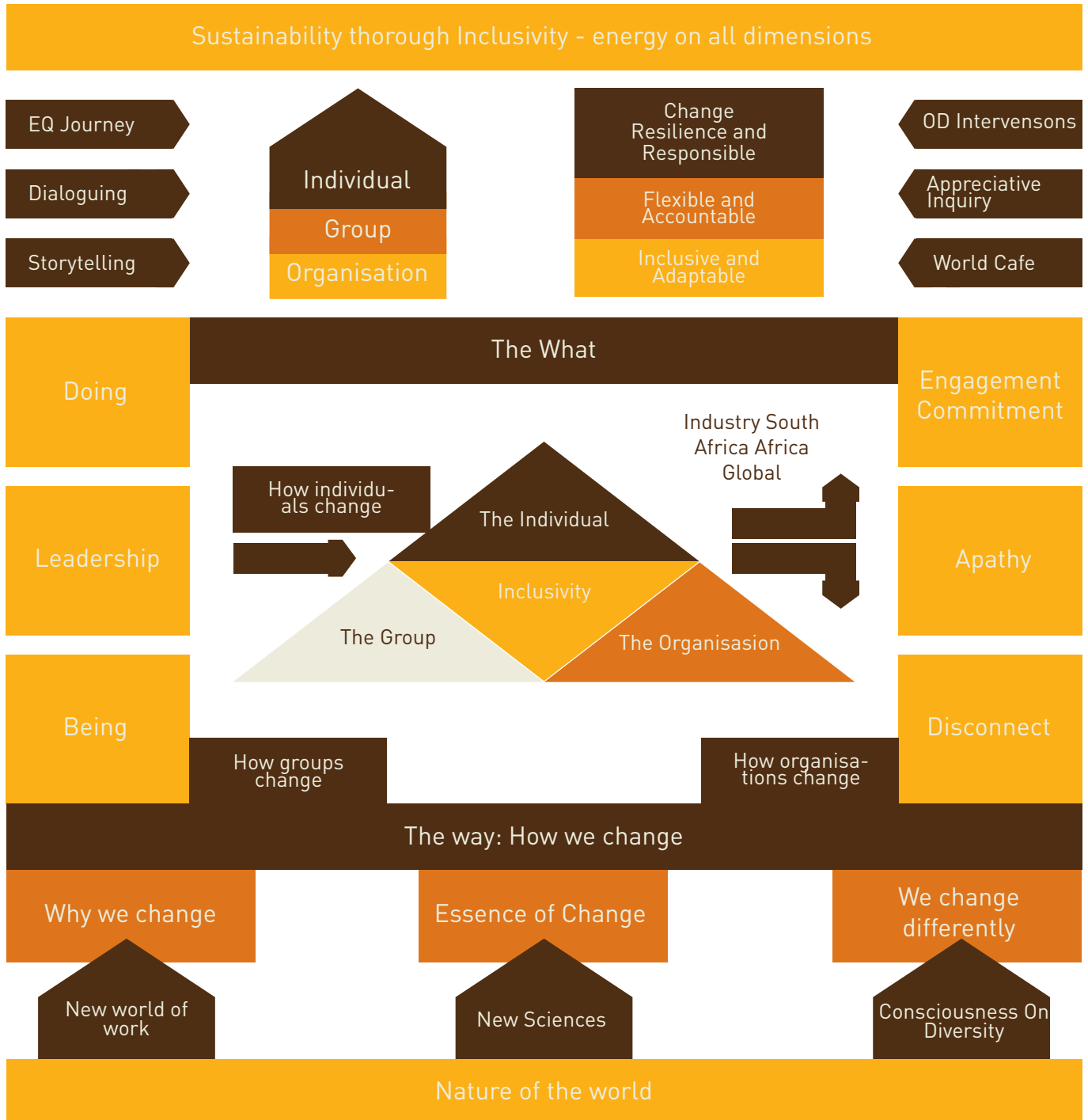
Co-Determination

The cornerstones and building blocks of the IBL Co-Determination Model and the approach and mechanics thereof will be discussed in detail. The institutional framework of the ER Model as well as the supporting processes enabled IBL to table such a giant leap to consider the implementation of a Co-determination Model. The Co-determination model is based on inclusive engagement processes that will not only contribute to the success of the company but also promote and sustain peace and harmony.

Through the Co-determination model, the parties are committed to engage each other on the following: -

- Co-create the future;
- High level of engagement;
- Share power and responsibilities;
- Joint strategy formulation;
- Growth and expanding;
- Joint problem solving;
- Have a voice;
- Pro-active dispute prevention and resolution;
- Manage dispute.

The diagram below manages the sustainability of the above points and has become a working model for Interstate Bus Lines:

Sustainability thorough Inclusivity - energy on all dimensions

EQ Journey

Dialoguing

Storytelling

Individual

Group

Organisation

Change Resilience and Responsible

Flexible and Accountable

Inclusive and Adaptable

OD Intervensons

Appreciative Inquiry

World Cafe

The What

Doing

Engagement Commitment

Industry South Africa Africa Global

How individu-als change

The Individual

Leadership

Apathy

Inclusivity

The Group

The Organisasion

Being

Disconnect

How groups change

How organisa-tions change

The way: How we change

Why we change

Essence of Change

We change differently

New world of work

New Sciences

Consciousness On Diversity

Nature of the world

CORNERSTONES OF THE IBL CO-DETERMINATION MODEL

The interaction between the unions and management in IBL over the years was observed and lessons learned and the key issues which were identified urged management to explore alternative ways to engage with unions.

The designing of the Co-determination model for IBL emanates from an in-depth study of the principles and objectives of the German Co-determination model as well as lessons learned from case studies published in South Africa where companies implemented some form of union participation in joint committees.

Codetermination: A Case of Interstate Bus Lines
Interstate Bus Line Background

IBL is a private commuter passenger transport company operating in the Bloemfontein, Botshabelo, Thaba Nchu and surrounding areas. The company started in 1975 with 4 buses and grew to 243 buses with 730 employees. The transport industry plays a vital role in commuting workers and this mode is therefore often targeted by militants over the years with the stopping, stoning and burning of vehicles to force governing structures to accede to their demands or to raise their dissatisfaction.

The turbulent times in labour and trade union movements in South Africa during the 80's and 90's witnessed a convergence of forces in the trade union movement as they formed themselves in various sectors where they worked. Numerous strikes broke out in the early part of the 80's across a number of industries. Over the decade the labour movement consolidated its position with the formulation of the Congress of South African Trade Unions (COSATU). The vibrancy of trade unionism in the 80's was accompanied by increased strikes and policy brutality.[4]

During 1986, members of COSATU embarked on a series of strikes. In January alone 185 000 Mondays were lost to an industrial action and by the end of March the figure rose to 550 000, a huge increase on the 450 000 total for 1984.[5]

Conflict between the Government and labour movement increased to such an extent that the Government raided COSATU house on 29 April 1986, detained 2 700 unionists throughout the country and on 12 June 1986 COSATU House was barricaded by the SADF. In years thereafter the Trade Unions carried on with strike action across all industries and in November 1987 the Railways and Harbour (SARHWU) embarked on a 6-week strike. During 1988 the Government banned 17 organizations and although COSATU was not banned, it was prohibited from engaging in political activities. During the same year the Labour Relations amended bill was landed and COSATU embarked on a 3-day national strike from 06 - 08 June, billed as a 'National Peaceful Protest'. Between 2,5 million and 3 million people observed the stay away call.' [6]

During this turbulent times, IBL did not escape from work stoppages, strikes and burning of buses. In 1989 the Mass Democratic Movement and other parliamentary groups implemented actions against government of the day, IBL was seen as an instrument of the state. If the bus service was interrupted, the economy of Bloemfontein would be seriously impacted. Boycotts and strikes were on the order of the day, buses were burned and roads were blocked and destroyed. During 1989, the workers of IBL embarked on a strike that lasted for 5 months.

Management dismissed all workers and employed casual labour to keep the buses running. The dismissed workers terrorised, intimidated and even killed some of the casual workers, burned buses and premises and threatened management.

The turning point in the history of IBL was with the re-employment of the dismissed workers after extensive consultation and negotiations with the community, union and political leaders and structures. Reflecting on this period, Abel Erasmus, MD and owner of IBL at that time stated that,

4   Guilherme, M. Keating, C. Hoppe, D.Intercultural Dynamics of Multicultural Working

5   Hans Böckler Stiftung 2011. Co-Determination in Germany – A Beginners Guide. Düsseldorf, Germany: Hans – Böckler – Stiftung

6   History of Labour Movements in SA: http://www.sahistory.org.za/article/history-labour-movements-south-africa

"Employees were emotional and political and the union influence was significant. I had to look at productivity in the systems. It was then when I realized that we, as management, were not aligned with the rest of the organisation. I had a meeting with my team and I realised that there was a 50% compliance with procedures. We were not doing everything right". It was also evident that the company, and especially trust, had to be rebuilt. The realisation was that inclusive management strategies and internal HR initiatives would result from the above comments of the MD.

The relationship between management and shop stewards was still based on formal traditional Recognition Agreements and periodic work stoppages and unprotected strikes occurred mainly resulting from a dissatisfaction of the handling of collective grievances and dismissal of employees resulting from disciplinary steps taken. After Erasmus sold his shares in the organisation it resulted in the forming of a 63% Black Broad Based Shareholding owned structure, whereby employees were granted the opportunity to buy shares in an employee share trust. The company also empowered employees by allocating 5 subcontractor buses to an employee ownership trust scheme.

CORNERSTONES OF THE IBL CO-DETERMINATION MODEL

Following from the history of ER in IBL, management decided to introduce organisational change and development initiatives. Wayne Kruger from Sincrenocity was used from 1994 – 1995 as change consultant and assist with organisational development initiatives and concentrated on trust building exercises between shop stewards and management as well as leadership development. Leon Lategan from Tsumkwe Consulting and Rica Viljoen from Mandala Consulting facilitated the strategic sessions, team building and leadership development initiatives.

Resulting from the above, management recognised the change in the attitude and behaviour of shop stewards and management and realised that an investment in human resources could make a significant contribution to the success of the organisation.

Engagement studies as IBL
In 1998, management decided to conduct an engagement study to describe the organisation and to determine where in the system one could intervene to enhance individual, group and organisational dynamics. The findings of the initial study were as follows:
- The energy in the system indicated as disillusioned, tired, overstretched and disengaged.
- Levels of trust were depleted.
- Top management and middle management were divided.
- Younger supervisors struggled to lead over older workers.
- Bus drivers were not treated with dignity.
- No trust in top management.
- Departments blamed each other resulting from breakdowns, late arrivals from buses and poor service delivery.

- Discipline resulted in mistrust.
- Division between bus drivers and mechanics.
- High level of suspicion was experienced by different levels in the organisation.
- Top management were afraid to differ from the CEO.

The BeQ theory suggests that there was not enough human energy in the system to deal with the task at hand, and without intervention the situation would decline and business indicators such as productivity, turnover and absenteeism would be impacted negatively. The company contracted with Rica from Mandala Consulting to develop with the HR Department an inclusive turnaround engagement strategy.
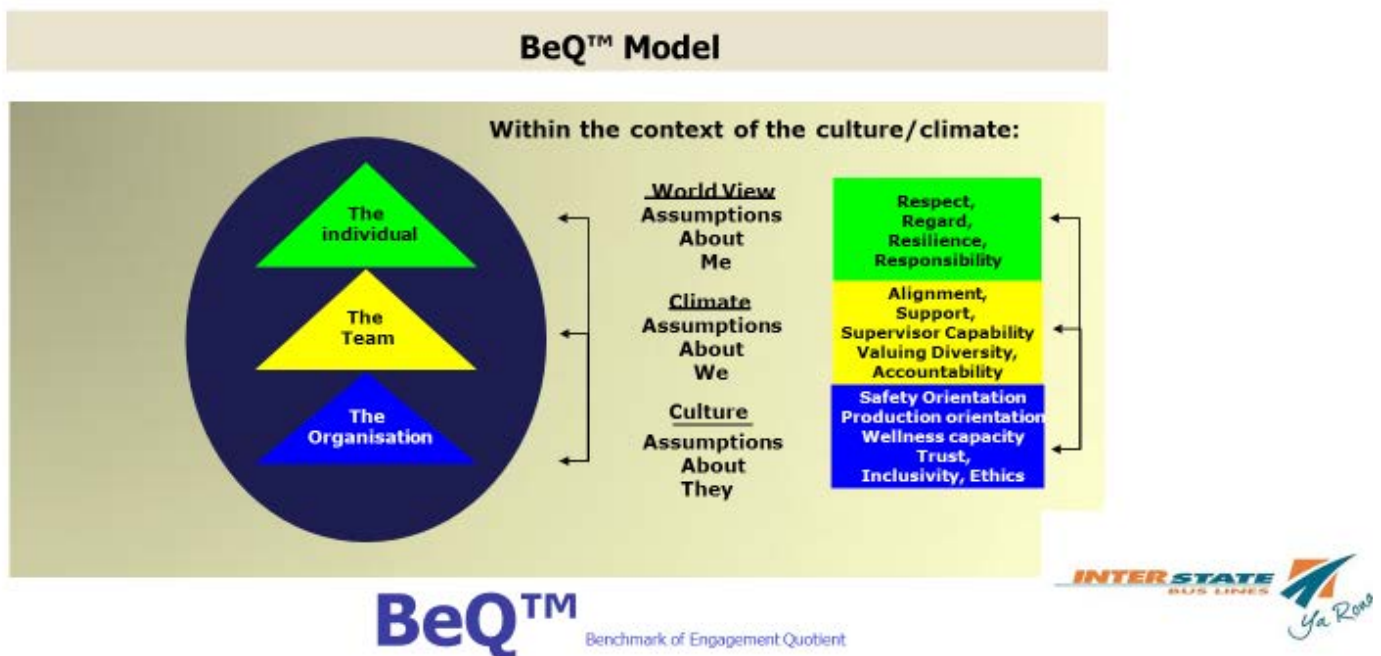
Psycho-analytical teambuilding sessions
It was important to begin with the alignment of top management and a psycho-analytical teambuilding session that was facilitated at Mount Everest, outside Harrysmith in the Free State in 1998. The team engaged in high rope activities with the intention of enhancing levels of trust in the system.

Strategic planning session
A strategic planning session followed in 1999 by the co-creation in alignment with the strategy map principles described by Kaplan and Norton. Together with the results of the engagement study, the strategic map was implemented throughout the organisation. Every 5 years from 1999,

after the successful finalisation of the strategic plan, management review the initiatives and embarked on a strategic planning session for the next 5 years. The strategic plan is translated throughout the organisation.

Middle Management team building

Middle management teams of each department were engaged in team building activities. Personality type was used to describe diversity of thought initiatives. Bar-on emotional intelligence i-tests were conducted as a pre-measure and diagnostic tool to identify individual development plans, and the intervention focused on these development areas.

Middle management indicated that they did not believe that top management was serious about fixing the relationship and reported that they did not feel supported. It became clear that it was necessary to restore trust between middle management and top management team.

Systems thinking

A systems thinking process based on the theory of Ackoff was facilitated with top and middle management on a two-and-a-half-day large group event. Management co-created visuals on the current reality and together came to the realisation that without trust between different levels in the organisation and departments, the vision of IBL would never be achieved.

Emotional Intelligence Development

Over a period of 4 years, an intensive emotional intelligence development plan was executed. Every driver was exposed to a journey of soft-skills development over this period. This included communication skills, stress management, presentation skills, personality-type analysis and conflict management.

Team development

Natural teams engaged in team development workshops where personality types in teams were presented during an experiential session. High-rope and low-rope activities were used to display group dynamics. Every team identified team norms and a symbol that presented their vision. Action plans on how to enhance engagement on their level in the organisation were drawn up. These plans were linked to strategy, which was linked to performance management. Four years later the Bar-On – EQi was used as a re-measure and an average increase in emotional leadership of top and middle management was 12 and 14 points respectively.
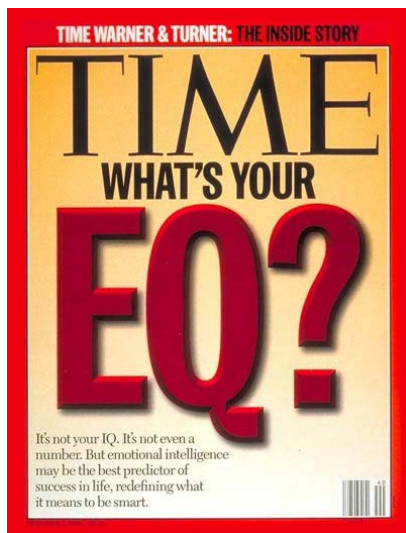
The Bar-On EQi measures how an individual cope with environmental demands. A mean of 100 means that an individual cope as he or she should for his or her age. The average of the top management of IBL increased from 102 to 114. The average of middle management

Table http://www.eqi.org/images/timecover.jpg

Summary of interventions
Table 1 presents a high-level overview of all the OCD and engagement initiatives

|	
	Benchmark of engagement (1998) s Joint action planning throughout organisations
	Psychometrics of Top Management team and Middle Management
Inclusive engagement strategy	Inclusive engagement strategy
	Psycho-analytical teambuilding with EXCO
	Strategic planning session (early 1999)
	Middle Management teaming session
	Systems thinking process with EXCO and Middle Management
	Intensive soft skills development – all employees (2000 – 2004)
	Teaming and joint action planning – all natural teams (2002 – 2006)
	Emotional intelligence re-measure
	Human resources strategies and aligned practices
	Strategic planning sessions (every 4 years)
	Translation of strategy to everyone in the organisation
	Benchmark of engagement (2009) Joint action planning throughout organisation
	Spiral dynamics session with Management, Supervisors and Unions (2012)
	Sessions with the Unions and Management every 4 years
	Teambuilding and strategy translation – all natural teams (2014)
	Emotional intelligence development – all employees (2015)
	Co-Determination strategy with Management, Unions, National Leaders (2015)

ER MODEL IN IBL – WHERE IBL IS TODAY

Clive Thompson, Professor at the Faculty of Law of the UCT delivered a working paper to the International Labour Office in Geneva in 2010 on Dispute Prevention and Resolution in public services labour relations as well as at a CCMA Indaba in 2011. In advising a good policy and practice to deal with dispute prevention and resolution as well as collective bargaining, he outlined some guiding propositions for the institutional framework and its supporting processes.

• Bargaining and consultation should promote best practice features.
• Ethos is more important than machinery. The cultivation over time of an ethos of cooperative workplace relations geared towards productive outcomes on employee equity.
• Great workplaces are a result of a productive and rewarding work environment. This is reliant on creating great working relationships founded on trust and respect and geared towards sustainable business success.
• Good workplace relations need to be pressed into the service of organisational performance.
• Collective Bargaining is not the main game and should not feature as the primary channel of labour management engagement.
• Value creation (better goods, servicer or service delivery) through continuous interaction (intensive consultation) should be the main game.

The following diagram was created within Interstate Bus Lines to formalise the approach and implementation:
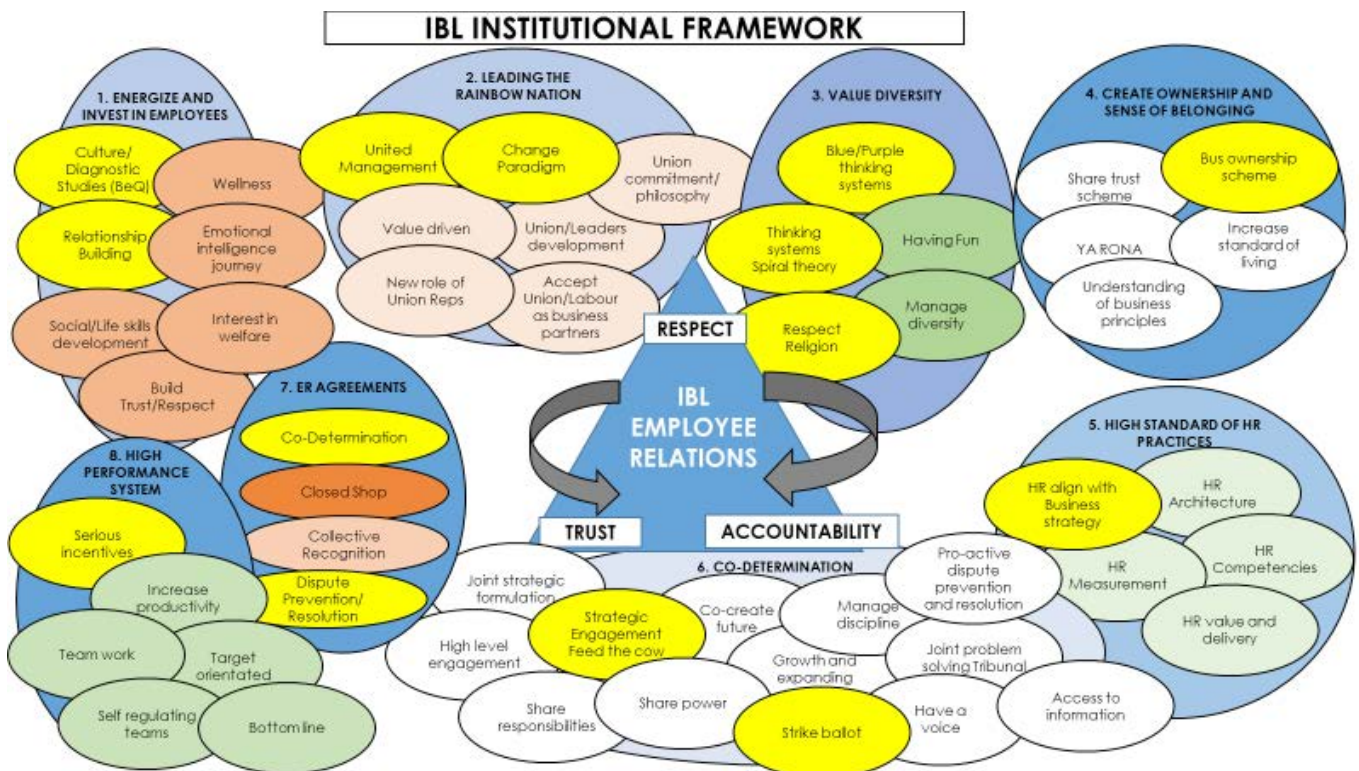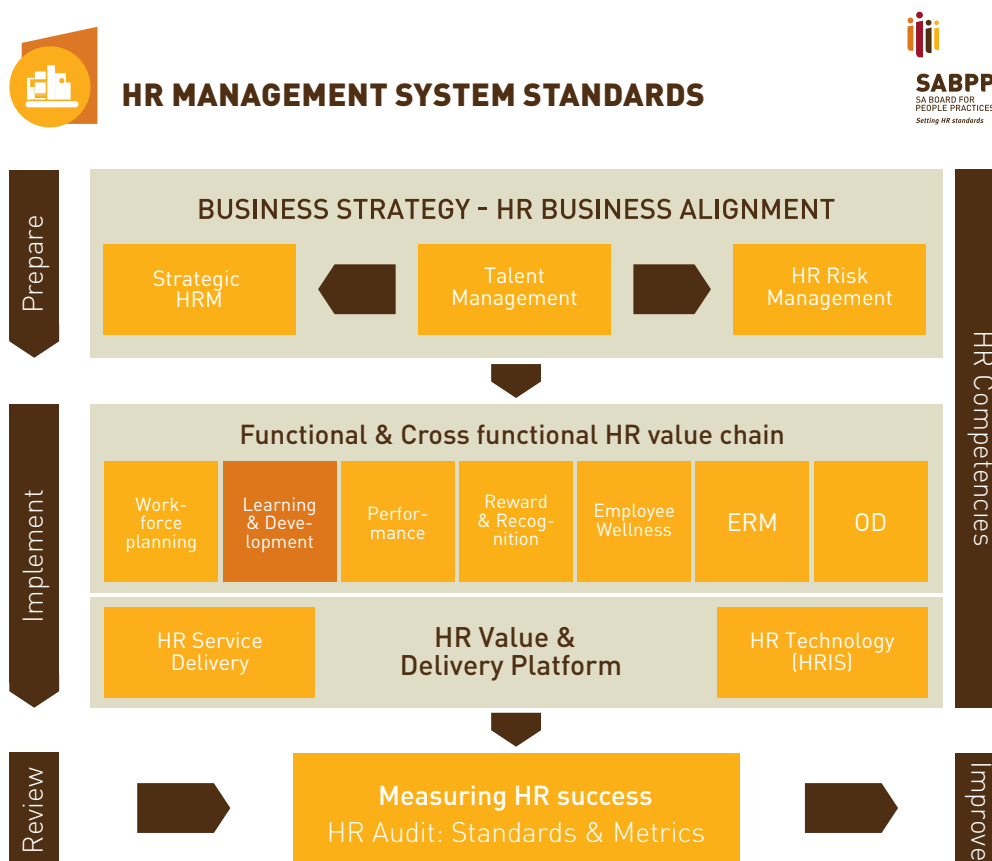
HIGH STANDARD OF HR PRACTICES

The company has invested in establishing an HR Department to comply with all HR functions and appointed professional human resources to implement and maintain the required policies, procedures and processes. Inclusive engagement strategies were implemented, and the company also did not withhold financial resources to implement initiatives to ensure employee engagement in company processes.

Since 2011, the SABPP developed a National HR Standards Model through an inclusive and transparent process supported by national and international HR professionals. The standards model was presented to the HR community in 2013 for inputs and were rolled out in 2014 and 2015.

The SABPP HRM system model and HRM Standards emphasise the importance of human resources management as a leadership imperative and management instrument for monitoring and verifying the effective implementation of an organisation strategy. It also provides the guidance on the management of the HRM programmes and practices and on the competence of the HR professionals applying these standards.

HR MANAGEMENT SYSTEM STANDARDS

SABPP
SA BOARD FOR
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Setting HR standards

Prepare	BUSINESS STRATEGY - HR BUSINESS ALIGNMENT			HR Competencies
	Strategic HRM	Talent Management	HR Risk Management	

Functional & Cross functional HR value chain

Implement	Work-force planning	Learning & Development	Performance	Reward & Recognition	Employee Wellness	ERM	OD

HR Service Delivery	**HR Value & Delivery Platform**	HR Technology (HRIS)

Review	**Measuring HR success** HR Audit: Standards & Metrics	Improve

The SABPP, the professional body for HR practitioners, defines L&D as:

Delegates of the HR Department attended all the sessions to ensure that the company can benchmark, implement and comply with SABPP HRM standards. The compliance with HR standard forms the basis of all HR initiatives, programmes and practices to ensure that the HR department plays a vital role in the business strategy as well as to the success of the company.

The HR Department has been audited in 2016 and received a favourable audit report in all 13 standards. The journey to comply with the HR standards has just begun and the maintenance and compliance to these standards is a life long journey.

Understand people/Manage diversity

Managing diversity has been defined by Ting-Toorney and Chung [7] as "Acquiring the necessary knowledge and dynamic skills to manage such differences appropriately and effectively". It is also about developing a creative mind-set to see things from different angles without rigged prejudgment.

The basis of managing diversity in IBL is based on the Spiral Dynamics [8] or Human Niche theory that was introduced to the company by Viljoen and Laubsher. This theory refers to different thinking systems that inform diversity of thought in systems. In IBL, the BeQ indicated that 89% of the people in the organisation had a Purple thinking system, with 3% Red, 5% Blue, 2% Orange and 1% Green and Yellow combined. For the organisation to be successful and execute Blue strategies such as the following of standard operating procedures, safety first and being on time without breakdowns, the hearts and the minds of Purple people had to be convinced to do Blue.

Spiral Dynamics Theory

Spiral Dynamics

Don Edward Beck & Christopher C. Cowan

illustration by Brandy Agerbeck, Loosetooth.com

Sources
1 Beck, Don Edward & Christopher C. Cowan, *Spiral Dynamics: mastering values, leadership, and change.* Blackwell Publishing, Oxford, 2006
2 Wilber, Ken, *A Theory of Everything: an integral vision for business, science, and spirituality.* Shambala Publications, Boston, 2000.

tier[1]	#[1]	meme[1]	popular name[1]	structure[1]	motives[1,2]	charcteristics[1,2]	% of pop.[2]	% of power[2]
2nd being	8	Turquoise	GlobalView	global	compassion, harmony	holistic, global	0.1	1
	7	Yellow	FlexFlow	interactive	adaptability, integration	systemic, conceptual, ecological, flexible	1	5
1st subsistence	6	Green	HumanBond	egalitarian	approval, equality, community	relativistic, personalistic, sensitive, pluralistic	10	15
	5	Orange	StriveDrive	delegative	autonomy, achievement	materialistic, strategic, ambitious, individualistic	30	50
	4	Blue	TruthForce	pyramidal	order, right & wrong	absolutistic, obedient, purposeful, authoritarian	40	30
	3	Red	PowerGods	empires	power, dominance	egocentric, exploitative, impulsive, rebellious	20	5
	2	Purple	KinSpirits	tribes	magic, safety	animistic, tribalistic, magical, mystical	10	1
	1	Beige	SurvivalSense	loose bands	survival	archaic, instinctive, basic, automatic	0.1	0

[7] https://martinnajat.wordpress.com/2016/03/05/the-challenge-of-managing-diverse-teams/

[8] http://spiraldynamics.org/2012/06/levels/

According to Viljoen, different thinking systems ask different questions and therefore behave differently, judge differently and differ in meaning – making. In particular, the archetypal thinking systems/human niches should be considered when engaging with them. This aspect is so critical to leadership that it cannot be ignored. If leaders can understand the thinking structures of people in their systems, then they can adapt communication strategy, reward, recognition, discipline and cultural issues accordingly. This understanding is extremely important in creating the conditions in which employees in multi-cultural settings can engage.

Leading the Rainbow Nation

In the previous section, Inclusive Engagement Strategies, the leadership crisis was identified and engagement initiatives discussed to align the top management team, restore the trust between top and middle management and the implementation of personal and leadership development programmes.

The same crisis that existed in management leadership is currently experienced in the union leadership where mistrust prevail between union leaders in the same union, as well as between unions and between leaders and their constituencies. In the co-determination model where union leaders are accepted as equal partners in business, the development of union leaders will be the focus area for the success of the engagement initiatives.

The future of the company and the achieving of the goals and objectives depend on the quality of leadership practices. The company will therefore have to invest in team building and leadership development to union as well as management leaders on an ongoing basis to sustain sound relationships in future.

Create ownership and a sense of belonging

The matter of ownership in a South African context has been identified as early as 1983 when Koopman reshaped Cashbuild to increase their profitability of R700 000 in 1982 to R1.6m in 1984, and nearly to R4m in 1986. As part of his turnaround strategy, he introduced drastic changes to its philosophy, culture and management style. Full worker participation became a reality along with his new perception there grew a strong sense of urgency on the part of top management for EEO (Every Employee and Owner). This philosophy of EEO derived from his discovery that every employee wanted a meaningful say in his place of work, to feel a sense of ownership in the business.

According to Jon L. Pierce,[9] the roots of psychological ownership can be found in 3 main motives:
*   Efficiency and effectance;
*   Self-identity;
*   Having a place.

Efficiency and effectance

The motive underlying possession is, in large part, to be in control. Ownership and the rights that come with it allow individuals to explore and alter their environment, thus satisfying their innate

[9] http://s3.amazonaws.com/academia.edu.documents/40537917/The_State_of_Psychological_Ownership_Int20151201-13551-tcbuiu. pdf?AWSAccessKeyId=AKIAJ56TQJRTWSMTNPEA&Expires=1477386352&Signature=J56koJAVXkXarv%2FbtxfuqcEPp2w%3D&response-content-disposition=inline%3B%20filename%3DThe_state_of_psychological_ownership_Int.pdf

need to be efficacious. The desire to experience casual efficiency in altering the environment leads to attempts to take possession and emergence of ownership feelings.

Self-identity

Possessions also serve as symbolic expressions of the self since they are closely connected with self-identity and individuality. It is through our interaction with possessions, coupled with a reflection upon their meaning, that "our sense of identity, our self-identifications, are established, maintained, reproduced and transformed". Thus we suggest that people use ownership for the purpose of defining themselves, expressing their self-identity to others, and ensuring the continuity of the self across time.

Having a place

Ownership and the associated psychological state can also be explained in part by the individuals motive to possess a certain territory of space to have a "home" in which to dwell. To have a place is important, it is a "need of the human soul" when we inhibit something, it is no longer an object for us, but becomes part of us. It is because of this motive and the possibility to satisfy it through ownership that people devote significant energy and resources to targets that can potentially become their home.

In summary, feelings of ownership allow individuals to fulfil these three basic human motives. These three motives, therefore, are the reason for psychological ownership. According to Olckers, [10] psychological ownership has been associated with:

• Greater commitment to the organisation;
• Greater accountability;
• Greater job satisfaction;
• Better organisational behaviour;
• Better organisation – based self-esteem;
• More effort on the part of the individual to engage in organisational citizenship behaviours;
• Increase in extra-role behaviours – meaning that individuals with higher levels of psychological ownership are more likely to engage in extra-role behaviour;
• Intention to stay in organisations.

It is therefore likely that employer ownership will encourage employees to think and act like owners and this will enhance organisational performance and effectiveness. As an attempt to promote ownership and sense of belonging, the company introduced a bus ownership scheme as well as a share trust scheme. In 2009 the company empowered its employees by allocating four subcontractor buses that employees can manage through an Employee Trust Scheme. The Trust is called "Basebetsi Transport" which means the "Workers Transport", owned by the workers and the transport renders on behalf of IBL are in line with the tender specifications that the Company has with Government. The buses are demarcated as Basebetsi Transport rendering services on behalf of IBL.

From a Purple niche perspective, the matter of buying shares in the company may result in suspicious thoughts as the understanding of share principles and dynamics thereof belong to

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10   http://www.scielo.org.za/scielo.php?pid=S2071-07632013000200009&script=sci_arttext&tlng=pt

a Blue thinking system. To achieve ownership in a Purple Niche, ownership achieved in tangible assets managed by themselves enhance a sense of collectiveness and trust in the system.

A Share Trust Scheme was introduced for employees in the higher hierarchy in the organisation that are predominantly from the Blue niche to promote ownership. After a strategic session was translated throughout the Company in 2011, the words "Ya Rona" were added to the Company's logo. "Ya Rona" means "Ours". The success of the company is thus a result of the combined efforts of all the employees, the loyal passengers, for the benefit of the community with the support of the Department of Transport that is viewed as their employer.

Energise and invest in employees

The company uses the BeQ Model as an organisational enquiry that describes organisational culture levels of engagement in the social system. It is an attempt at understanding not only what the need is for an individual to bring his or her voice to the organisation table, it is also of paramount importance to understand the contextual lens through which perceptions of respect, trust, support and other engagement factors that are typically measured by engagement studies are formed. Without understanding, in the first place, the thinking structures that create the perception, and ultimately casually determine the behaviour of a workplace, interventions will be designed and implemented based on symptoms and not primary causes.

In 2009 a BeQ study was conducted to measure the levels of human energy in the system that manifested in engagement. The system measured ENGAGED. It indicated that there was enough positive human energy in the system to implement organisational strategy. There were still areas that could improve and the management team immediately strategised to enhance those areas. It should however be noted that the levels of engagement that were measured in IBL are seldom detected. It became clear that employees trust management, that they are included in the business decision making and that they take personal responsibility and act if IBL was their own company. Resulting from this study, supervisory skills, diversity, emotional intelligence and wellness initiatives have been identified as development areas that should be addressed. In 2014 Dr. Loraine Laubscher facilitated human niche sessions with various IBL groups. Dr. Oubaas Jooste started the facilitation of Emotional Intelligence development with all employees at the beginning of 2015. The company employed the services of Life Hospital to render a daily occupational health clinic on the premises. It is envisaged to do a BeQ study in 2016 to identify development areas and initiatives as part of the company's strategic plan for the next 5 years.

Performance Culture

According to Bain and Company Consulting Services, the company culture is at the heart of competitive advantage, because it determines how things are done and how people behave, it is the hardest thing for competitors to copy. High performers create an environment with unique personality and soul, and with a passion for performance – so that people make the right decisions and do the right thing wherever they are in the business.

The culture inspires people to go the extra mile, to make and execute good decisions even when nobody's looking. In IBL, the performance culture is driven by an incentive scheme that has been

developed over years with group as well as individual targets that are reviewed on an annual basis. The targets are linked with the key performance areas in job profiles as well as objectives and targets set that is linked to the overall success of each department that have an impact on the bottom line in the company. The company values the impact of the incentive scheme to the overall success of the company to such an extent that it spends 13% of the payroll to monthly incentive payments on an individual and group basis. The principle of incentive payments is based on cost savings and income generated as a result of targets met.

The bus drivers are the first contact with customers and their driving habits and conduct have a direct impact on reputation, accidents, fuel savings, tyre usage, safety, ticket theft, service delivery, ext. The criteria selected and targets set are directly linked to the above. Drivers are divided in teams and a concept of self-regulating teams have been established where they select a team leader that manages the achievements of the teams.

In the book Organization Culture, Organizational Performance, Torbin Rick[11] describes 10 key elements in creating high performance culture that also fit the sentiments of IBL:
• Clearly define what winning looks like;
• Spell out your "preferred culture" – establishing preferred behaviours that support your values;
• Set stretch targets – the more you expect, the more they will achieve;
• Connect to the big picture – how individual efforts fit into the broader company strategy;
• Develop an ownership mentality – think an act like an owner;
• Improving performance through transparency – increase a sense of ownership;
• Increase performance through employee engagement;
• Story telling – use stories to motivate employees to achieve more than they thought possible;
• Internal communication – need to be on top of the agenda;
• Taking time to celebrate – celebrate milestones – acknowledge hard work, boost morale and keep up the momentum.
•
High performance organisations do not take culture for granted, they plan it, monitor it and manage it so that it remains aligned with what they want to achieve. Do remember the famous words of Pieter Drucker "Culture eats strategy for breakfast".

CASE STUDIES – A TREND TOWARDS CO-DETERMINATION
Professor Eddie Webster[12] , from the University of the Witwatersrand selected companies with whom the Sociology of Work Unit (SWOP) had past research contact and where the existence of institutions for worker participation was known, to study workplace representation of which findings from the case studies can be divided into four different themes:
• Why are forums introduced?
• What form they take?
• What powers they have?
• How do they deal with conflict?
Resulting from the survey, there are a number of general issues concerning the functioning of the forums that influence the IBL Co-Determination Model:

11 https://www.torbenrick.eu/blog/performance-management/how-to-create-a-high-performance-organization/
12 http://www.youtube.com/watch?v=e3ie_uvn68k

- Companies are spending considerable amounts of time and money in running and servicing forums, especially large companies with a number of establishments.
- In some cases, there is a dependence on individuals, the charismatic individual manager who initiates a forum and later leaves the company.
- Forums arise from their close link to union structures and because of this link, white-collar workers and middle managers are excluded from the forums.
- A dual structure of bargaining emerged: -
- Wage bargaining at the sectorial or central level and bargaining over production at plant level. Such structure makes it easier to separate wage bargaining over negotiating over in-plant, production and productivity related issues, this dual structure of bargaining holds out the real prospect of articulation that is increased labour–management interaction at several levels.
- Forum members have limited capacity to engage in joint problem solving.
- Union representatives complained that decisions made at the forum were never implemented. The forum has no teeth. Management controls the agenda and uses the forum to lecture us. Meetings are not held regularly. Management only call the unions when they need them and only use unions a rubber stamp.
- Management draw up the agenda they call a meeting and unions don't have the opportunity to meet as a group. Most union officials came from political background with a limited understanding of business principles and processes of production. This is exacerbated by the high turnover of union officials and inadequate training of workplace representatives. A second and related limitation concerns the reluctance of employees and their representatives to identify the goals of the enterprise. This is deeply rooted in the low trust dynamic that arises from apartheid workplace regime and has resulted in suspicion of any involvement in decision–making.
- The shop stewards saw the role that Works Councillors play in Germany as being in conflict with their role as worker representatives. The act of joint decision–making for the shop stewards meant that the Works Councils had been co-opted by management, not that workers had won greater influence over decision-making. The result of this suspicion is that worker representatives find themselves in difficult situations when companies engage in cost cutting exercises.
- Both management and shop stewards are well schooled in adversarial bargaining and find it difficult to adjust to Co-determination.
- Forums are not based on legal rights but on the sheer power (or lack of power) of union representatives in the work place.
- At core of the unions caution lies the concern that new forms of workplace representation will undermine established union structures.
- Management's uncertainty, especially with regards to the statutory forums, arises from their fear that the proposed forums will substantially curtail their prerogative to make unilateral decisions by giving workers statutory rights to consultation and co-decision-making.

In conclusion, comparative research has, however concluded that institutions such as workplace forums offer a secure basis on which to construct an effective partnership with employees at plant level. Moreover, they hold out the prospect for enhancing efficiency by improving the operation of firms.

It also suggests that workplace forums could strengthen unions. Firstly, by exercising their rights in unitary bodies on behalf of the workplace as a whole. The union can also strengthen itself by gaining access to information from its members on the forum. The forums also offer unions the opportunity to increase their capacity through training, paid time-off, full-time representatives and administration facilities.

HIGH STANDARD OF HR PRACTICES

In 2013, the SABPP adopted an HR Management System Model and Standard to provide the framework of good practice for the profession. One of the elements of the Standard is Employment Relations Management (ERM).
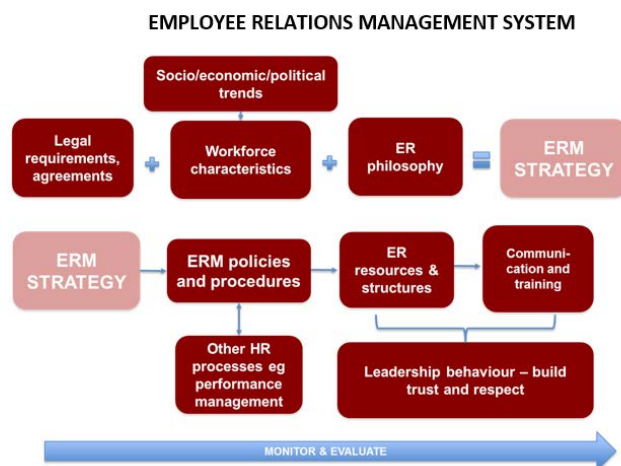
The SABPP ERM Standard

The ERM element of the Standard defines ERM as:
The management of individual and collective relationships in an organisation through the implementation of good practices that enable the achievement of organisational objectives compliant with the legislative framework and appropriate to socio-economic conditions.

The objectives that an organisation should achieve in order to meet the Standard are:
1. To create a climate of trust, cooperation and stability within an organisation.
2. To achieve a harmonious and productive working environment which enables the organisation to compete effectively in its market place.
3. To provide a framework for conflict resolution.
4. To provide a framework for collective bargaining where relevant.
5. To ensure capacity building and compliance to relevant labour legislation, codes of good practice (ILO and Department of Labour) and international standards.

Implementation of the Standard should follow the systemic approach shown below:

EMPLOYEE RELATIONS MANAGEMENT SYSTEM

JOURNEY TOWARDS THE DEVELOPMENT OF A CODETERMINATION PRACTICE STANDARD: IS SA READY FOR THE CO-DETERMINATION MODEL?

The SABPP is currently analysing the Co-determination model within the SA context. On the 24 October 2016 a Committee of ER Specialists developed the first draft of the Co-determination HR Practice Standards for consideration by all ER practitioners and other ER stakeholders. The draft will be refined through a multi-tiered consultation process and will consider all the contextual variables that are likely to affect the ER model. Some of the key considerations relate to whether the Co-determination model works effectively in contexts of bargaining councils, balancing the needs of competing stakeholder interest, the approach is evolutionary and that power sharing approach is needed.

As per the National Development Plan 2030[13] (NDP) that in order to eliminate poverty and reduce inequality by 2030, SA must create an inclusive economy through its citizens. In the spirit of collaboration, democracy and sharing of power and assets, the NDP has paved a road for transformation. In recent light the SA labour market has been volatile with a decrease in "unemployment by 1.6% and employment by 0.8%."[14] Unemployment is currently sitting at 26.6%, meaning that the access to job opportunities is still a concern. Employee relations management becomes an integral part of creating a transformative economy and society that creates access to employment, and the consideration of the Co-determination model becomes important in terms of progress. The model in practice, acknowledging that it is a German model, has received positive results in Europe. SABPP is very much interested in its applicability and adaptability within a pure South African context. IBL has displayed positive output in these aspects of applicability and adaptability, however SA work environments are very diverse and legislatively strong.

SOUTH AFRICA UNEMPLOYMENT RATE

SOURCE: WWW.TRADINGECONOMICS.COM | STATISTICS SOUTH AFRICA

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[13] http://www.gov.za/sites/www.gov.za/files/Executive%20Summary-NDP%202030%20-%20Our%20future%20-%20make%20it%20work.pdf

[14] http://www.tradingeconomics.com/south-africa/unemployment-rate

The Co-determination model is a proactive approach that can improve ER in SA. The model in itself must be tested within the various sectors and industries to gain insight of how it can add value to South African companies, who are encouraged to adopt variations of the Co-determination model. Currently the SA readiness for the model is low, however the awareness of the model is gaining momentum. Due to the impact of labour relations on the economy, the country requires a new and dynamic approach to improve and harness good labour practices. The Co-determination may assist in getting that right and hence should be on the trend radar for change and innovation within the ER landscape of SA.

This Fact Sheet was written by Lathasha Subban Head: Knowledge and Innovation of the SABPP with contributing authors:

Dr Shamila Singh, SABPP Head of Standards: Dr Shamila Singh has extensive experience as an academic, consultant, coach and Shared Services Manager. She has been appointed as Interim Head of the SABPP HR Audit Unit, the first national HR audit unit of its kind in the world. Shamila completed BBA, and BA (Hons) in Industrial Psychology degree at Unisa as well as MBL and DBL degrees at the Unisa School of Business Leadership. She specialises in HR Management and Corporate Governance and focuses on Strategy, Talent Management, HR Risk Management, Performance Management, Employment Relations Management, Organisation Development and HR Measurement as key standard elements of the National HR Standards developed by SABPP. Shamila is registered as a Master's HR Professional with SABPP. She delivered several papers at local and international conferences. Shamila is involved in academic and research work for Unisa, Mancosa, Open University, and is the Director of Unique Consulting Services. Shamila is doing research supervision for Unisa School of Business Leadership, Mancosa, Regent Business School, Durban University of Technology, University of Kwazulu-Natal and the Institute of Marketing Management. She also chairs the SABPP Monitoring and Evaluation Committee to govern the quality assurance of accredited learning providers as delegated to SABPP by the Quality Council for Trades and Occupations. Recently Shamila trained the UNISA, Corobrik and Astral Group HR teams on the National HR Standards.

Henk Van Zyl worked at Interstate Bus Lines as HR Executive for 24 years. He is registered as a HR Professional with SABPP, worked for 36 years in the Passenger Transport industry and have extensive experience in HR and particular Employee relations on Company as well Bargaining Council level.

FACT SHEET

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DATE	NUMBER	SUBJECT
2013		
February	1	**GAINING HR QUALIFICATIONS**
March	2	**ETHICS, FRAUD AND CORRUPTION**
April	3	**NATIONAL DEVELOPMENT PLAN**
May	4	**BARGAINING COUNCILS**
June	5	**EMPLOYMENT EQUITY**
July	6	**HR COMPETENCIES**
August	7	**HR MANAGEMENT STANDARDS**
September	8	**PAY EQUITY**
October	9	**COACHING AND MENTORING**
November	10	**HIV/AIDS IN THE WORKPLACE**
2014		
February	1	**EMPLOYING FIRST-TIME JOB MARKET ENTRANTS**
March	2	**PROTECTION OF PERSONAL INFORMATION ACT**
April	3	**QUALITY COUNCIL FOR TRADES AND OCCUPATIONS**
May	4	**WORK-INTEGRATED LEARNING**
June	5	**RECRUITMENT – SCREENING OF CANDIDATES**
July	6	**HR RISK MANAGEMENT**
August	7	**BASIC HR REPORTING (1)**
September	8	**BASIC HR REPORTING (2)**
October	9	**EMPLOYEE ENGAGEMENT**
November	10	**SEXUAL HARASSMENT**

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DATE	NUMBER	SUBJECT
2015		
February	1	**AMENDMENTS TO LABOUR LEGISLATION 2014**
March	2	**THE REVISED BROAD-BASED BLACK ECONOMIC EMPOWERMENT CODES OF GOOD PRACTICE**
April	3	**LESSONS LEARNED FOR EMPLOYERS FROM CCMA CASES**
May	4	**EMPLOYEE WELLNESS SCREENING**
June	5	**CHANGING THE EMPLOYMENT EQUITY LANDSCAPE**
July	6	**EMPLOYEE VOLUNTEERING**
August	7	**DEPRESSION IN THE WORKPLACE**
September	8	**EMPLOYEE WELLNESS**
October	9	**EQUAL PAY AUDITS**
November	10	**BASICS OF EMPLOYEE COMMUNICATION**
2016		
February	1	**PRODUCTIVITY BASICS**
March	2	**SERVICE LEVEL AGREEMENT**
April	3	**TALENT MANAGEMENT: PAST, PRESENT AND FUTURE**
May	4	**BUILDING ORGANISATIONAL CAPABILITIES**
June	5	**CHANGE MANAGEMENT**
July	6	**INNOVATION IN HR**
August	7	**HR TECHNOLOGY**
September	8	**HR IN BUSINESS SUSTAINABILITY**
October	9	**THE LEARNING & DEVELOPMENT LANDSCAPE IN SA**
November	10	**TOWARDS A CODETERMINATION MODEL FOR SOUTH AFRICA**

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