

IIE NEWS.

The second IIE weekend seminar was held over the weekend of the 20-21st July. It was attended by 38 students. On Saturday afternoon and evening we played a simulation game designed to use the information on factory economics covered in the first seven lessons. The game involved attempting to negotiate a wage increase.

The players were divided into three groups: workers, works committee members and union officials. The union was provided with information about the firm and general economic indicators. The current balance sheet, the annual turn-over figure, the profits and dividend payments for the last 5 years were provided, as well as some comparative figures for the firm taken from the Financial Mail Top Companies Survey. This information was supplemented with data on industrial profits in all the main industries for 1973, Consumer Price Index figures for 1965-73, and PDL figures for 1971-74.

The procedure of the game was as follows;

- 1) The works committee members met with the workers for 1½ hours to discuss the agenda of the meeting, and to decide how the various points should be dealt with. The trade union group met to discuss its relation to the works committee, and to analyse the figures at its disposal.
- 2) The works committee, or rather one delegate from the works committee met with the union, while the others continued their discussion. This meeting lasted for ½ an hour.
- 3) The works committee, consisting of employers and workers representatives, then met the workers putting forward a demand for R5 a week wage increase. This was argued about for ¼ of an hour. The works committee members used arguments about the effect of low wages on productivity, but at this stage still had not got the profit figures from the union. Deadlock was the result.
- 4) During a half hour break in negotiations the works committee members consulted first with the workers and then with the union officials. At this point the staff intervened for the first time to criticise a number of points, namely;
  - a) that the works committee had not made many use of the available figures on the firm's profit and growth potential to substantiate their arguments,
  - b) that they had not received sufficient help from the union,
  - c) to support their arguments on the social effects of low wages, they should have made use of the PDL figures and the Cost of Living index, and
  - d) that neither the works committee nor the trade union had made use of the resource people available.
- 5) Negotiations were then resumed for a further ¼ of an hour during which the works committee members made better use

of the figures. The employers conceded the wage increase.

6) A general discussion was held for a short while.

7) The following morning the participants were broken up into small groups and presented with specific questions about the game. After an hour of discussion in these groups, they all reported back to the plenary session.

Our general comment on the game was that it was successful in that it synthesised the information in the lesson books in a very concrete way. It helped the students become aware of the way in which the material printed in the lessons hung together. The main weakness from the point of view of the design of the game was that no historical background to the negotiating situation had been given. This made it more difficult for the various groups to orientate themselves to each other in a realistic way. What emerged clearly from the game was that the students found it difficult to deal easily with figures and percentages. Students tended to use emotional arguments rather than factual arguments. What they need to learn is to use the former to support the latter.

The students were able to make use of what they had learnt but they could only do so in specific instances that resembled the situation described in the lesson books. They had not absorbed the information sufficiently well to use to effectively. This was due to the fact that they were by and large tending to crystallise and fix information from one book in the section they had found it originally, instead of selecting information out of the various books simultaneously to support an argument. They were able to handle the information at the general level discussed in the lesson books and at the specific level of their particular factories. But to handle both the general and the specific in an entirely new situation, was something they found difficult to do.

Having more simulation games on various aspects of the course should serve to solve this problem of the compartmentalisation of knowledge.

For the rest of Sunday we worked on examples of legal problems. The first problem involved continuing the previous game under the hypothesis that the wage increase had been refused, and the workers had decided to hold a legal strike. This was very useful as it became clear that the terms of the Bantu Labour Relations Regulation Amendment Act were not well understood. This was followed by a number of problems involving dismissals. The workers broke up into groups, and each group was given a different dismissal incident, and told to use the legal handbook to determine whether the dismissal had been properly handled or not. Each group then reported back to a plenary session. Most groups had the right answers but not always for the right reasons. The workers felt that the issue of dismissals was particularly important, and regretted that we had not been able to spend more time on it.

In a general discussion it was decided to supplement the quarterly weekend seminars with monthly Saturday seminars also using simulation games.