

# Worker participation at PGBison

The report of the senior manager was eloquent, glowing and self-congratulatory. Addressing a national forum of PG Bison's shop stewards, union organisers from four recognised trade unions and senior managers, he said things were going wonderfully at his business unit. Just about everyone seemed impressed.

Everyone, that is, except the operation's senior shopsteward, who was given the right of reply. No, he said, things were not going well at all. In fact management in general at this branch, and this senior manager in particular, were doing next to nothing.

When the shock waves had subsided, the delegates were in for another surprise. The senior manager and senior shop steward from the next factory rose to present their perspective.

"We'll be putting out a joint report because we agree that much has been achieved and we also agree on what is still to be done", said the shop steward.

So went the second National Negotiating Forum in October 1991: a heady mixture of criticism, debate



and praise - and a surprising level of agreement about the values and objectives of the business.

Summing up the gathering, PPWAWU national organiser, Elijah Masinga said: "What we have done here is not small. It is very big. We are makers of history of the new South Africa. This is not easy. There are no set rules, no precedents to follow. We are pioneers of the new industrial order in South Africa. None of us should feel we are not making a contribution. We should look forward to the day when other companies feel at liberty to copy what we are trying to do here."

Over the past three years the following has been achieved:

- agreement that workers become involved in the appointment of managers and peers and that they should participate in formulating the policies, principles and values of the company;
- agreement that the unions should have a say in aspects of the day to day business such as training programmes, and eventually in setting and evaluating performance goals;

This is all structured in a 'Continuous Improvement' programme entitled 'Total Productivity and Quality' (TPQ). At the lowest level this has involved 'Value Sharing' workshops for all employees and the formation of 'In-a-Groups' in each factory and outlet for workers and management to discuss problems.

It has also involved a variety of programmes to change attitudes of management. At the highest level is the National Negotiating Forum (separate from annual wage negotiations), where

## A NEW APPROACH TO RUNNING THE COMPANY

The first moves towards creating a new vision for PG Bison were made in 1987. As Rob Cohen, managing director of Bisonbord, explains it, there was a "sluggishness" in the company's performance. The directors came to see this as being directly related to the style and structure of management and to the related problem of low productivity incentives on the part of the black workforce. A major communication gap between black and white on the shop floor was identified, and it was felt that the rigidity of the line management structure did not allow for a "cross fertilisation" of knowledge and information. This in turn led to excessive bureaucracy and duplication of functions.

Chief Executive, Leon Cohen also identifies the development of trade unionism within the country and within PG Bison as a key motivating factor.

"It challenged traditional authoritarianism with its dependence on threat or paternalism to motivate the workforce and forced white management to develop meaningful relationships with the black workforce, and to recognise it was composed of real people with their own needs and aspirations. Blacks realised how important they were to commerce and industry and recognised their ability to organise and mobilise."

## An in-depth focus on management strategies at PGBison by GAVIN EVANS

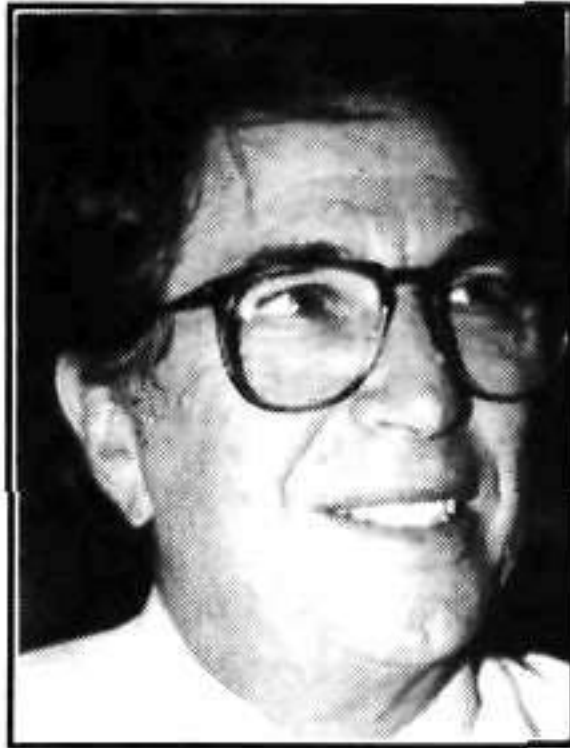
- an undertaking from the company not to use re-trenchments to cope with down-turns in the economy;
- full disclosure of all information on the company's performance;
- agreement on full-time paid shop stewards;
- a joint worker/management-controlled literacy and numeracy programme in every factory and outlet as well as a programme for managers to learn African languages;
- a policy of in-company promotions in preference to employing outsiders, and
- agreement on performance reward systems organised at the factory level.

management and the unions discuss a wide range of issues relating to the values and the running of the company.

While not everyone in business or labour supports what is happening, it is clear that everyone is starting to take notice. ANC speakers regularly cite PG Bison as a fine example of how business should adapt to the "new" South Africa.

PG Bison chief executive, Leon Cohen, receives a constant stream of requests from other major companies, business forums and the like to address them on how to change. And the PG Bison story has featured prominently in the business press.





*Leon Cohen: how to stay in business into the 21st century*

*Photo: Shariff/Labour Bulletin*

### Preparing for the 21st century

He says the company's relatively enlightened management had to ask itself: "What had to be done to get into the 21st century if the purpose of business was to stay in business, and if we acknowledged the inevitability of change from a white dominated society to a country for all its people, and the need to introduce creative initiatives to reverse the economically destructive route of the country?"

The answer was given the heading Total Productivity and Quality. And the man chosen to make it work was a prominent young Afrikaner, Christo Nel, who was appointed to the PG Bison Board of Directors to head up the TPQ management and labour transformation programme - a position he held until recently.

The company was divided into eight 'Strategic Business Units' (SBUs). Each was

## PG BISON LIMITED

PG Bison was formed in 1986 in a merger of some of the major players in the board industry.

Today the company is southern Africa's leading manufacturer and distributor of particle-board and related products. Its turnover in the year ending 31 March 1991 was R643 million, with a value added figure of over R218 million, and attributable earnings of R39 million, according to the group's latest performance report. Over 20 percent of its product is exported overseas.

PG Bison has two manufacturing divisions, Bisonbord which produces and upgrades raw boards at four factories around the country, and Laminate Industries which produces decorative surfacing such as Formica at its Alberton factory.

PG Wood, a wholly-owned subsidiary, also runs the chain of Timber City stores. PG Bison recently expanded its investment in the Penny Pinchers building supply chain. The three divisions - Bisonbord, Laminate Industries and PG Wood - have their own management structures and operate with considerable autonomy.

PG Bison today has over 4 000 employees (excluding Penny Pinchers), of whom about 3 000 are unionised (most of the rest are managers, supervisors and white collar staff). The strongest union at PG is PPWAWU which organises at three Bisonbord factories and most of the PG Wood outlets. NUMSA organises at Laminate Industries, while SACCAWU organises at most PG Wood outlets in Natal, and UWUSA at the Bisonbord factory in Pietermaritzburg and a few of the Natal PG Wood outlets.

PG Bison is investigating a number of projects for expanding. These include plans for several new ventures in southern Africa, alliances with companies in Italy and Germany to market PG products in Europe, and viewing the increasing demand for housing in SA as an opportunity to grow at home. The company expects the effect of all this will be increased production, new factories and new job opportunities. ♦

### SAB takes control

Until December 1991 PG Bison was jointly owned by separate industrial holding companies - PGSI (Plate Glass and Shatterprufe Industries) and Spankor, a holding company owned by Mondi (Anglo American) and Associated Furniture Company Limited, held by South African Breweries. Senior managers of PG Bison hold about 4% of the stock. The ownership structure left PG Bison's management with considerable independence since neither outside shareholder group held majority control. In December, SAB bought out Placor, the holding company of PGSI, and thus assumed an effective controlling interest in PG Bison, given SAB's existing shareholding in Afcol. Both SAB and PGSI say this is purely an investment change and will not affect management or policy within PG Bison.) ♦



given a far higher level of autonomy than they had previously enjoyed. The top managers from each of the SBUs then met in a three day workshop in September 1987 and jointly accepted the need to "create a non-racial democracy in the business".

TPQ got off the ground in 1988 and 1989 when virtually the entire company was taken through 'Value Sharing' workshops. From each SBU groups of 20 people - workers, supervisors and managers - would be taken for two day sessions which involved them sharing perceptions of each other, as well as education on topics which included the reasons for the ANC adopting the armed struggle, and other aspects of the history of black resistance in South Africa.

PG Bison senior manager and former TPQ co-ordinator Tlhopeho Modise, says these sessions created much discomfort for the whites: "The attitudes of the more conservative whites to the ANC were very different before February 2 1990. Then the whites tended to come in with closed minds and to regard the ANC as purely a violent banned organisation to which they were antagonistic. But as the black workers discussed the reasons behind the ANC taking up the armed struggle, many started to listen because it was the first time that they were hearing the perspectives of their colleagues."

Business units formed TPQ committees, some



elected by secret ballot, or devised other representative structures to broaden planning and implementation.

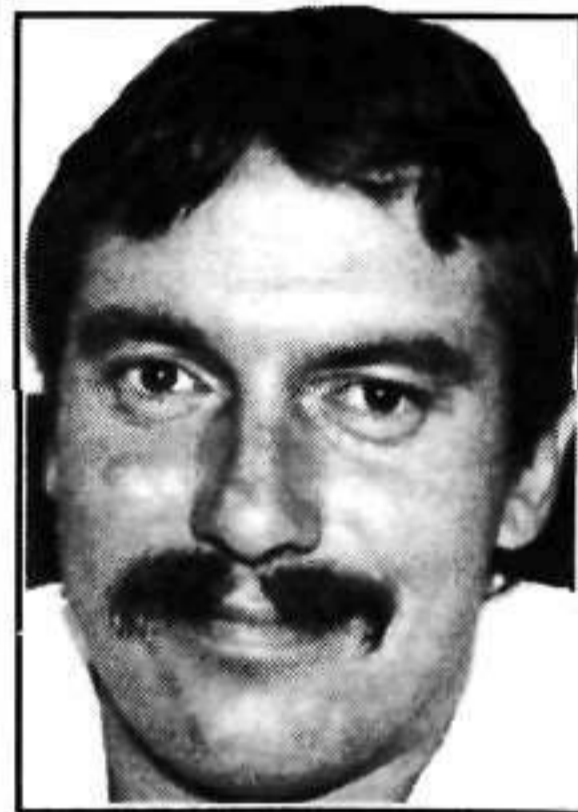
### Problem solving

A major aspect of the programme was the formation of what were termed 'In-a-Groups', consisting of workers, managers and supervisors in what are seen as the natural work teams within the SBU.

According to TPQ facilitator Maxine Hart, the basic notion is that "the person doing the job understands it better than anyone else, and therefore there is a need to ensure the devolution of authority and power to lower levels". This means involving in the same decision-making structure people who would previously have been seen as belonging at different levels within the company hierarchy. All have the same status within the group and are encouraged to raise any problems they face in relation to their work - including home environments, discipline, and value-related issues. They also have a say in the hiring of new employees in their work teams. A key to this system is the notion of 'pipelining' - or developing horizontal as well as vertical decision-making structures.

Initial assessments found there was considerable

suspicion of the programme among black workers and a fear it would undermine their own solidarity. Among whites there was a fear of losing their "managerial prerogative", and a perception that the blacks were the prime beneficiaries, and that they were only interested because it offered the prospect of their receiving wage increases.



*Petrus Esterhuizen: "my job became easier."*

*Photo: Shariff/Labour Bulletin*

As Petrus Esterhuizen, a former policeman who is now a production manager at a division of the Laminate Industries factory put it: "The problem among the whites in the company was that they believed it was for the blacks only - that the blacks were scoring and the whites were not."

Despite this, Esterhuizen is positive about TPQ: "I actually hated my job at first because I couldn't cope. I had to sit here at nights until 9 or 10 to get my job done - not because of my work, but



## INDUSTRIAL RELATIONS

because I had to do 10 other people's work as well.... But when TPQ started I started having a much better life during my working day. ... My job became a lot easier and I actually get more time to spend on management than on running around solving other people's problems."

All of the workers interviewed seemed positive about the programme and most noted that its implementation had led to a progressive decline in the level of racism of the white supervisors and managers.

"You take the example of Ma Jansen (a white supervisor)," said one NUMSA member at Laminate Industries. "When she first came her big thing was that she didn't want the toilets integrated. Now her big concern is over why Stanley (a black worker) didn't get promotion. She's changed a lot, you know."

### Senior management

The company's senior managers and directors were not allowed to be aloof from the processes being implemented. A variety of programmes were held at different levels of the business in order to introduce a more participatory approach to running the company.

As part of a senior managerial development programme, all the SBU leaders, group directors and their wives were taken on a "five day intensive investigation of business process and environments in Zimbabwe" early in 1989. This visit in-



cluded meetings with several Zimbabwean cabinet ministers and two sessions with a delegation from the African National Congress - the first time the management of a major South African corporation had met the ANC.

This has not been the only political intervention made by the company's executives. In August 1988, for example, Nel organised a top-level 38-person business delegation (which included PG Bison chairman Bertie Lubner and executive director Leon Cohen) to meet with 30 UDF and COSATU leaders. The result of this 'Broederstroom Encounter' was the formation of the Consultative Business Movement - a facilitative group mainly involved in establishing communication between business and political groups such as the ANC, Inkatha, the PAC and the National Party. It was initially co-ordinated by Nel and housed at the PG Bison head office. Today it involves representatives from most of the country's major corporations, one of the most active of whom is Leon Cohen.

### THE UNIONS OBJECT

In October 1989, a new element to the TPQ process was introduced - a national meeting of shop stewards. Man-

agement organised a three-day conference involving over 70 shop stewards from around the country, to discuss how to progress with the programme.

At the time the event was judged by management to be a success - but the unions were unhappy because there



*PPWAWU: suspicious about TPQ objectives*

had been no union representation. Soon after, PPWAWU began to raise objections to the programme. Their organisers expressed suspicions about the motives of management - viewing structures such as the 'In-a-Groups' as part of an attempt to break the unity of the workers, and a way to impose productivity increases that might cost the workers their jobs. In June 1990 PPWAWU sent a fax to its shop stewards saying that, "TPQ is there to co-opt the workers and undermine the militancy of the union. Workers need to meet and plan a strategy to stop this."

Interviewed a few months later then-PPWAWU branch secretary Kenny Fihla said: "You have similar programmes at a number of other companies but what is unique at PG is that it is part of an overall strategy. What they do there is use the union structure to make it work. It's not an anti-union approach but they do sort-of



co-opt the shop stewards through getting them to be part of its implementation.”

He said the union believed TPQ had been introduced in order to increase productivity. “Management wants to do this, but can’t without the participation of the workers. They are co-opting the shop stewards to ensure that late-comings and absenteeism are reduced, wastage cut down on and strike action discouraged.”

But the union had resolved to keep its options open. “This is because TPQ is very attractive to the workers. We can’t just reject it because then we would have a situation where only the union officials are opposed to it when workers are supporting it on the factory floor. We have realised that we need to be part of it and at the same time make our position strong and make sure some of the dangerous elements in it are rejected.”

Former NUMSA organiser Sam Ntuli (who was assassinated by a death squad in September 1991) was more positive, arguing that it was fundamentally different from most other participative management programmes.

“What I’ve seen is that TPQ gives the workers a chance to participate in it democratically and to take part in open debate with other racial groups. What it is trying to do is to get different racial groups working together as a team and this seems to have the effect of reducing the racism among the



whites. ... It also helps promote skills in the sense that positions will go to people capable of doing the job. So I would say the situation (at PG) is definitely more positive than in other companies.”

The effect of PPWAWU’s criticism was that all managements’ assumptions about the programme had to be reviewed. In August 1990 management met with shop stewards and union officials to discuss the problems. The unions said the entire programme had to be suspended until it had been thoroughly negotiated. Months of debate followed until a larger national meeting was held, and all four unions agreed that all processes which had been started should continue, while management agreed to

a National Negotiating Forum (which replaced the shop stewards conference). From then on the union organisers, as well as the shop stewards, were integrally involved in the programme.

## COLLECTIVE BARGAINING AT PG BISON

A major focus of TPQ is that industrial relations (including collective bargaining) should not be seen on the management side as the preserve of human resources and industrial relations managers.

In a recent speech to the Institute for Personnel Management, Cohen stressed the unions should not be seen as the enemy, and told delegates they should understand the need to support a strong trade union movement “as an important stakeholder that can actively and responsibly contribute to the creation of

### TPQ takes a LEAP forward

One of the key aspects to TPQ which has taken off over the past two years has been the implementation of a comprehensive adult education programme at the workplace, called LEAP (Learning for Empowerment and Progress). After initial criticisms by the unions, the programme is now jointly planned and implemented by unions and management.

There are now over 300 people in classes at five of the SBUs, and another 65 have already graduated. There will soon be three pilot numeracy programmes, several classes for managers to learn Zulu, business literacy courses for workers and a national AIDS education awareness campaign. Managers and workers recently jointly committed PG Bison to ensuring basic literacy and numeracy skills for 100 percent of the workforce within five years.

wealth, employment and a growing economy".

PG Bison management emphasises turning potential points of conflict into points of co-operation. For instance, in the past managers often used discipline as a tool to get rid of people they did not like, whereas now they are encouraged to use disciplinary hearings to correct behaviour and to discuss the issues that led to the transgressions. Willie du Plessis, human resources manager at Bisonbord in Piet Retief, says that before TPQ was introduced an average of five percent of the total workforce was disciplined on a monthly basis, but this has now been reduced to less than two percent, "mainly because management now approach mistakes as an opportunity for improvement rather than punishment".

### Centralised bargaining

Collective bargaining takes place at a number of levels. There are regular meetings between shop stewards and management at the SBU level. Some of these meetings also involve union officials. Representatives from all the unions, including union organisers, and management meet three times a year in the National Forum to negotiate any issues that any of the parties wish to raise. Wage negotiations currently take place at the subsidiary or company level. The whole collective bargaining structure is now under review.

At the June 1991 National



Forum it was agreed that management and workers would immediately begin negotiating on whether centralised bargaining was appropriate, and if so, how it should be implemented. PPWAWU put forward the position that negotiations at an industrial council level were preferable. It said that to negotiate at plant or branch level was unacceptable because it put too much strain on union resources and divided the workers, creating an imbalance in the various plants belonging to the same company or group. Similar problems could emerge with bargaining at the company level, because it would prevent workers developing a sense of the industry as a whole, and leave employers in unorganised companies free to exploit at will.

While the details still have to be negotiated, the National Forum agreed that centralised national bargaining should be implemented. A problem, however, is that in the wood sector there is no industrial council. Laminate Industries was recently exempted from the industrial council in the metal sector, but its wage increases have consistently been four percent or more above the industrial council settlement.

Over the past few years annual wage negotiations

have generally been fairly tough but have been resolved without any major fall-out. Penny Pinchers MD and former Laminate Industries MD Andrew Gilbert says that in both 1986 and 1987 the build up to wage negotiations was characterised by work-to-rule, go-slows and brief work stoppages (though no strikes), but there has been a significant change since 1988. In 1990 wage negotiations were over in a week with workers gaining a 19,5% increase.

According to Laminate MD Stuart Wood negotiations were tougher in 1991, lasting for three weeks. "The significant thing is that we've achieved a solid basis of trust which didn't exist three years ago. This year there were complicating issues, such as the position of salary earners, and this frustrated management, but the final outcome was good from all sides. The increase was above average for the metal industry" (16,9% compared with 13% average in the industrial council).

### Performance rewards

PG Bison has negotiated the establishment of performance reward systems in most of its plants. The most advanced is at Piet Retief, where according to management the system brought substantial savings of which R1 million was distributed to workers through the performance rewards system.

The performance reward system is negotiated at plant



level, as different factories and outlets have different work processes. The system negotiated with PPWAWU at Piet Retief was given a 6 months trial, and then approved in mid-1991. The workforce is divided up into a series of teams, and each team is given a standard performance based on past performance. If the team produces in excess of these targets it is eligible for a performance reward, which is divided among team members. Each member of the team gets a percentage of the reward based on his/her job grade. The allocation is skewed so that the lower grades often receive rand amounts greater than in higher paid positions.

This performance reward system is still in its early days, but the company intends involving workers in negotiating the actual targets and allocation of bonuses in future.

### National negotiating forums

So far there have been two National Negotiating Forums, whose function is to deal with all issues outside of those covered in the annual wage negotiations. The first forum in June 1991 reached a common management-union perspective on company values and established joint union/management task groups on the following issues:

- human resource development (training, literacy, grading, career pathing)



- community involvement (corporate social responsibility as well as projects for the company's own "community of employees")
- housing
- health and safety.

Agreement was also reached on having full-time shop stewards.

The second forum in October was a lot tougher. There was fierce debate on whether non-unionised salaried staff should be included in future forums. Management argued that there are over 1 000 employees (mostly salaried employees and artisans) in the company who are not represented in the national bargaining forum. These should be formed into some kind of association and represented. The unions rejected this, arguing that such a grouping would become a third party undermining negotiation between unions and management. They pointed out that the unions had had to go through a process of organising a majority and negotiating recognition, and other employees could not simply leapfrog that. Employees who wanted recognition should join a union. This debate was not resolved, and yet another task group was formed.

The forum did, however,

reach agreement on how to approach Human Resource Development - literacy and numeracy, grading systems and promotions, and affirmative action.

In March next year PG Bison will hold its third national forum, and this time the aim of all parties will be to move away from general principles and get down to the specifics. They will, for instance, focus on the company's participation in community involvement/corporate social responsibility programmes, and will also attempt to form policy on health and safety and housing, and finalise proposals on human resources development and on the status of non-unionised workers.

### ATTITUDES OF UNIONS AND MANAGEMENT TO TPQ TODAY

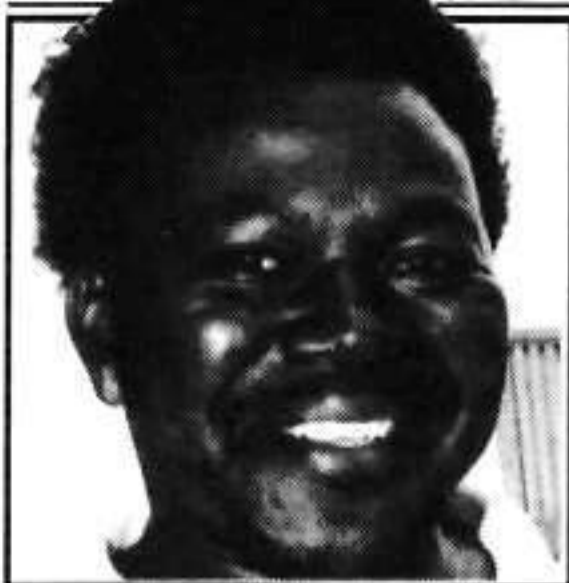
TPQ now appears to have achieved widespread acceptance at most sections of the company. This, however, does not mean that its implementation has been even, or that it has been met with the same level of enthusiasm at all levels and in all SBUs.

Two factories with very different climates and histories are the Bisonbord factory at Piet Retief and the Laminate Industries factory at Alberton.

#### Alberton

At Laminate Industries the programme is at an advanced stage and is greeted with con-





**Raymond Santos: "real improvement."**

*Photo: Shariff/Labour Bulletin*

siderable enthusiasm. Raymond Santos, senior shop steward at Laminate, says there has been a "real improvement" in relations between workers and managers, but that this "hasn't taken place overnight".

The biggest problem has been the attitude of middle level management and supervisors, he says. "Most of them have now changed their attitudes, but not all. Initially some of them were just playing around with words, and soon returned to showing their true colours, but the majority now understand what is going on, and those who didn't like it have left the company over time."

In general, he says there has been a major reduction in racist attitudes. Most of the workers are happy with the process and feel they have been "empowered" by it, and that it has provided them with greater opportunities for promotion. "On a day to day basis they feel they have more power than they did before, so I would say most workers are very positive about TPQ."



Laminate Industries managing director Stuart Wood says the most significant change over the past three years had been the emergence of a "solid foundation of trust". "Differences now don't necessarily lead to an antagonistic approach. Workers now take things up with management, and they trust us. Another change is that workers are now starting to acknowledge the importance of growth."

Most white managers and supervisors have responded "pretty well" to the changes, and have a good understanding about what TPQ is trying to achieve. He says that when new managers are recruited from the outside they are first assessed to see whether they have the right values.

A lingering problem, Wood says, is that there has not been sufficient progress in terms of black advancement and promotion. "Today most of our supervisory managers are black and all our shift supervisors are black, but there is a long way to go when it comes to senior management. But we're conscious of these things as problems, and we recognise it requires a degree of affirmative action."

### **Piet Retief**

At the Bisonbord factory in the Conservative Party-

controlled town of Piet Retief the programme took much longer to be accepted. The majority of whites in the town, and in the factory, are Conservative Party supporters.

During the political unrest in the late eighties some of the senior managers involved in implementing TPQ, were active in the police reserve and army commandos after work, while most of the workers were involved in the consumer boycotts last year. Within the factory there was strong resistance to the notion of racial equality. Until a year ago, for instance, management retained white-only toilets, by simply not telling the workers the combination lock number.

According to human resources manager Willie du Plessis, "all levels of the workforce - unions, senior management, lower management and lower level employees, were sceptical of this new programme which they felt was imposed by head office. Most perceived the TPQ programme to be political by nature as it created a lot of discomfort and fear among almost all groups of employees. Some rejected it totally while others felt it created unrealistic expectations."

The result was that it took several years for TPQ to really take root at the factory, and for a long time mutual suspicions remained high.

"Considering the fact that Piet Retief's white population is mainly right-wing



oriented with blacks being mainly ANC oriented, the conflict potential was great. However, the value sharing process assisted employees in gaining a better understanding of each other's fears and perceptions, which not only improved the relationships among blacks and whites, but among all race groups and sexes," says Du Plessis.



enough. Blacks still don't believe we are honest, that we want to do something, but this is getting better. We must not stop now."

The relations between the union (PPWAWU) and man-

to centralised national bargaining and to the union demand for full-time shop stewards.

On the other hand workers recognise that many aspects of TPQ have been implemented with enthusiasm, and joint worker-management TPQ committee meetings are held once a month to monitor progress. The LEAP programme has



*"The person doing the job understands it better than anyone else": 'In-a-group' meeting at PGBison*

*Photo: Shariff/Labour Bulletin*

Andries Vorster, the factory's general manager and a prominent Piet Retief civic leader, stresses that TPQ has contributed to industrial peace.

"When the companies around us, with the same union, were having strikes, we had none because we have broken the barrier of mistrust. But this is not

agement at Bisonbord in Piet Retief appear to be gradually improving. Workers there say that many of the managers, particularly those lower down in the hierarchy, continue to display signs of overt racism, and there is also some resistance to union activities beyond a certain level. Management, for instance, expressed opposition

gone further at Piet Retief than at any other factory, with 51% of workers either in the programme or having completed it. Seventy five percent of the workforce attended workshops on the company's performance report, though shop steward Zephaniah Shongwe complains that it was not fully translated into the vernacu-



lar, and the report was given to some workers only two weeks before the National Forum.

In most sections of the factory the 'In-a-groups' are working well. The performance reward system is most advanced at the Piet Relief plant, and there appears to have been a positive response from workers.

### **Union responses**

The past PPWAWU head office organiser at Bisonbord, Musa Bhengu (who died in December from injuries sustained in a car accident), said things have improved at most of the factories and outlets, but still have a long way to go.

"The negotiations with PG about TPQ have been fruitful. Our view now is that it has a lot of potential for the workers. The National Forum has been correctly implemented and could have very positive results. The literacy programme is good but it did have some shortfalls. The issue of racism will be with us for years in South Africa. But the culture at PG is geared to eradicate the racism that exists. In general I'd say PG is totally different from other companies in the paper and wood industries. The antagonism between workers and management has died down whereas in other companies it is still there."

Representatives from the two unions with smaller representation at PG, COSATU's SACCAWU



(which claims 180 members at six PG Wood outlets in Natal), and UWUSA (which claims 230 members at the Bisonbord factory in Pietermaritzburg) express very different attitudes.

SACCAWU shop steward Willie Mazongolo says there are still aspects of apartheid practice existing, there are problems with health and safety but is positive about the LEAP and Aids education programmes.

The new union organiser, Gibson Nduli, says it is too early for him to make a fully informed assessment, but his initial perception is that the programme contains potential dangers for the union movement, unless the union is directly involved in guiding it.

Anton Makhaye, UWUSA chief shop steward at Bisonbord in Pietermaritzburg, says the workers there "do not all understand the positive aspects of TPQ because they have a tendency of not trusting management", though this is beginning to change.

"Since it started there has been better communication between workers and management, and some important issues have been addressed like health and literacy and working conditions. And to some extent the attitude of white managers and supervisors has improved."

### **Senior management and shareholders**

So far the shareholders and the board have tolerated TPQ mainly because the 'bottom line' has not suffered. As Leon Cohen puts it: "I think the shareholders have been happy with the performance of the business, not necessarily with the process. Our approach to the Board was along the lines of: 'Does management have the mandate to take this business into the 21st century, bearing in mind that the 21st century will be a post apartheid society?' They have taken note of that and observed the process. If in fact the company had performed badly I think they would have removed me and the management and would have looked to something else - in other words, cut costs, retrench people, put the business back into profit and move on."

Cohen is reluctant to see the programme chosen at PG in terms of rands and cents, and simply points out that the company has done well over the past five years.

"It would be naive to think that it's a short term thing - that you suddenly have a big change. And I think it would be very difficult to measure whether performance is directly related to the undertaking of a cultural change in the business. We've had a good period and I think the company has been successful. If I look at the six months we've just been through, it's been tough, but I think we've done okay. We haven't had any



real strikes, but I can't tell you what that means. We've endeavoured to negotiate a win-win situation with labour, and I think they're aware of it. There is emerging an ownership of the business among the people."

Several managers noted that performance had improved through a far greater worker appreciation of the product they are producing. "What can be seen is the opening up of a lot more discussion about quality, through, for example, the Quality Awareness Programme, and there has also been a reduction in waste," says Laminate Industries human resource manager, Andre Michaux.

## THE FUTURE

With the company performing well in a struggling economy it is unlikely that SA Breweries - which recently became the majority shareholder - will curtail the programme in any way. Investments in Europe, other African countries and the domestic demand from the housing sector, should lead to PG Bison expanding through setting up new factories and employing new workers.

Management believes the company has reached the "end of the beginning" of the process of "continuous improvement", and has now entered "Phase Two", where the programme will be self-driven. The first phase of the TPQ programme was management initiated and driven; now, with the establishment of

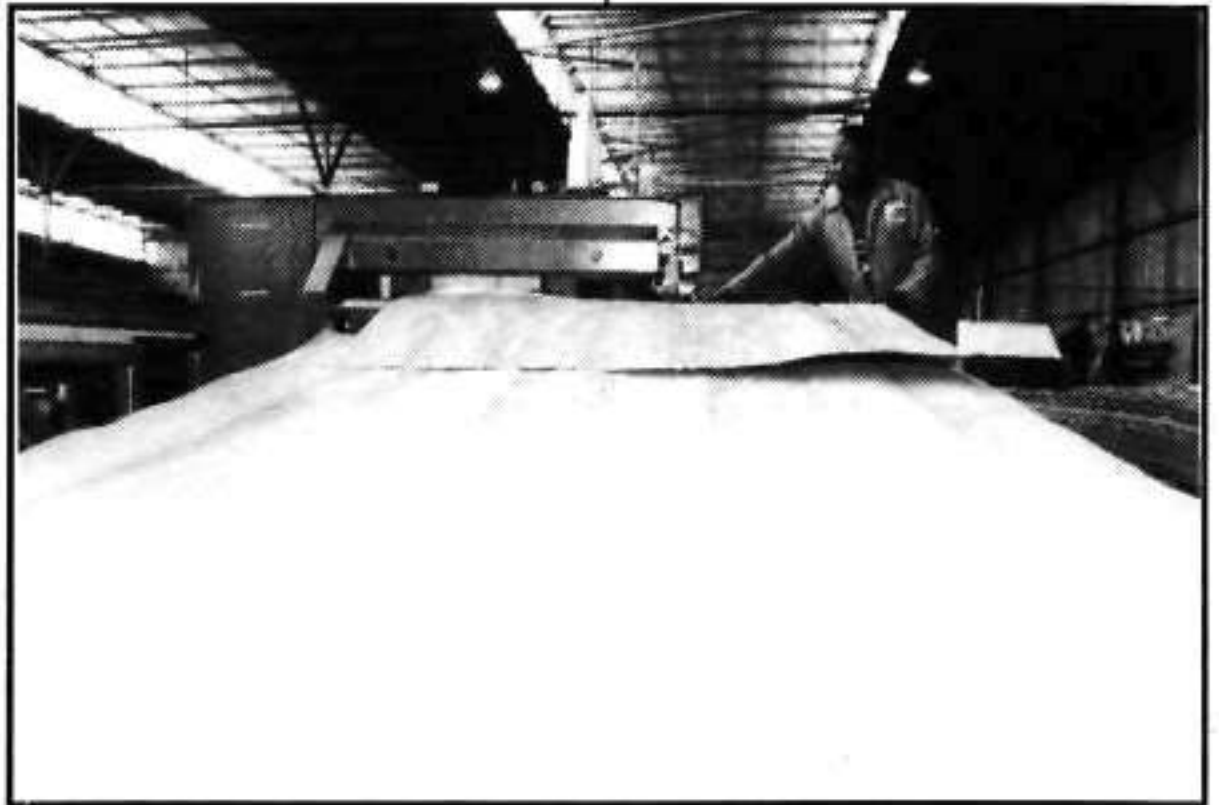


national bargaining forums, the programme will be driven by negotiation at all levels.

In the short term what can be expected is a concerted attempt to remove the bottlenecks, an expansion of LEAP, a consolidation of the

directors and worker share-ownership schemes are also a strong possibility.

It is apparent that PG workers have greater control over their working lives and more benefits than workers at most other major South African companies. In addition no one has been fired for taking part in stayaways, there have been no retrenchments during the current recession, and the company has not had a strike in nearly five years.



*PGBison: making new board in the factory, setting new standards in industrial relations*

*Photo: Shariff/Labour Bulletin*

reward system through which productivity bonuses are negotiated, a shift towards greater centralisation in collective bargaining and a situation where the National Forum gradually assumes a more powerful role in the company's decision making.

In the medium term one can expect the unions to start playing an increasing role in the nuts and bolts decisions of the company, including its investment policy. Union representation on the board of

Of course this is all anathema to those who believe that class antagonisms should be heightened and that the development of trust between workers and management is dangerous to working class interests. But for those hoping for workers to increase their power within individual companies and ultimately have a greater say in the running of the economy, the kind of partnership that is emerging at PG Bison may well be the way forward. ☆