A STUDY OF COLLECTIVE BARGAINING PROCESSES AND
IMPLICATIONS FOR THE INDUSTRIAL RELATIONS CLIMATE IN
THE ENERGY SECTOR OF ZIMBABWE: THE CASE OF
ZIMBABWE ELECTRICITY SUPPLY AUTHORITY (JANUARY 2009
– JANUARY 2013).

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTER IN
BUSINESS ADMINISTRATION (MBA)

2013

GRADUATE SCHOOL OF MANAGEMENT

UNIVERSITY OF ZIMBABWE

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DEDICATION

This dissertation is dedicated to my Rock of Ages, God Almighty. You are the creator and sustainer of my life. Thank you for refining me to be the woman I am today.

To my son Taadhima and the love of my life, Dudzai Godfrey (Unendoro) thanks for lighting up my world. This is for you boys, I love you so much.
DECLARATION

I, Sharon Tendai Mukombwe, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements, references and by comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.

Student Signature……………………………          Date:………………………

Supervisor’s Signature…………………………… Date:………………………
ACKNOWLEDGEMENTS

My deepest gratitude goes to my supervisor, Mr G. Magaramombe for the guidance, criticism and encouragement. I am eternally grateful for his patience and constant encouragement not to give up.

I also thank ZESA management and staff for giving me the chance to carry out this research.
ABSTRACT

The research sought to study the collective bargaining processes at ZESA and their implications for the industrial relations climate over the period January 2009 to January 2013. The study was driven by the fact that although literature on collective bargaining is abundant, very little is known about the actual collective bargaining process dynamics on the ground, particularly as they relate to organizations in Zimbabwe. Such dynamics if not handled with care, can be costly to the organization, the employees and indeed the nation at large. The research methodology used was qualitative with a sample size of 20 respondents that was limited to ZESA Harare employees only.

The study made the following findings; lack of employee or stakeholder involvement in issues that affect employees’ conditions of service, parties to the bargaining process do not empathize with each other, too many hanging cases of collective bargaining litigation, all collective bargaining agreements since January 2009 to January 2013 have been brought to ‘finality’ through arbitration, management has not been complying with the law and terms agreed in the negotiations and a high level of ministerial interference in the collective bargaining processes.

The study made the following recommendations; all stakeholders to be actively involved in matters that affect employees’ conditions of service, parties to advocate for a needs based or win-win approach when negotiating, management to ensure closure is brought to all collective bargaining litigation, parties to endeavour to resolve disputes in-house, management to comply with the law and terms of the collective bargaining agreements and also for Ministerial interference from the Ministry of Energy and Power Development to be minimized. Future research should focus on the implications of outside interference in staff matters on the industrial relations climate.
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CHAPTER ONE

INTRODUCTION AND BACKGROUND

“I believe it can be easily shown that the labourer is placed at a disadvantage, if he attempts simply as an individual to arrange this bargain, and I further believe that labourers must show that they have the power of combining, in order at all times to be able to sell their labour on the best possible terms” – Fawcett in the Economic Position of the British Labourer (1865:173).

1.0. INTRODUCTION

The chapter introduces the reader to the study and gives background information about the company. The objectives of the study, the research questions and proposition are also contained in the chapter. In order to fully appreciate the internal environment the company is operating in; the strengths, weaknesses, opportunities and threats to the Zimbabwe Electricity Supply Authority were interrogated through a SWOT analysis. The chapter also outlines the dissertation structure and ends by giving the chapter summary.

1.1. Background to the Study

Zimbabwe Electricity Supply Authority (ZESA) is the only electricity supply utility in the country. It was formed as a result of the amalgamation of the Electricity Supply Commission (ESC), Central African Power Corporation (CAPCO) and local municipalities after the enactment of the Electricity Act in 1985. Writing years later concerning this background in 2002, Mapako said that the three had to become one company and to restructure due to the need to respond to the demands of the economic structural adjustment programme as spearheaded by the government. With the restructuring, the previously neglected role of transmission was given the same importance as generation and distribution, that of a core business of ZESA (Mapako, 2002). The new Electricity Act of 2002 brought with it the creation of a Regulatory Commission, while the Rural Electrification Act of 2004 empowered the Rural
Electrification Agency to stand-alone. The power sector was to be unbundled into generation, transmission and distribution. The Electricity Act of 1985 was to be repealed when these new institutions were established (Mangwengwende, 2002).

It is a well-known fact that the level of remuneration is one of the factors that influences job satisfaction and staff retention (Mapako, 2002). However, for ZESA it was a completely different picture. The company had a background characterized by insufficient employee motivation as a result of an erratic and rigid grading system and managers who could not take full accountability as they had little empowerment and also there was no recognition of performers (Mapako, 2002). Coupled with this was the anxiety and insecurity brought about by frequent restructuring which created a depressing working climate for the employees (Mapako, 2002). When Engineer Simbarashe Mangwengwende took over the helms of the parastatal as Chief Executive Officer, he effected changes in the business processes and also conditions of service for staff. By 1992, ZESA prided itself in being counted as one of the highest paying companies in the country (Mangwengwende, 2002).

The company put in place a number of strategies for retaining qualified and competent staff. These included salary surveys to ensure market based and competitive remuneration, ensuring conditions of service remained competitive and attractive to promote staff retention as well as implementing sound Human Resources policies and practices and a sound performance management system that rewarded performance (Mapako, 2002; ZESA Grading Systems Handbook, 2004). During the economic meltdown in 2005-2008, the company however, suffered a serious brain drain that saw it losing its Engineers and Technicians to newly independent countries such as South Africa and Namibia within the region and also as far as Britain, Ireland, Scotland, Australia, New Zealand and other Western economies (ZESA, 2009).

Ever since the introduction of the multicurrency system, the focus of employees at ZESA has primarily focused on wage negotiation at the expense of other conditions of service (Collective Bargaining Minutes First Meeting, 2009). It is in this context that the
study examines the wage bargaining processes, the voluntary assumption for reaching collective bargaining agreements and honouring them and how all of this has impacted on the industrial relations climate at ZESA.

1.2. THE COMPANY – ZESA

Vision - ZESA’s vision is as stated below:

*We are committed to the total electrification of Zimbabwe at world class standards and competitive prices.*

In order to improve the efficiency of the parastatal, parliament resolved that the electricity giant be restructured (Electricity Act, 2002). Through the Electricity Act of 2002, ZESA was unbundled into five subsidiary companies namely; ZESA Enterprises (ZENT), PowerTel Communications, Zimbabwe Electricity Distribution Company (ZEDC), Zimbabwe Electricity Transmission Company (ZETCO), Zimbabwe Power Company (ZPC) with ZESA Holdings as the holding company. A separate Managing Director who would report to the Group Chief Executive Officer headed each of the remaining five subsidiary companies (Electricity Act, 2002). In 2008 ZETCO and ZEDC were merged and this resulted in the company rebranding and the name being changed to Zimbabwe Electricity Transmission and Distribution Company (ZETDC). The company retained a single Managing Director while the operations on the ground remained the same and unchanged (ZESA Holdings Strategic Planning Document, 2008).

1.2.1. SWOT Analysis of ZESA

Thompson and Strickland (1989) refer to a SWOT analysis as a tool used by management to measure the competitiveness of an organization. This is done through identification of the strengths; weaknesses, opportunities and threats of an organization. The SWOT analysis was necessary for evaluating how best ZESA can improve on the existing strengths and seizes business opportunities so as to ensure that the company remains competitive. It has always been said that the strength of a chain is determined
by its weakest link, thus identifying weaknesses and threats was for pointing out what needs concentrating on so as to improve sustainability of ZESA.

1.2.1.1. Strengths
ZESA and its subsidiary companies (ZENT, ZPC, PowerTel and ZETDC) have got internal strengths that can be capitalized on. These have been identified as follows:

- **Government support** - being a well-established and reputable entity, the organization can be relied not to default. No matter what, it has to fulfil its obligations. There is a guarantee that the organization will fulfil its contracts because it has full backing of the Zimbabwean government, which has full ownership of the company. An example is the delivery of over 1000 transformers to Zambian Electricity Supply Commission (ZESCO) of Zambia by ZENT even though the company was going through a rough patch. The repayment of the over $450 million debt owed to Cahora Bassa of Mozambique and Societe Nationale D’electricite (SNEL) of the Democratic Republic of Congo by ZETDC for the importation of electricity is also another example (ZESA Board Minutes, 2012).

- **Wide customer base** - every class of people and businesses are the organization’s customers. It has the advantage of being a monopoly in its industry thus it has a guaranteed market. Of late, the organization was supplying transformers to ZESCO of Zambia. It also is the supplier of first choice for the construction of substations, electrical lines and transformers (ZENT Strategic Planning Document, 2010-2015).

- **Skilled manpower** - The Company has a highly skilled work force and it continues to develop and even encourage employees to take the initiative to further develop themselves. It has even encouraged those who previously left for other countries to re-join and quite a number have done so. Trade tests are arranged for journeymen, Management Development Programmes and business courses for supervisory and managerial staff and many others (ZENT Strategic Planning Document, 2010-2015; ZESA Administration Notes).
1.2.1.2. Weaknesses

A number of weaknesses are bedevilling the organization. These include:

- The company has got **obsolete equipment** that has not been maintained due to financial constraints. In some instances ZESA Technicians have performed some shortcuts with dire consequences. There is urgent and serious need for recapitalization of the business (Monetary Policy Statement, 2004). The obsolete equipment has resulted in low generation capacity that cannot keep up with demand at ZPC. This has led to ZESA being a net importer of power (Monetary Policy Statement, 2004) with the company owing Cahora Bassa over US$450million. There is also low productivity at most of its subsidiary operations for instance ZENT (ZENT Executive Management Committee Meeting, 2013).

- The company has a **poor debt collection machinery** and as a result it is owed over USD$700million by electricity consumers (Monetary Policy Statement, 2012).

- **No research and development** to rejuvenate products or even modify products in accordance with changing customer needs. The company could modify transformers in line with changing customer needs like the move from power line transformers to distribution transformers or even research on best practices for generating or transmitting electricity with minimum wastages. ZESA Enterprises experienced a production dip from mid-2012 to early 2013 such that ZETDC was forced to procure transformers from elsewhere (ZENT Executive Management Meeting, 2013). In the same vein, the company has taken too long to move with technology. After persistent billing woes that were continually pitting the company against electricity consumers (Monetary Policy Statement, 2012), the company recently introduced prepaid meters (Zimbabwe Government Online, 2013).

- **Poor organizational culture** has characterized the organization. The distribution company, ZETDC deals directly with electricity consumers and often these customers complain that the company personnel are rude and corrupt, as they demand bribes for illegal electricity reconnections and disconnections as well (The Megawatt Bulletin, 2010). As a way of addressing this issue the company
has arranged for customer care training at reputable institutions such as the ZESA National Training Centre and Mandel Training Centre. The poor organizational culture has resulted in employee resistance to change (ZENT Executive Management Meeting, 2012).

- **Cumbersome procedures** have resulted in slow production; for instance procurement delays have led to poor turn-around time at the ZESA Garage and customers such as PetroTrade, PowerTel and Manica Zimbabwe have threatened to withdraw their vehicles (ZENT Transport Customer Complaints Meeting, 2013).

### 1.2.1.3. Opportunities

Opportunities refer to situations or events that the company could take advantage of:

- The company has established **synergies with companies** from other countries for example PME Power Solutions of India. One of the subsidiaries, ZENT, has signed a Technology Transfer Agreement with the aforementioned Indian company and the company has benefited in terms of easy access to substation construction materials as well as know-how of manufacturing distribution and power transformers whereas before the company was just a repairer of transformers (ZENT Strategic Planning Document, 2011-2015). Thus the company could capitalize on this opportunity and dominate the transformer manufacturing market using new technology from India. Other competitors like South Wales Electric and Nical do not have this opportunity.

- **Product diversification** - ZENT’s Transport Division is a certified Mazda Service Centre and is garnering for Nissan 1S certification. 1S implies servicing of Nissan vehicles still under warranty which could bring a lot of money for the subsidiary as it has dominance in the internal ZESA market. The division could also move on to other brands of vehicles like the proposed Ashok Leyland from American Motors. The deal encompasses 3S, which are spares, service and sales. This means that the company would not only repair and service vehicles but also sell vehicles thereby raising money (ZENT Transport Meeting, 2013).
- For ZPC, there is a possible chance they could put up another hydro power station at Batoka Gorge, which could increase their generation capacity and alleviate the serious power shortages the country is currently facing (The Megawatt Bulletin, 2012).
- ZETDC is currently installing cash power or prepaid meters. This has the advantage that the company can collect money for every kilowatt-hour of electricity used. It also eliminates estimated and inaccurate bills (The Megawatt Bulletin, 2012).

1.2.1.4. Threats
A threat is menace that may retard progress:
- **Volatile Industrial relations climate** - the industrial relations climate is not stable with work stoppages erupting at some subsidiaries like ZENT on 3 July 2012 (ZENT Executive Management Committee Meeting Minutes, 2012) and even the power stations. At one time employees even threatened to switch off power in the whole country, (The Herald, 10 July 2012) and wrote a petition against the Managing Director, Finance Director and Human Resources Manager of ZENT (ZENT, 2012).
- The company has seen frequent restructuring and some employees lose their jobs due to retrenchment. With the imminent restructuring proposed by the Minister of Energy and Power Development in 2012, a lot of uncertainty and employee insecurity exists. Employees do not really understand what is going on as there is no Act as yet to repeal the Electricity Act of 2002 in support of the restructuring and yet some employees have already been given transfer letters (ZESA, 2013).
- The licensing of Independent Power Producers (IPPs) could take away a substantial amount of business from ZESA’s subsidiary ZPC. ZPC has the sole mandate of generating electricity in the country but it is failing to meet demand due to cash constraints, dilapidated and out-dated equipment and low generation capacity (Monetary Policy Statement, 2004). By licensing 10 more
independent producers, the government has introduced competition into the electricity game such that for ZPC to survive, the government has to invest heavily and recapitalize the company (ZPC Strategic Document, 2013).

1.3. CB PROCESSES ON THE GROUND – ENERGY SECTOR

Collective bargaining for the energy sector takes place within the auspices of the National Employment Council for the Energy Sector, which regulates the process (NEC Energy Constitution, 2012). Prior to 2012, bargaining used to be done at company level; that is to say; each individual company would negotiate with the trade union for its employees (Collective Bargaining Minutes, 2011). For ZESA and its subsidiary companies, (PowerTel, ZENT, ZETDC and ZPC), it was done through the National Employment Council for the Electricity Energy Industry (which was later rebranded to the National Employment Council for the Energy Industry) (NEC Constitution, 2012). ZESA and its companies would negotiate with representatives from ZESA Technical Employees Association (ZTEA; now called National Energy Workers’ Union of Zimbabwe - NEWUZ) (NEWUZ, General Council Meeting Minutes, 2012) and Zimbabwe Electricity and Energy Workers Union (ZEEWU later also changed to Zimbabwe Energy Workers Union - ZEWU) (ZEWU General Council Meeting Minutes, 2010).

In 2012, following a Ministerial directive, a resolution was passed by the ZESA Holdings Board for ZESA and its subsidiary companies to take part in the sector level collective bargaining process as had been directed by Elton Mangoma, then Minister of Energy and Power Development (ZESA Board Meeting Minutes, December 2011). This was aimed at setting minimums at Industry level and also reducing the strain placed on the NEC for the Energy Industry budget by collective bargaining related costs (Collective Bargaining First Meeting, 2012). The costs would arise from sitting allowances for members who attend the collective bargaining negotiations, venue bookings (usually at lodges and hotels out of town to accommodate participants for the required three meetings), refreshments, and printing and stationery costs as well as the time spent for
company level bargaining and if there was to be a deadlock, arbitration and conciliation costs (Collective Bargaining First Meeting, 2012).

With the birth of an association for the employers in the Energy Industry in 2011 (Energy Industry Employers’ Association); a body that allows for a codified approach to collective bargaining; the process now takes place at industry level (NEC Constitution, 2012). The companies that take part in the bargaining process are ZESA and its subsidiaries; PetroTrade, PetroZim Line, National Oil Company of Zimbabwe (NOIC) and the Rural Electrification Agency (REA) (Collective Bargaining First Meeting Minutes, 2012). It should be noted that this study focused on ZESA bargaining processes and how they impact on the industrial relations climate. The other party to the negotiations is comprised of employees’ trade unions; National Energy Workers’ Union in Zimbabwe (NEWUZ) and Zimbabwe Energy Workers Union (ZEWU). Both management and the unions are allowed 10 representatives each (Collective Bargaining Ground Rules Setting Minutes, 2010, Collective Bargaining Ground Rules Setting Minutes, 2011, Collective Bargaining Ground Rules Setting Minutes, 2012 and Collective Bargaining Ground Rules Setting Minutes, 2013). Each subsidiary company of ZESA is represented by the Human Resources Manager while for other companies such as NOIC, PetroZim Line, PetroTrade and REA the story is the same. A Manager with a financial background is also part of the management team and so is the Company Secretary of ZESA Holdings. For the unions, ZEWU would bring 6 members while NEWUZ would bring 4 members; the reason being that ZEWU has the larger share of membership compared to the latter union (Collective Bargaining Ground Rules Setting minutes, 2013).

Usually before the bargaining starts, parties meet to set the ground rules and it is in these meetings that agreements are made for the previous year’s registered collective bargaining agreement to be the basis for the present collective bargaining process and the negotiations are held under a highly confidential and secretive atmosphere as premature revelation of information may cause industrial unrest (Collective Bargaining Minutes, 2013). There is room for Team Leaders to consult, report back or to issue a
joint statement through the National Employment Council as and when necessary (NEC Energy Industry Constitution, 2012). As advocated for by section 75 of the Labour Act Chapter 28:01 the negotiations are supposed to be conducted in good faith and there is also expectation for the registration of the collective bargaining agreement in line with the Act. The bargaining covers employees in grades A1 up to D2 (Patterson grading system) and the agreement reached binds all employees whether unionized or not (Collective Bargaining First Meeting Minutes, 2012).

Each side elects a Team Leader who speaks on behalf of the team and the meeting is led by an Independent Chairman who has got an alternate (Collective Bargaining First Meeting Minutes, 2012). According to the same source, the meeting agrees on scope of coverage and time span during which the agreement subsists. Usually it is twelve months with allowance for review midyear if there are fundamental economic changes and a cost of living adjustment (Collective Bargaining First Meeting Minutes, 2010; Collective Bargaining First Meeting Minutes 2011). Three mandatory meetings are held in sessions of up to a maximum of 2 sessions per meeting (Collective Bargaining Ground Rules Setting Meetings, 2010; 2011; 2012).

It is also a requirement that parties should negotiate with a full and clear mandate (Collective Bargaining Ground Rules Setting Meeting, 2012; Collective Bargaining Ground Rules Setting Meeting, 2013). Position papers are submitted to the National Employment Council at least seven (7) working days before the collective bargaining negotiations or by mutual agreement (Collective Bargaining Ground Rules Setting Meeting, 2013). In the event that there is a deadlock, the provisions of the National Employment Council Constitution would apply (NEC Constitution, 2012; Collective Bargaining Ground Rules Setting Minutes, 2012). The signatories to the agreement are the Team Leaders of the Unions, Employers’ Association representative and the National Employment Council Independent Chairperson (Collective Bargaining Ground Rules Setting Minutes, 2012).
1.3.1. Institutionalizing Conflict Resolution in the Energy Sector

The National Employment Council for the Energy Sector deals with any disputes that may arise in terms of the NEC Constitution or Labour Act (NEC Constitution, 2012). In the event of the parties failing to settle a dispute or in the event of a deadlock arising in the collective bargaining process, the Council may decide that the matter in dispute is referred for either voluntary or compulsory arbitration (NEC Constitution, 2012). Provided that no such dispute shall so be referred unless and until the Council at not fewer than three mandatory meetings of the Council has considered it, not more than two of which may be held on the same date (NEC Constitution, 2012). The purpose of these mandatory meetings is to try and conciliate the dispute. When conciliation has failed, the matter is referred for voluntary arbitration.

1.4. STATEMENT OF THE PROBLEM

As provided for in Section 74 (2) of the Zimbabwean Labour Act (Chapter 28:01), parties to the collective bargaining process may negotiate on issues that are of mutual interest to both parties. Apart from that, parties are required to negotiate in good faith and to adhere to the agreed terms of the collective bargaining agreement. In as much as the Act provides the global parameters that guide the process, very little is known about the actual process dynamics on the ground and their implications for the industrial relations climate. Of late, ZESA has been hit by a spate of industrial actions as a result of misunderstandings between its management and the workers on collective bargaining issues (The Herald, Tuesday 10 July 2012). This follows the conclusion of the 2012 collective bargaining agreement for the energy sector. When the agreement was registered and gazetted as law on 17 March 2012, other companies in the energy sector, PetroTrade, NOIC, Petrozim line and REA complied with the agreement (NEC Energy, 2012). ZESA refused citing interpretation differences and other reasons to be mentioned in the research findings in Chapter 4. This has resulted in a protracted litigious process and strained relations between management and employees. It must be noted that this litigious approach has characterised all ZESA collective bargaining agreements since January 2009. This is a problem that needs to be unlocked and
analysed because collective bargaining process dynamics, if they are of the wrong type, are potentially costly to the organization, employees and indeed the nation. As argued by Khan (2006), a stable industrial relations climate is a key precondition for the economic growth of any country.

1.5. RESEARCH OBJECTIVES

1.5.1. The Overall Objective of the Study

The overall objective of the research was to study collective bargaining processes and their implications for the industrial relations climate at ZESA as from January 2009 up to January 2013.

1.5.2. Specific Objectives

The specific objectives of the research were:

1. To identify the collective bargaining processes at ZESA over the period of the study.
2. To identify the challenges associated with the collective bargaining processes.
3. To assess the collective bargaining processes’ implications for the industrial relations climate over the period of the study.
4. To make any necessary recommendations following findings from the study.

1.6. RESEARCH QUESTIONS

1.6.1. Main Research Question

The main research question was:

What were the collective bargaining processes at ZESA and what have been their implications for the industrial relations climate as from January 2009 through to January 2013?
1.6.2. Research Sub questions

The research sub questions were:

1. What were the collective bargaining processes in place at ZESA over the period of the study?
2. What challenges have been associated with the collective bargaining processes over the study period?
3. What have been the collective bargaining processes’ implications for the industrial relations climate over the period of the study?
4. What recommendations could be made concerning ZESA’s collective bargaining processes as they impact on the industrial relations climate?

1.7. RESEARCH PROPOSITION

Spratt, Walker and Robinson (2004) state that propositions form the basis for scientific research. Thus the research proposition that formed the basis for this study was that the collective bargaining processes used at ZESA have had negative implications for the company’s industrial relations climate over the period January 2009 through to January 2013.

1.8. JUSTIFICATION OF THE STUDY

It is hoped that the study will create awareness to management, labour and other stakeholders on collective bargaining processes as they relate to an organization’s industrial relations climate. From the research, stakeholders can work out ways they can contribute most to making the collective bargaining process at ZESA more effective. It is further hoped that employees will use the research to improve their bargaining techniques in order to get what they want from the process and that they will empathize with management and not make excessive demands that are difficult to meet. The study will hopefully enable both employers and employees in different sectors to lobby for a more mutually beneficial approach towards collective bargaining. For the researcher, the study was undertaken in fulfilment of the Master of Business Administration
requirements. For academia, it is hoped this research will contribute to the body of knowledge about collective bargaining dynamics on the ground as there is very little literature about what actually happens in Zimbabwean organizations. In response to this gap, the study proposes to involve stakeholders in the process interrogation and use that to propose policy interventions (http://professorbwisa.com/index.php?option).

1.9. SCOPE OF THE RESEARCH
This study was limited to collective bargaining processes at National Employment Council level and their implications for the industrial relations climate at ZESA over the period January 2009 – January 2013. The study was conducted in Harare.

1.10. DISSERTATION STRUCTURE
Chapter one introduces the topic, the organization under study, and the objectives of the study as well the rationale for the study. Chapter two interrogates collective bargaining literature and the implications of collective bargaining processes for the industrial relations climate. The chapter provides a platform for the discussion of results in chapter four. Chapter three lays out the methodology used in collecting data for the research, the limitations faced and ethical issues taken under consideration while Chapter four reports the findings. Chapter five provides the conclusions of the study together with recommendations for consideration by the organization under study and practitioners in general.

1.11. CHAPTER SUMMARY
Chapter one gives background information on ZESA and also the collective bargaining processes on the ground in the energy sector. A SWOT analysis was performed in order to shed more light on the organization’s operations and performance. The statement of the problem shows that there is a huge literature gap about the actual collective bargaining dynamics on the ground in industry and hence the need to do this
study. The researcher used the objectives and questions to study the processes at ZESA and their implications for the industrial relations climate as from January 2009 through to January 2013.
CHAPTER TWO
LITERATURE REVIEW

"Without combinations, competition would force wages down and workers would be reduced to the condition of serfs in Russia or the Ryots of Hindostan" – Sir Archibald Alison (1860).

2.0. INTRODUCTION

According to Saunders, Lewis and Thornhill (2009), critically reviewing the literature provides the foundation upon which a research is founded. The main purpose is to develop a good understanding and insight into relevant previous research and trends that would have emerged in relation to one’s area of study. This chapter begins by defining collective bargaining and delves briefly into the theory of collective bargaining. It also looks at the legislation that sets the global parameters for the process in Zimbabwe, the industry guidelines for the process in the Energy sector and the global challenges to collective bargaining in Zimbabwe. Industrial relations climate as it relates to the collective bargaining process is also discussed. The chapter ends by showing how collective bargaining can improve the industrial relations climate.

2.1. DEFINITION OF COLLECTIVE BARGAINING

Nel, Swanepoel, Kirsten, Erasmus and Tsabadi (2005) defined collective bargaining as “a process in which representatives of labour and representatives of the employer (management) negotiate and otherwise interact in an attempt to reach agreements and to uphold these agreements regarding matters that relate to or may impact on the employment relationship” (p.162). Mucheche (2012) quoted the court case of Metal and Allied Workers Union v Hart Ltd (1985) 6 ILJ 478 at 493H-1 wherein the judge stressed that:

to bargain means to haggle or wrangle so as to arrive at some agreement on terms of give and take. The term negotiate is akin to bargaining and means to confer with a view to compromise and agreement. (p.1)
According to Gwisai (2006) the negotiations are done for:

1. Determination of working conditions and terms of employment.
2. Regulation of relations between employers and employees.
3. Regulation of relations between the above parties’ organizations.

2.2. THEORY OF COLLECTIVE BARGAINING

The first tentative theory of collective bargaining was an economic theory that did not formally define the process and was propounded by Mr and Mrs Sidney Webb in 1891 (Hutt, 1954). From the theory, the main role of trade unions was to bargain over the price of labour (Syed, 1970). According to Mrs Webb and her husband, unions used mutual insurance and legal enactment methods for getting various benefits for members. The Webbs argued that an employer meets the “collective will” of employees when he opts to forgo making individual contracts with individual employees and settles the principles upon which the rules of engagement will be collectively met. According to Syed (1970), the Webbs were now arguing that individual bargaining had been replaced by collective bargaining, that employers and their associations were not part of the process and that there were no set rules governing the collective bargaining process. However, current trends show that individual bargaining is not extinct and that it co-exists with collective bargaining (Gwisai, 2006). For top management and executive management, individual bargaining is still more prevalent and astute bargainers still manage to get themselves favourable terms (Mucheche, 2012).

2.3. PARAMETERS FOR THE ZIMBABWEAN CB PROCESS

In Zimbabwe, collective bargaining law has been influenced by regional and international developments (Gwisai, 2006). The first legislation recognizing the need for the process was the Industrial Conciliation Act of 1934, which had a lot of similarities with the 1924 South African Industrial Conciliation Act. This Act and subsequent Industrial Conciliation Acts laid the foundations for collective bargaining in Zimbabwe. Both Gwisai (2006) and Mucheche (2012) referred to the Act as being facilitative and
The Labour Act Chapter 28:01 is the legal framework that provides the global parameters for collective bargaining processes in Zimbabwe under Section 74 subsection 2 of the Labour Act, which states that:

Subject to this Act and the competence and authority of the parties, trade unions and employers organizations may negotiate collective bargaining agreements as to any conditions of employment, which are of mutual interest to the parties thereto.

The International Labour Organization (ILO) Convention No. 98 which Zimbabwe ratified also supports this. Civil servants are governed by Sections 73, 74 and 75 of the Constitution thus they do not engage in collective bargaining but use their staff associations to recommend and consult. The employer makes decisions about the conditions of service as stipulated by the Public Services Act. The process may be non-statutory or statutory and can take place at two levels; at company level and at sector level.

2.3.1. Statutory Collective bargaining

A statutory collective bargaining agreement is one that is conceived in terms of the formalities prescribed in the Labour Act (Mucheche, 2012; Gwisai 2006). Section 2 of the Act defines a collective bargaining agreement as “an agreement negotiated in accordance with this Act which regulates the terms and conditions of employees”. This means that the agreements must be negotiated at industry level or within the auspices of a works council or employment council (Gwisai, 2006). Legal registration of the collective bargaining agreement with the Minister of Labour and gazetting of a statutory collective bargaining agreement is essential and is provided for in sections 79 and 80 of the Labour Act. An employment council is made up of equal members representing the
employer and the employees through the trade unions (Gwisai, 2006). It is a corporate body with a separate legal persona and is registered in terms of sections 58 and 61 of the Labour Act. It also has the duty of helping its members to come up with collective bargaining agreements as provided for in Section 62 (Mucheche, 2012).

The first statutory collective bargaining type is the industry-negotiated agreement made in terms of Part X of the Labour Act. This agreement is made as a result of the negotiations between employers or employers' organization, and trade unions or their federations. It must be noted that where an employer with a principal industry falls under one industry, and has secondary activities that are covered in another industry, the secondary activities are regarded as ancillary and will be taken as part of the principal industry (Gwisai, 2006). This was underscored in the court case of United Food and Allied Workers Union v Crest Breeders International HH 139/95 where the employer's principal business was that of chicken breeding and was classified under the National Employment Council for Agriculture but it also did some processing activities which were classified under the National Employment Council for the Meat and Processing Industry. The ruling made by the court was that the processing activities were regarded as ancillary thus the workers fell under the Agriculture collective bargaining agreement.

The second type is provided for under Part VI of the Act where an employer and the workers’ committee arrive at a collective bargaining agreement. For this agreement to count, 50% or more of the workforce at the company and members of the registered union must ratify the agreement first. The employment council agreement subordinates the works council one. The works council agreement is valid only to the extent that it provides for more favourable conditions of service, which conditions must be endorsed on the principal agreement as stated in Sections 25 (1) and 74 (6) (Gwisai, 2006). This ensures that employees’ rights are not adversely affected. Section 82 of the Labour Act makes a statutory collective bargaining agreement binding to the whole industry while a works council collective bargaining agreement is binding to all company employees.
even if the company ownership were to change or the workers' committee was to also change.

2.3.2. Non Statutory Collective Bargaining

This, according to Gwisai (2006) referred to “those agreements between employers and trade unions made outside the parameters of Part X or those that do not fully comply with the provisions thereof or those made by unregistered trade unions and employers’ organizations” (p.311). At company level, collective bargaining is done between management and the workers’ committee and has to be ratified by the existing union (Mucheche, 2012). In the Act, section 30 (2) prohibits an unregistered trade union from either recommending collective job action or being represented in employment councils.

Additionally, Section 8 (f) describes it as unfair labour practice when an employer elects to deal with or enter collective bargaining negotiations with an unregistered trade union when a there is a registered one representing employees (Mucheche, 2012). Section 74 (1) states that “nothing in this Part contained shall prevent an unregistered trade union or employers’ organization from negotiating a collective bargaining agreement” which shows that the Act recognizes non-statutory agreements. It is under common law that non-statutory collective bargaining agreements are binding and even then they have to meet the conditions necessary for the various modes of incorporation under common law (Gwisai, 2006). In some instances the employees or employers or their representatives may, whether explicitly or by implication give mandate for a collective bargaining agreement to be reached. If an agreement is reached, it is binding and valid and the parties cannot go back on the agreement (Mucheche, 2012; Gwisai, 2006).

In other cases, parties may ratify an agreement made by a trade union and an employers’ organization even when they have not given prior mandate as was seen in the cases of *Cripps v Collins 1937 SR101, Flood v Taylor 1978 RLR 230 at 232 and Barnet v Thames Mine Ltd 1944 SR 68*. In some situations a person can act on behalf of another and make a binding agreement with the intention of benefiting that other
person. This is referred to as *negotiorum gestor* doctrine and it may help in showing how valid a non-statutory collective bargaining agreement is (Mucheche, 2012). Madhuku (2010) and Mucheche (2012) however argued that an agreement reached under non-statutory bargaining might face implementation and enforcement challenges.

2.3.3. Bargaining agents

The parties who are involved in the actual collective bargaining process are trade unions (representing employees) and employers or their associations (Gwisai, 2006). Three requirements guide the issue of representation. Section 45 (1) (a) and 61 (a) of the Labour Act contemplates that the parties that participate in the collective bargaining process must be sufficiently representative of the undertaking or industry they want to represent (Gwisai, 2006). It is also desirable that effective representation be afforded to the majority of employers and employees and lastly the Act seeks to reduce as much as possible the number of entities which either party has to negotiate with in Section 45 (1) (a) (iv). This does not mean that a multiplicity of unions is not allowed, but that the Act just seeks to reduce the parties to be bargained with.

Where bargaining is done at industry level, the agreement is finalized in a national employment council. In situations where there may be more than one union in an undertaking, they all have a right to be represented in the council if they are registered (Mucheche, 2012). This is notwithstanding the principle of voluntarism that underpins the formation of employment councils. The representation must meet with the requirements of the employment council’s constitution and it also has to be sufficient representation in terms of the Act (Gwisai, 2006).

2.3.4. Issues to be bargained

The law contemplates that parties are to bargain on any issues that are of mutual interest to both of them as Section 74 (2) states that they may “negotiate collective bargaining agreements as to any conditions of employment which are of mutual
Section 74 (3) contemplates that parties may bargain on issues to do with remuneration rates and minimum wages, employee benefits, any appropriate deductions, ways of calculating pay rates, dates, modes and times of payment, overtime or vacation pay, apprentices’ conditions of service, hours of work, workplace safety, records of employment maintenance, disciplinary and grievance handling procedures, housing and transport allowances or facilities and how to deal with violence at the workplace (Gwisai, 2006; Mucheche, 2012).

2.3.5. Parameters for Institutionalizing Conflict Resolution in the CB process

According to Salamon (1992), conflict is perfectly normal and inherent in society. It arises out of the differing perceptions and interests of labour and management. Nel et al (2005) said that the process of collective bargaining inevitably creates conflict because of the different desires and expectations of the parties to the negotiations. Conflict can have negative connotations such as the loss of trust between the negotiating parties, threats, hostility or even lead to collective job action (Salamon, 1992). Salamon pointed to the need for conflict resolution through the use of institutions and procedures in order to achieve collaboration through negotiated compromises. The Labour Act provides the means for regulating the conflict between the collective bargaining parties through various mechanisms (Gwisai, 2006). The mechanism used to convert conflict that arises out of the collective bargaining process into agreement includes mediation or conciliation and arbitration as provided for in Section 82 of the Labour Act. Parties to the collective bargaining process may incorporate a procedure for resolving disputes under Section 82 (4) of the Labour Act (Mucheche, 2012; Gwisai, 2006). The procedures can either be arbitration or conciliation and parties elect the route they would want to take.

- **Mediation or conciliation** is contemplated by Section 93 of the Labour Act where the mediator, in the form of a Labour Officer is required to attempt to settle a dispute through conciliation, record the settlement in writing and issue a certificate of no settlement to the parties if the dispute is not settled within thirty days after the Labour Officer began to attempt to settle the dispute (Labour Act
The parties themselves may even agree to extend the conciliation period. According to the Act on Section 93 (5) subsections (a) to (c), after the Labour Officer has issued a certificate of no settlement the case may be referred to compulsory arbitration under the following preconditions:

1. The dispute is a dispute of interest and the parties are engaged in an essential service (Labour Act 28:01, 2002).
2. When parties have agreed to refer the case for compulsory arbitration.
3. The dispute is a dispute of right.

In cases where the dispute cannot be referred for compulsory arbitration or the Labour Officer refuses to issue a certificate of no settlement after the expiry of the set conciliation period, any party to the dispute may apply for either disposition of the dispute or an order is terms of Section 89 (c) (2) if the dispute is a dispute of right (Labour Act 28:01, 2002).

- **Arbitration can either be voluntary or compulsory** (Section 93 (5). Disputes for the public service or in the essential service industries may also proceed for compulsory arbitration according to Section 93 (5). Most parties favour voluntary arbitration to avoid the problems associated with compulsory arbitration (Mucheche, 2012). According to Mucheche (2012), in compulsory arbitration the arbitrator is imposed and the parties may not have knowledge of the arbitrator’s credentials and this may breed resentment amongst employers and employees. Mucheche (2012) refers to compulsory arbitration as “… the worst, most inefficient and primitive form of resolving collective bargaining disputes…” (p. 47) and further argued that the approach unduly protracts the collective bargaining process.

Madhuku (2010) and Gwisai (2006) concurred that background experience and expertise in the collective bargaining process were prerequisites for the person interpreting a collective bargaining agreement. This must be done with due regard to the
relationship of the parties and the presentations they make in order to provide as practical and realistic an interpretation as is possible (Gwisai, 2006).

2.3.6. Registration of Collective Bargaining Agreements

Under section 79(1) a collective bargaining agreement for the industry may be submitted for registration. According to Mucheche (2012), if the Minister of Labour chooses to exercise his or her authority (in line with Section 79(2)) the agreement cannot be registered for reasons such as:

1. The agreement is *ultra vires* the Labour Act or any other existing laws.
2. The agreement is unfair with regard to the rights of the parties.

For agreements made through the works council, the same conditions exist (Gwisai, 2006; Mucheche, 2012). The Minister’s authority to refuse to register an agreement is by discretion while the Registrar is not authorized to deny registration of a collective bargaining agreement (Gwisai, 2006). After the Registrar has registered the agreement, the Minister then publishes the collective bargaining agreement as a statutory instrument as is required by Section 80 (1) (Mucheche, 2012).

The effective date of an industry agreement is either the publication date of the statutory agreement or that specified in the agreement (Gwisai, 2006; Mucheche, 2012). The publication of an agreement has the following effects:

- There is no variation of minimum terms agreed. This was aptly shown when the judge declared that “parties have to obey the law... they cannot purport to oust legislation through a mutual agreement” (Gwisai, 2006) after *Masekesa v Kingdom Bank LC/H149/05* where parties had a mutual agreement to ignore the employment council registered code in favour of the company code (Gwisai, 2006; Mucheche, 2012).

- The agreement becomes a statutory instrument that binds all contractors or employers within the industry even if they were not there when the agreement was made (Mucheche, 2012). The Minister cannot change the agreement except as provided for under section 81. The case of *Olivine Industries v Olivine*
Industries Workers’ Committee 2000 (2) S ZLR =200 however showed that a works council agreement only binds workers represented by such committee.

- Even if the company’s ownership or union structure changes, the agreement remains in force.
- To fail to abide by the agreement is an unfair labour practice and under section 82 (3), a criminal offence.

According to Gwisai (2006), if the agreement provides for the conciliation and arbitration of any category of disputes, that procedure is the exclusive procedure for the determination of disputes within that category.

2.3.7. Amendments to collective bargaining agreements

A collective bargaining agreement may be amended through different methods:
By mutual agreement, parties may amend an agreement while it is subsisting but they are not obligated to renegotiate a provision in a subsisting agreement (Gwisai, 2006). Under section 74 (4) proposals may be made for amendments after a year has elapsed (Gwisai, 2006).

2.3.8. Preconditions for successful collective bargaining

In order to ensure effective and genuine collective bargaining, the Act provides a number of instruments for use under Section 75 which are quoted as follows: All parties to the negotiation of a collective bargaining agreement shall –

(a) disclose all information relevant to the negotiation, including information contained in records, papers, books and other documents; and;
(b) make no false or fraudulent misrepresentations in regard to matters relevant to the negotiation; and;
(c) earnestly and expeditiously endeavour to arrive at a successful conclusion in the negotiation;

so as to ensure that the entire negotiation is conducted in absolute good faith.
It shall constitute an unfair labour practice to fail to negotiate in absolute good faith, or in any way to bring about a situation that undermines the basis of negotiating in absolute good faith (Labour Act 28:01).
In summary, the section underpins the duty to bargain in absolute good faith. According to Gwisai (2006), unfair labour practice exists where a party does not negotiate in good faith with the other party. In the landmark case of *Olivine Industries (Pvt) Ltd v Olivine Workers’ Committee 2000 (2) ZLR 200 (S)* the judge ruled that the employer could not refuse to negotiate (Gwisai, 2006). In *Thomas Miekle Centre (Pvt) Ltd v TM National Workers’ Committee and Others S-77-02* the employer refused to negotiate with both the representative union and Workers’ Committee. The employer first effected a unilateral 3% increment and then refused to negotiate with employees whereupon the court ordered the employer to bargain with the workers’ committee (Mucheche, 2012).

Section 76 contemplates that where financial incapacity is alleged, the duty of full financial disclosure must be fulfilled. According to the section “… such party to make full disclosure of his financial position, duly supported by all relevant accounting papers and documents to the other party”. If a dispute arises as to whether full disclosure has been made, a labour officer determines the matter or it can be taken for voluntary arbitration if both parties consent to it as given by Section 76 (2). However, there are special cases where the courts permit the employer to withhold information such as in the case of *Law Society of Zimbabwe v Minister of Transport and Another S-59-03*. The information was regarded as highly confidential and could not be used to determine the case at hand.

The right to enforcement through unfair labour practice remedy and criminal sanctions - where an employer fails to comply with a labour officer’s ruling, criminal procedures can be instituted as per section 76 (3). Under the Section, the violator is liable to either two years imprisonment or a level seven fine or to both the imprisonment and the fine (Labour Act Chapter 28:01, 2002).
2.4. Contradictions of Collective bargaining in Zimbabwe

Collective bargaining in Zimbabwe is fraught with a lot of challenges (Mereki, 2012a). A lot of factors are responsible for this situation for example the economic meltdown which occurred in 2002 to 2008. The justice system has proven to be a let-down due to massive corruption in the courts of law and delays in delivering judgments by courts of law (Mucheche, 2012; Mereki, 2012a). The reliance on the courts rather than collective bargaining means the system has collapsed no wonder Mereki (2012b) argued that arbitration has replaced collective bargaining. In some instances, workers’ unions have failed their constituency because they are weak and fragmented and fail to confront the employers (Mucheche, 2012; Mereki, 2012a). Collective bargaining is also difficult in a de-industrializing economy where the rate of unemployment is more than 80% (Mereki 2012b; Mucheche 2012). Most employees are more concerned with how much they will take home than the actual working conditions because of the high rates of unemployment (Mereki, 2012b).

Though the Labour Act recognizes the right to collective bargaining, sections 25, 79, 80 and 81 give the Minister of Labour the power to approve collective bargaining agreements, register and publish them. The Act gives the Minister of Labour the power to refuse to register a collective bargaining agreement in instances where he or she feels that the agreement is difficult to implement or goes against any existing laws and statutes. A case in point is the Posts and Telecommunications Corporation versus Zimbabwe Posts and Telecommunications Workers’ Union (ZPTWU) in 2000 where the agreement was slashed by 50% (Mereki 2012b).

The Minister of Labour also has the power to designate any industry an essential service and employees in an industry designated as such may not embark on any strike, legal or illegal (Mereki, 2012b). The use of maximum force to quell striking can be seen in the case of TelOne, NetOne and ZimPost in 2004 when the organization dismissed more than 50% of the workforce who had gone on strike (Mereki, 2012b).
Gwisai (2006), Mereki (2012b) and Mucheche (2012) agreed that the Labour Act makes the right to strike almost impossible as more than 50% of the workforce must vote in favour of the strike first and there is also provision for a 30 day conciliation period which may lead to a binding arbitration. While the law has ruled that an arbitrator’s decision is final (Maphosa v ZESA, 1998) and that an aggrieved party may appeal against an arbitrator’s decision on a point of law in 98 (10) (Labour Act 28:01), state owned enterprises have increasingly refused to abide by those rulings as evidenced by the TelOne, NetOne and ZimPost case of 2004 (Mereki, 2012b). The same author argued that the boards of state owned enterprises disguise their dislike for trade unions by purporting to favour pluralism yet they use militaristic, unitary and authoritarian approaches to their advantage. The author went further to conclude that arbitration has replaced collective bargaining in many parastatals.

2.5. INDUSTRIAL RELATIONS (IR) CLIMATE

Kersley (2006) defined the industrial relations climate as the behaviours, norms and attitudes that underpin and reflect how employers, their employees and the unions interact in the organization which in turn impacts on the output of this interaction. Wilton (2010) said that one could use the relationship between management and the union to predict the industrial relations climate in an organization. Nel, Swanpoel, Kirsten, Erasmus and Tsabadi (2005) said that the industrial relations climate is concerned with the relationship and interaction between institutional groups and processes such as collective bargaining that arise out of it. Collective bargaining is one of the processes that determine and affect the industrial relations climate.

A sound industrial relations climate is one in which the relationship between management and employees and their respective representatives on the other hand and between them and the state on the other, are more harmonious and cooperative than conflictual. This environment is conducive to economic efficiency and the motivation, productivity and development of the employee and generates employee loyalty and mutual trust (da Silva, 1996). Collective bargaining is one of the processes
that can promote a sound industrial relations climate (Nel et al, 2005). By its nature, collective bargaining promotes industrial harmony through the involvement of parties and dialogue and rules used to regulate the employment relationship. This approach minimizes conflict (Farnham and Pimlott, 1995), and promotes the recognition of human rights as workers are treated with dignity (Salamon, 1992). A sound industrial relations climate promotes peace, stability and gives a solid base to social relationships (da Silva, 1996).

An **unsound or unhealthy industrial relations climate** is one where the relationship between employees or their representatives and employers or their associations and the state is characterized by conflict and disharmony (da Silva, 1996).

2.6. HOW CB IMPACTS ON THE IR CLIMATE

According to da Silva (1996), collective bargaining is a tool for regulating the employment relationship or maintaining stability in the industrial relations climate. This was supported by Akhaukwa, Maru and Byaruhanga (2013, who argued that studies by Edwards (2002) and Beardwell, Holden and Clayton (2004) showed that where the collective bargaining process is used to determine workers’ conditions and terms of employment and there is a good management – union relationship, the industrial relations climate invariably improves. The industrial relations climate is deemed poor where management is perceived by its employees to be hostile to unions. Consultation and negotiation with workers’ representative is a way of managing industrial conflict (Adewole and Adebola, 2010). Goolsarran (2006) describes the industrial relations climate as part of the labour administration system’s key elements, hence an essential predictor of organization success (Akhaukwa et al, 2013) and a key output of the collective bargaining process.

Collective bargaining has been noted to help promote cooperation and mutual understanding between workers and management by providing a framework for dealing with industrial relations issues without resorting to strikes and lockouts (Akhaukwa et al,
According to the Horwitz (2006), the process allows for a shared vision between management and employees; that is goal congruence; so that local management can operate on firm ground. An instance is the collective bargaining agreement in the clothing sector of Zimbabwe whereby management and employees agreed to stay the 2011 salary increments because both understood and appreciated that the sector was performing poorly and facing stiff competition from imports (NEC Clothing Secretary General, 2013).

The process promotes industrial peace and discipline. A lot has been written about how good industrial relations positively impact on the productivity and efficiency and the ultimate success of a company (Pyman, Holland, Teicher, & Cooper, 2010; Fashoyin, 2004). The Germany collective bargaining system in the 1980s promoted cooperation and this resulted in increased productivity in industry in general (da Silva, 1996). Where the climate is stable and conducive, employees move from counter-productive practices to ones that enhance production. Where there is a favourable perception of the collective bargaining process, increased commitment to the union and the employer results. Redman and Snape (2006) went further to show that this positive perception allows for improved and more cooperative union-management relations. Akhaukwa et al (2013) identified other outcomes associated with a favourable industrial relations climate to be reduced turnover, industrial conflict and staff absenteeism, positive perceptions of organizational prestige and attitudes towards supervisors, product or service quality (Lee and Lee, 2009), innovation and customer satisfaction. Khan (2006) argued that a stable industrial relations climate is vitally important for the economic growth of any country. Goolsarran’s (2006) study corroborated Khan’s assertions that the climate of industrial relations in any country impacts directly on the social and economic development of that country (Akhaukwa et al, 2013).

The collective bargaining process aims to bring about a mutually respectful and workable relationship between management and labour. Gone will be unilateral decision making, as management use collective bargaining as a way of fulfilling corporate objectives relating to the conduct of employee relations and pay (Akhaukwa et al, 2013).
The trust built up between union representatives and the employer and also between management and labour impacts on the quality of industrial relations (Akhaukwa et al, 2013; Nel et al, 2005). Through the process, the parties can establish more durable links if properly maintained as they continuously look for areas of mutual interest and agreement. This will be beneficial to the members of the respective parties (Gwisai, 2006; da Silva, 1996).

Where a deadlock occurs, one party can exert influence on the other which forces both parties to consider maintaining the relationship that exists between them as being more advantageous. Through this exertion compromises are reached through mediation and conciliation thus maintaining a good industrial relations climate in the industry or the organization. Where the trust is high, it is less likely that one side or the other will resort to sanctions (Cole, 2002). Lack of trust, acting in bad faith and poor communication creates tension between management and employees or unions.

2.7. CONCEPTUAL FRAMEWORK
According to Shields and Rangarajan (2013), a conceptual framework is “the ways ideas are organized to achieve a research project’s purpose” (p.24). It is used to outline possible causes of action or to present a preferred approach to an idea or thought (http://en.wikipedia.org/wiki/conceptual_framework). Following a review of the relevant literature, the researcher came up with the conceptual framework given in figure 2.1. below.
The drivers are issues of mutual interest that parties bargain on. These include working conditions, terms of employment, regulation of relations between employers and employees and regulation of relations between the parties’ organizations (Gwisai, 2006).
2.8. CHAPTER SUMMARY

Chapter two was an interrogation of collective bargaining literature and processes. Collective bargaining, a process in which worker and employer representatives negotiate and reach consensus and agreement, has its roots in the 1891 theory propounded by the Webbs. The Webbs seemed to suggest that the process had replaced individual bargaining but current trends have shown that the two levels of bargaining co-exist side by side. The framework for the conduct of collective bargaining in Zimbabwe is the Labour Act (Chapter 28:01). The process can be conducted at industry level through the auspices of an employment council or at company level where the management negotiates with a workers’ committee. Parties to the bargaining process consist of trade unions and employers or their associations and these parties must be sufficiently representative of their constituencies as contemplated by the Act. The parties are to bargain on issues of employment that are of mutual interest.

There should also be ways of handling conflict as it is an inherent and inevitable phenomenon where collective bargaining is concerned. For bargaining to be successful, preconditions such as full financial disclosure and no misrepresentation of information must exist all with a view to negotiating in absolute good faith. The Act contemplates that collective bargaining agreements must be registered and gazetted into law for them to be effective and that once registered, they become law. The Energy sector collective bargaining processes were also reviewed in the literature. In Zimbabwe, collective bargaining faces challenges such as corruption in the courts, delayed conclusion of cases by the courts, Minister of Labour having too much power to interfere in the registration process as well as the fact that the Act makes it difficult for workers to undertake collective job action. The chapter ended by defining industrial relations climate and doing a cost benefit analysis of CB as it relates to the IR climate. Chapter two laid the foundation for the discussion of results of the research findings in Chapter four.
CHAPTER THREE
RESEARCH METHODOLOGY

3.0 INTRODUCTION
This section describes the methodology that was used in the research and justifies the methods deemed appropriate for the research. This is followed by a review of the research design and research instruments that were used. Issues of data collection and analysis in relation to this study are also provided followed by a brief discussion on the reliability and validity of this study.

3.1 DEFINING BUSINESS RESEARCH
Business research is essential in order to get to the root of organizational problems and challenges. Cooper and Schindler (2011) said that the diagnosis of organizational challenges is done using the art of ‘reading an organization’, an intuitive process that is used by managers to understand a managerial dilemma with a view to coming up with practical solutions to the challenges currently facing a particular organization. The authors went further to define research as a systematic enquiry that provides information that guides managerial decision-making. Ghauri and Gronhaug (2005) explained ‘systematic’ to refer to research that is based on logical relationships and not just beliefs and ‘find out things’ may include describing, explaining, understanding, criticizing and analyzing which shows intent or purpose (Saunders, Lewis and Thornhill, 2009: p. 5). Information resulting from a proper research should enable an organization to take the relevant and appropriate actions so as to maximize on productivity,
performance and resultantly, profit (Cooper and Schindler, 2011). Meaningful and objective research should be able to combine theory with practice to come up with proper solutions to management dilemma. Managerial practice in general is drawn from theory and so practical solutions should have theoretical foundations such that there is a boost of managerial knowledge (Tranfield and Starkey, 1998).

3.2 RESEARCH DESIGN

Research design was defined by Tripathi and Shukla (1987) as relating to ensuring that the procedures used for conducting the research produce the most valid findings. The findings must be relevant and adequate for testing the research proposition or hypothesis. The design of the study was qualitative in nature using semi-structured interviews for data gathering.

3.3 RESEARCH PHILOSOPHY

Saunders, Lewis and Thornhill (2009) defined a research philosophy as relating to the development of knowledge. According to the authors, when one is researching and trying to address a particular problem in an organization, new knowledge is being developed. The researcher’s assumptions underpin the methods and strategies used in doing the research (Johnson and Clark, 2006). The research philosophy does not matter as much as a researcher being able to defend its suitability for the type of study undertaken ahead of other choices that were at their disposal. Pragmatism must guide the researcher at all times and Tashakkori and Teddlie (1998) put it correctly when they say that:

Study what interests you and is of value to you, study in the different ways in which you deem appropriate, and use the results in ways that can bring about positive consequences within your value system. (p. 30)

It is indeed true that one should not waste precious effort and time making useless arguments but should research on issues that make a positive contribution to business and management and ultimately to society at large (Saunders et al, 2009). There are fundamentally two approaches towards research; qualitative and quantitative approaches.
3.3.1. Quantitative research

Quantitative research has its roots grounded in positivism that is scientific emphasis on objectivity, analysis and measurement (Saunders et al, 2009). The quantitative researcher uses numerical data, for developing knowledge such as cause and effect thinking, hypotheses, questions, observation, measurement and also subject findings to testing and uses natural science models (Merriam, 1998; Remenyi, Williams, Money & Swartz, 1998). Generally, it makes use of deduction, that is, research is carried out in relation to hypotheses drawn from theory (Spratt, Walker, and Robinson, 2004). Gill and Johnson (2002) pointed out that the advantage the quantitative approach has is that there is little room for the manipulation and personal bias in the data gathering process, the actual data gathered as well as the analysis of the information. Usually, the positivist researcher uses a highly structured methodology so that they get similar results just like in a clinical setting in the physical sciences (Saunders et al, 2009; Gill and Johnson, 2002). Pertinently, some aspects of this approach can be co-opted in qualitative research for instance hypothesis testing thus proving that they are not limited to quantitative research only.

3.3.2. Qualitative research

To Cooper and Schindler (2011) qualitative research includes an “array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena in the social world” (p.160). It is important to understand that human beings interact in a social setting which can be influenced by attitudes, perceptions and feelings and this also impacts on social phenomena. The interpretation of social roles then is subjected to the meanings one chooses to attach to the roles. The study of collective bargaining processes at ZESA and the implications for the industrial relations climate is a study of how both employees and management perceive the way the process is being handled. Thus it involves symbolic interactionism where people are using their continuous
interpretations of the environment (collective bargaining processes and implications for the industrial relation climate) and the people they interact with (management – union) to form meanings, attitudes and actions (Saunders, Lewis and Thornhill, 2009). For this, the qualitative orientation seems most appropriate as it makes use of inductive reasoning; an approach that is particularly concerned with the context in which such events will be taking place (Saunders et al, 2009).

The method does have a major flaw in that, according to Cooper and Schindler (2011), “the facts cannot be generalized from a qualitative study to a larger population” (p. 160) and also that it is subject to researcher bias and human error. However lately, managers have largely turned to it because quantitative approaches to management and business research are not suitable for human resources issues and they leave out important insights that should be taken into consideration when making business decisions (Saunders et al, 2009).

3.3.3. Justification of research methodology

The researcher found it more appropriate to use the qualitative methodology because it is most appropriate for human resources studies (Saunders et al, 2009). The approach is ideal for extracting feelings, perceptions and many others through observation of behaviour, expressions and even the environment itself in the form of artefacts and objects (Cooper and Schindler, 2011). The method used for gathering data on the collective bargaining processes at ZESA and the implications for the industrial relations climate for the period January 2009 through to January 2013 was the semi-structured interview. The method was chosen in order to provide richer information, to corroborate information collected from different respondents and to initiate new lines of thinking.

3.4 RESEARCH STRATEGY

The general plan of how one would go about answering research questions so as to meet the objectives of the research is called the research strategy or design (Saunders
et al, 2009). It specifies the methods and procedures for the collection, measurement and analysis of data collected (Saunders et al, 2009). The research design consisted of a simple interpretive study, which was the most efficient means of collecting emotional as well as factual information and its merits include the ease of eliciting both verbal and nonverbal communication from respondents, the ability to discuss complex issues and its adaptive characteristics (Merriam, 1998). However, the disadvantages include the impact of the researcher on the process, confidentiality concerns of respondents and the possibility of differing interpretations of questions (Merriam, 1998).

Saunders et al (2009) argued that there is no research strategy that is better than the rest and that all are good and appropriate in so far as they ensure that the data obtained fulfils the objectives of the study. The research strategy should allow the researcher to answer the research questions and meet the research objectives. The choice of a strategy for research is dependent on the philosophical approach chosen, research questions and objectives and how much is already known on the subject (Saunders et al, 2009). The researcher found it necessary to use the semi-structured interviews for conducting the research.

Saunders et al (2009) described an interview as a purposeful discussion between two or more people. There are three types of interviews; structured, semi-structured and in-depth. Of the three, the semi-structured interview was chosen for gathering data. Semi-structured interviews are largely ‘non-standardized’ in nature (Saunders et al, 2006; Cooper and Schindler, 2011). The researcher made a list of questions and themes that cover the desired areas and they were not necessarily asked in the same order in every interview. Follow up questions were asked in order to seek clarifications on certain issues. The collected data was analyzed using descriptive methods and to suggest possible reasons and relationships between variables and to produce models for those relationships (Saunders et al, 2009).

With regards to reliability issues, Saunders et al (2009) defined it “as the extent to which data collection techniques or analysis procedures will yield consistent findings” (p.156).
They cited Marshall and Rossman (1999) as saying that situations are subject to change; findings derived from non-standardized research methods cannot be repeated since the reality they reflect at the time they were collected may have changed. It therefore follows that “an attempt to ensure that qualitative non-standardized research could be replicated by other researchers would be unrealistic” (Saunders et al, 2009:p.328).

Validity is defined as the extent to which a test measures what we actually wish to measure (Cooper and Schindler, 2011). The researcher ensured validity by asking the same questions in a different manner to check if the answers would remain consistent.

### 3.5 POPULATION AND SAMPLING TECHNIQUES

#### 3.5.1. Target Population

The full set of cases from which a sample is taken is referred to as the population according to Saunders et al (2009). Gill (1991) defined the target population as a total of the elements from which a survey sample can actually be drawn. Cooper and Schindler (2011) said, “A population is the total collection of elements about which we wish to make some inferences” (p.364). It is those people, events, elements or records that contain the desired information that can answer the measurement questions. From these the researcher can make some logical inferences and generalize their results to the study. For this particular research, the population was made up of:

1. Executive and senior management at ZESA.
2. ZESA management representatives at the collective bargaining meetings.
3. Union (ZEWU and NEWUZ) General Secretaries as they also attend the collective bargaining meetings.
4. NEC Energy General Secretary and Independent Chairperson.
5. ZESA employees based in Harare.
3.5.1.1. Sample size

A sample was defined by Cooper and Schindler (2011) as “a portion of the target population which must be carefully chosen to represent that population” (p.88). Table 3.1. reflects the population and sample size of the research.

Table 3.1 Sample Size

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Size of Population</th>
<th>Sampling Techniques</th>
<th>Sample Chosen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive &amp; Senior Managers</td>
<td>32</td>
<td>Purposive/ Judgmental sampling</td>
<td>2</td>
</tr>
<tr>
<td>Management representatives to the CB process</td>
<td>10</td>
<td>Simple random sampling</td>
<td>2</td>
</tr>
<tr>
<td>NEC/ Union Officials</td>
<td>10</td>
<td>Purposive/ Judgmental sampling</td>
<td>2</td>
</tr>
<tr>
<td>ZESA Harare Employees</td>
<td>1800</td>
<td>Cluster then stratified sampling and from those clusters respondents were randomly picked.</td>
<td>14</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1852</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

The sample size was initially limited to 20 respondents because the researcher could not interview everyone who was in the categories being researched on. Saunders et al (2009) argued that in qualitative studies that use interviews, a maximum of 20 respondents is ideal in order to avoid the saturation of data.

3.5.2. Sampling

Ideally, every researcher would want to have cooperative respondents whose participation will answer the research questions but this is not always the case when it
comes to the actual process it is often a different story (Cooper and Schindler, 2011). It is important to ensure that the target population is clearly specified so that all elements are adequately represented. Samples are used to estimate population values thus they should be truly representative of the target population (Cooper and Schindler, 2011).

The target population for this study was taken from a sampling frame. Saunders et al (2009) defined a sampling frame as a complete list of all the cases in the population from which the sample is drawn. A researcher should ensure that the sampling frame is accurate, up to date and complete. The units for the study were identified through the lists provided by both the Human Resources Sections and Salaries departments at the ZESA group of companies and NEC Energy list of collective bargaining participants for the period January 2009 through to January 2013. The two trade unions NEWUZ and ZEWU also provided a list of participants similar to that of the National Employment Council.

Sampling is the process of selecting a representative sample of the whole population under study. This is an important step in the research process because it helps to inform the quality of inferences made by the researcher that stem from the underlying findings (Creswell, 2007). The researcher decides on the number of participants to select or the sample size and how to sample the members. The choice of sample size determines the extent to which the researcher can make statistical and or analytic generalizations according to Cooper and Schindler (2011). The sample size will be informed by the research objective and also research design. Sampling decisions typically are more complicated in mixed methods research because sampling schemes must be designed for both the qualitative and quantitative research components of these studies (Merriam, 1998). There are two types of sampling methods; probabilistic and non-probabilistic. Use was made of both probabilistic and non-probabilistic sampling methods in order to collect the relevant data.
3.5.3. Probabilistic sampling

Saunders et al (2009) described probability sampling or representative sampling as the chance of each case being selected from the population being known and also being equal for all cases. This means that the sample makes it possible for one to achieve their research objectives or answer the research questions further meaning that the sample will be adequate. These sampling techniques are usually associated with survey based research strategies where the researcher needs to make inferences from the sample about a population to answer the research questions or to meet the objectives (Saunders et al, 2009). For this study, the researcher used different sampling techniques in order to come up with a realistic sample that was truly representative of the characteristics to be studied.

3.5.3.1. Cluster Sampling

This is a technique where the population is divided into discrete groups prior to sampling (Henry 1990). The sampling frame is the complete list of all the clusters. The researcher took advantage of the fact that ZESA is already geographically clustered and used this as a basis for clustering the targeted population. The various clusters included ZPC – Harare Power Station and ZPC Head Office. For ZETDC the clusters were ZETDC Head Office, Harare Region with its various districts, (East, North, West and South), and Transmission Head Office. For ZENT it was Projects Division, Manufacturing Division, Retail Division and Transport Division and PowerTel was clustered into Head Office and its town office. The clusters were further stratified into managerial and non-managerial employees. The researcher then used the staff lists availed to randomly draw employees from various departments such as Finance, Operations and Maintenance, Human Resources, Quality, Credit Control, Sales, Information Technology, Company Secretariat and Audit and Compliance. This was the only way the researcher could adequately ensure that all ZESA employees were represented.
3.5.3.2. Simple Random Sampling

This technique involves a researcher picking a sample at random from the sampling frame (Saunders et al, 2009). The technique was used for selecting a representative sample of the management representatives who constitute the employer party to the ZESA collective bargaining process. Out of the 10 (ten) management representatives, 2 (two) were randomly picked out.

3.5.4. Non probabilistic sampling

The use of non-probability sampling methods means that all elements do not have an equal chance of being selected (Cooper and Schindler 2011). It is a method used when one has got limited resources or is unable to specify a sampling frame (Saunders et al, 2009). The authors went on to say that the logical relationship between the sample selection technique and the purpose and focus of the research is more important. As a result the sample size is determined by the research questions and the research objective – what one needs to find out, what will be credible and useful and can be done with the available resources. This is especially so when one makes use of interviews. Types of sampling techniques include snowball, quota, convenience and purposive. For the research purposive sampling was used.

3.5.4.1. Purposive or Judgmental Sampling

This technique enables a researcher to use their judgment to select elements that will enable one to answer their research questions and to meet their objectives (Saunders, Lewis and Thornhill (2009). Neuman (2005) said that this technique is used when a researcher wishes to select particularly informative elements and this was suitable for using in interviewing Senior and executive management at ZESA. In particular the researcher desired to speak to any two Senior Officials comprising of the Group Chief Executive Officer, the Head of Corporate Services, the Company Secretary, the Group Financial Controller and the Managing Directors of the subsidiary companies. They are the custodians of ZESA’s corporate vision and direction and by virtue of their vital roles
they also give the mandate to their designated managers to bargain with employees. The same sampling technique was used to select the NEC General Secretary and the Independent chairperson. The reason they were deliberately picked was because they are the ones who oversee how the bargaining process must be done and also give guidance on laws governing the process.

3.6. RESEARCH INSTRUMENTS

Cooper and Schindler (2011) defined data as the facts presented to the researcher from the study's environment. Data is classified into primary and secondary data. Secondary data is data collected for other purposes and can be obtained from records that already exist for examples minutes, reports, and government journals. Primary data is collected right at source through different techniques like questionnaires, interviews or even observation (Cooper and Schindler, 2011).

3.6.1. Primary data sources

Primary data for the research was collected through face-to-face interviews. The researcher also observed all facial and body expressions that is all non-verbal communication and made deductions from it all. Personal interviews were conducted on 15 respondents including the Head of Corporate Services, two of the management representatives who take part in the collective bargaining process, NEC General Secretary and one of the Union officials. This was done because the researcher also felt that there was need to get more detailed information from these particular respondents. It was also a way of gleaning information from different sections of the collective bargaining process at ZESA. Interviewing this group was vital because it helped the researcher to gather data that was relevant to the research questions and research objectives (Saunders et al 2009). There were also good chances for follow-ups on pertinent issues.
3.6.2. Secondary data sources

The researcher made use of secondary data when carrying out the literature review as well as on the insights on how the collective bargaining process is managed through the NEC for Energy. Extensive use was made of the ZESA Resource Centre at the ZESA National Training Centre. From the Centre literature on the history of the parastatal, electricity sector reforms and collective bargaining history in Zimbabwe, regulations such as the ILO Convention 98, the Labour Act (28:01) was found. Use was made of the NEC Constitution as well as the collective bargaining minutes for the years 2009, 2010, 2011, 2012 and 2013, internal memoranda and the company’s strategic planning documents.

3.7. PRETESTING OF RESEARCH INSTRUMENTS

In order to detect weaknesses in design and instrumentation and to provide proxy data for the selection of a probability sample a pilot test is usually conducted before the main research (Cooper and Schindler, 2011). The pilot test was conducted on 4 colleagues of the researcher who were randomly picked. This proved to be a faster and easier method of rectifying offensive, awkward and ambiguous questions on the interview guide. The 4 colleagues were later excluded from the actual study itself in order to minimize researcher bias but the researcher incorporated their suggestions for improving the interview guide questions and remains deeply indebted to them.

3.8. ETHICAL ISSUES

Research ethics involves the protection of the dignity of subjects and the publication of information in the research (Fouka & Mantzorou, 2011). Most respondents in managerial positions at the company were afraid to disclose information on collective bargaining at ZESA as they thought the information confidential and feared victimization from their seniors. The major issues that were encountered are discussed below.
Informed consent – the researcher ensured that people voluntarily participated in the study. Respondents were briefed on what the study was about and informed of their right to participate if they so wished (Fouka and Mantzorou, 2011).

Respect for anonymity and identity – the researcher ensured there would be no linkage of the participants’ identity with their personal responses. The respondents were allowed to determine the extent of the disclosure of information all of which was done in the strictest confidentiality (Saunders et al, 2009).

Respect for privacy – the researcher also ensured that respondents’ attitudes and beliefs would not be shared without the subjects’ permission (Cooper and Schindler, 2011). Care was also taken during the research period not to delve into respondents’ personal information (Fouka and Mantzorou, 2011).

Beneficence – the researcher always bore in mind that the research should be effective and produce positive outcome for the organization, the researcher and to academia (Fouka and Mantzorou, 2011). A business research must always proffer practical solutions to challenges being faced by an organization.

3.9. LIMITATIONS OF THE STUDY

The research was intended to cover an adequate representation of all employee subgroups in the company of study, ZESA. As such the following were the limitations faced;

Most managerial employees feared participating in the study as they felt that their superiors would accuse them of disclosing sensitive and confidential information. The researcher mitigated this by explaining the binding nature of the research code of ethics.

There were time constraints. The study was a requirement done in fulfilment of the MBA studies and had to be done within a specific time frame.
Another limitation is that since respondents came from two key employee categories, managerial and non-managerial staff, their objectivity might have been undermined by their positions within the organization. This means they might have not been objective and truthful in the way they responded to interview questions thereby resulting in possible data contamination.

3.10. CHAPTER SUMMARY

The chapter described the methodology used to gather information on the collective bargaining processes at ZESA and the impact on the industrial relations climate as from January 2009 through to January 2013. The researcher elected to use qualitative methodology, as it is most appropriate for social and human resources studies. Data was collected using semi-structured interviews as a method. In order to iron out any ambiguities, a pilot test was conducted on four of the researcher’s colleagues who were later excluded from the actual study itself in order to minimize researcher bias. The research limitations encountered were fear by managerial employees to disclose information they considered too sensitive, as they feared victimization from their superiors and also failure by the researcher to interview intended respondents. These were mitigated by assuring the respondents of the binding nature of the research code of ethics.
4.0. INTRODUCTION

This chapter presents the data and analysis of the research findings. The data is presented using various forms such as simple descriptions, tables, graphs and pie charts where appropriate in order to paint as vivid a picture as possible. The findings are presented, analyzed and interpreted in line with the research objectives.

4.1. RESPONSE RATE

A total of 20 interviews had been lined up with the respondents. The actual number of interviews held was 15, which showed an average response rate of 75%. This is diagrammatically presented below in table 4.1.

<table>
<thead>
<tr>
<th>Category of Respondents</th>
<th>Sample</th>
<th>Respondents</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive &amp; Senior Managers</td>
<td>2</td>
<td>1</td>
<td>50%</td>
</tr>
<tr>
<td>Management representatives to the CB process</td>
<td>2</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>NEC/ Union Officials</td>
<td>2</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>ZESA Harare Employees</td>
<td>14</td>
<td>10</td>
<td>71.43%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20</strong></td>
<td><strong>15</strong></td>
<td><strong>75%</strong></td>
</tr>
</tbody>
</table>

The table depicts the response rate of different categories of employees at ZESA. Given that collective bargaining negotiations are done under the strictest confidentiality and also that the 2013 collective bargaining process was underway during the period of the
study, getting information about January 2013 from ZESA management proved to be a bit of a challenge. The NEC Energy and Union officials were eager to participate as they saw the research as a way of airing their views. As for the generality of the ZESA employees, they were very eager to participate as the topic was an emotional one for them. The 28.57% that did not were out of the office on business when the researcher wanted to conduct interviews.

4.2. DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

The respondents’ demographic characteristics were analyzed using their gender, age, education level as well as the length of service at ZESA.

4.2.1. Respondents’ Gender

Figure 4.1. depicts the respondents’ gender.

![Respondents' Gender](image)

**Figure 4.1. Respondents’ gender**

The figure shows that of the total 15 respondents, 66.67% were males while females accounted for 33.33% of the total respondents.
4.2.2. Education levels of respondents

The respondents’ academic achievements were as detailed in figure 4.2. below.

![Education Levels](image)

**Figure 4.2 Respondents’ Education Levels**

Most of the respondents (42.85%) had a Diploma or Higher National Diploma while those with Masters’ Degrees and a University Degree accounted for 21.43% each. Respondents with Doctorates and those with other levels of education counted for 7.14% each. This shows that employees at ZESA are educated enough to be able to understand collective bargaining issues and how these impact on the industrial relations climate of the company. Thompson and Strickland (1989) argue that high levels of literacy were important for the success of any strategy the organization adopts as employees will understand the direction that the company will be taking. The high levels of literacy would benefit ZESA in terms of strategies the company could come up with in order to improve its collective bargaining processes.

4.2.3. Respondents’ age

The respondents’ age characteristics were as given in figure 4.3.
Figure 4.3. Respondents’ age

Most of the respondents were aged between 46 and 55 years thus accounting for 42.86% while the next respondents range between 36 and 45 years (28.57%). Third in line are those above 55 years who totalled 14.29% while respondents in age groups 16 to 25 years and 26 to 35 years accounted for 7.14% respectively. The statistics show that most of the parastatal’s employees were mature thus the views and responses they gave to the interview questions reflect maturity and careful thought and have positive implications for their validity.

4.2.4. Years of Service

Figure 4.4. depicts the years respondents to the study have been in service at Zimbabwe Electricity Supply Authority.
The majority of the respondents have served the ZESA Group of companies for a period ranging from 21 to 30 years (35.71%) while the next set range from 11 to 20 years (21.43%). Other respondents who have served for between 0 to 10 years account for 14.29% as does those who are aged between 31 to 40 years of age 14.29%. Employees who have given 41 to 45 years of service to ZESA accounted for 14.28%. The years of experience shows that most of the respondents have an understanding of the collective bargaining processes in ZESA and are thus best placed to participate in this study.

4.2.5. Group Company

Figure 4.5. shows which group company the respondents work for.
The respondents were mostly drawn from ZESA Enterprises, Zimbabwe Power Company and Zimbabwe Electricity Transmission Distribution Company. The three companies accounted for 21.43% each for the respondents in their individual capacities. PowerTel 14.29% and the combined grouping of Union Officials and NEC Energy official accounted for 14.28% while the holding company, ZESA Holdings accounted for only 7.14%.

4.3. THE CB PROCESSES AT ZESA

4.3.1. Respondents’ views on CB processes at ZESA

Respondents (both managerial and non-managerial) were asked to comment on the collective bargaining processes at ZESA for the period January 2009 through to January 2013. Their views are as reflected in figure 4.6 below.
The above figure shows that 80% of the respondents (non-managerial) viewed the collective bargaining processes at ZESA negatively for the period January 2009 to January 2013. 7% (executive management at ZESA) viewed the processes positively while 13% were not sure. Given that a large number of the respondents (12) voiced their dissatisfaction with ZESA’s collective bargaining processes, it implies the justification for this research on the actual collective bargaining dynamics on the ground at ZESA. The results complement Merek’s (2012b) assertion that the collective bargaining systems and processes have collapsed in most companies in Zimbabwe.

The following, according to the respondents (non-managerial), were the reasons why the collective bargaining processes were being viewed in a negative light:

- Lack of respect of workers’ rights. Management no longer recognized the role played by workers in ensuring the continuity of ZESA; rather, they were interested in protecting their personal interests, benefits and positions. This perception supports Da Silva (1996)’s view that where management is perceived not to respect workers’ rights, employees are likely to have a negative perception towards collective bargaining processes.
• Too much political interference in the process by the Minister of Energy and Power Development. In April 2009, then Minister of Energy, Elias Mudzuri gave an instruction to ZESA management to unilaterally slash off 30% of the employees’ allowances which had been negotiated for through a legitimate collective bargaining process despite the fact that the negotiated salaries had been paid for two months. The reason given by Minister Mudzuri was that ZESA salaries were too high (ZESA, 2009). So the slashing was with effect from 23 April 2009.

• 93% of the respondents (non-managerial and managerial employees) felt that the employer was deliberately choosing not to comply with the law. In December 2011, the 2012 collective bargaining agreement for the energy sector was concluded. When the agreement was registered and gazetted as law on 17 March 2012, other companies in the energy sector, PetroTrade, National Oil Company, PetroZim line and the Rural Electrification Agency complied with the agreement and paid out the agreed salary rates (NEC Energy, 2012). ZESA refused citing financial constraints and employees took legal action against the company. Even after the 2012 CBA matter was taken for voluntary arbitration and heard before arbitrators George Makings (representing the employer) and Professor Lovemore Madhuku (representing the employees) who ruled in favour of the employees; the company still refused to implement the arbitration ruling. Employees then went on strike where upon the company responded by first suspending and then dismissing 135 employees (The Herald, 19 July 2012; ZESA Suspension Letters, 2012).

• All the respondents (100%) bemoaned the fact that the courts have delayed in concluding all CBA cases in ZESA. A case in point is the 2010 response by employees who took legal action against the unilateral slashing of their 2009 salaries by Minister Mudzuri. The matter was taken for conciliation and a certificate of no settlement was issued in line with Section 93 (5) (c) of the Labour Act. The matter was then taken for arbitration before Manase and Manase who ruled in favour of ZESA. The trade unions (NEWUZ and ZEWU) referred the matter to the Labour Court and in mid-2012 the matter was heard before Labour
It was ruled that the collective bargaining agreement was not registered as required by Section 79 (1) of the Labour Act. The employees then appealed to the Supreme Court against the decision made by the Labour Court judge. The matter is yet to be heard. Mereki, (2012a) and Mucheche (2012) are in agreement that the Zimbabwean justice system has proven to be a let-down due to delays in delivering judgments to labour cases. Additionally, the reliance on courts to bring finality to collective bargaining disputes means the collective bargaining system has collapsed (Mereki, 2012b).

Similarly, finality is yet to be brought by the High Court to the 2012 collective bargaining agreement. The 2012 collective bargaining issue was heard before arbitrators who ruled in favour of employees. ZESA management has appealed against this ruling but the matter has also been on the High Court register for more than one year.

• All CBAs since January 2009 have been brought to “finality” through arbitration and some are still pending at the courts as highlighted above. Of all the collective bargaining agreements made since the introduction of the multicurrency system, none has been agreed upon and implemented without declaring a dispute. This was aptly summarized by Mereki (2012b) who said that arbitration has replaced collective bargaining in most state controlled utilities. The arbitration route unduly protracts the collective bargaining process and has been viewed in bad light by management which felt that most arbitrators were ruling in favour of employees in order to get repeat business which aptly supports Mucheche (2012)’s point that, arbitration may breed resentment amongst employers and employees. Mucheche (2012) referred to compulsory arbitration as “… the worst, most inefficient and primitive form of resolving collective bargaining disputes…” (p. 47).

• The employer was accused of negotiating in bad faith by 80% of the respondents. A case in point is the 2012 collective bargaining agreement, where management went for arbitration citing interpretation of the signed agreement as their contentious issue. Arbitrators Makings and Madhuku ruled in favour of employees saying that the agreement was very clear to all parties in that $275 was to be paid to the lowest paid employee who was on grade A1.1 (Arbitration
Outcome, 2012). Instead of ZESA management appealing against the arbitral award, they appealed against the presence of one of the arbitrators on the Arbitration Tribunal. Their grounds of appeal at the High Court stated that one of the arbitrators (L. Madhuku) did not declare conflict of interest before adjudicating on the matter. The employer party claimed that Madhuku was part of the lawyers (Matsikidze and Mucheche Law Firm) who represent the trade union ZEWU (ZESA Appeal document, 2012). ZESA management then appealed to the High Court of Zimbabwe but never made a follow up on the progress of the case to date (NEWUZ, 2013). One of the trade unions (NEWUZ) engaged its lawyers to apply for dismissal of the ZESA case at the High Court for want of prosecution (NEWUZ, 2013).

- The management representatives to the bargaining processes were not empowered to make decisions. Parties to the negotiation process are required to have a full mandate by the Labour Act as well as the NEC Energy Constitution (Collective Bargaining Ground Rules, 2013). For example the 2012 CB process Team Leader was then Group Company Secretary of ZESA Holdings and he conceded to a 5% salary increase that implied that an employee on Grade A1.1 would get basic salary of $275. ZESA management contested this and brought the Company Secretary to a disciplinary hearing accusing him of going beyond his mandate and conceding to the 5% salary increment. He was eventually dismissed from the company’s employ.

- The non-managerial employees, trade union and NEC Energy officials felt that there was no mutual regard between management and unions. According to them, each side just selfishly looks at its interest without considering what could benefit all.

- Management was accused of not freely sharing information on collective bargaining issues. Respondents in the non-managerial employees’ category pointed out that instead of information coming from management; they were relying on the unions to give them the information for feedback and updates on ZESA collective bargaining issues.
• Management was accused of having an unfavourable attitude towards the unions, which also supports Akhaukwa et al (2013)’s argument that an organization’s collective bargaining processes are viewed negatively in situations where management is perceived to have a negative attitude towards trade unions.
• General dissatisfaction with the process’ fairness.
• The time taken to reach an agreement was too long.
• Parties to the collective bargaining process had no regard of the other party’s viewpoint.
• Parties to the process were not willing to give and take and thus ended coming across as being selfish.
• Dissatisfaction with the way agreed terms in CBAs were implemented.

4.3.2. Company Approach towards CB
With regards to ZESA’s approach towards collective bargaining, 80% of the respondents felt that the company had no regard for the process itself and was not willing to be bound by the collective bargaining agreements thereby ultimately undermining the labour law itself.

4.3.3. Machinery in place for CB
From the documentary evidence, it emerged that prior to January 2012, collective bargaining at ZESA would be conducted at company level. ZESA and its subsidiary companies, ZENT, ZPC, ZETDC, ZESA Holdings and PowerTel would negotiate with the trade unions (then ZEEWU and ZTEA) under the auspices of the NEC for the Electricity Industry. The agreements had the effect of binding all parties to the process. The team leader for ZESA management and the Presidents of the unions would append their signatures to show concurrence with the agreements. As for implementation, ZESA Holdings would give guidance on how the agreements would be implemented. A case in point is the February 2009 CBA whereby the Group Financial Controller at
ZESA Holdings notified all Managing Directors from the subsidiary companies that the CBA was effective 1 February 2009, the first payroll that would be run before the end of the month of February 2009 would be the basic salary in full plus $70 transport allowance per employee for the month of March 2009 and that all the other current allowances would be paid through a supplementary payroll early in March 2009 (Internal Memo, Feb 2009).

In December 2008, then Minister of Energy and Power Development, Elias Mudzuri, gave the directive that all companies in the Energy sector were to negotiate at industry level. This led to the rebranding of the former NEC Electricity Industry to the NEC for the Energy Industry to incorporate other sector companies; PetroZim Line, PetroTrade, NOIC, REA and ZESA and its subsidiary companies. The companies would also bargain within the NEC Energy auspices with the relevant registered unions. The unions concerned were the National Energy Workers Union (NEWUZ) and Zimbabwe Energy Workers Union (ZEWU). The bargaining would be in line with the NEC Constitution and Labour Act of Zimbabwe. Most respondents (80%) felt that ZESA had the right machinery in place for bargaining. The NEC constitution was clear enough on the procedures to be followed to ensure free and fair bargaining. They felt that the problem laid with individual companies' respect of the machinery in place not the machinery itself.

4.3.4. Scope of CB Agreements

From the documentary evidence as per the NEC Constitution and the CB Ground Rules Setting minutes, the collective bargaining agreements cover grades A1.1 to D2. However, on 1 July 2007, at the height of the economic meltdown, ZESA abolished grades A1 and A2 as a way of trying to improve the earnings of their employees. All employees on the abolished grades were upgraded to A3.1 while those already on that grade were not affected in any way. Thus for ZESA, collective bargaining agreements now catered for employees in grades A3.1 to D2.
4.4. CHALLENGES ASSOCIATED WITH THE CB PROCESSES

Data on the challenges associated with the collective bargaining processes at ZESA were gathered through interviews and documentary review of all the collective bargaining agreements made since January 2009 to January 2013. The information showed that focus of ZESA employees has been on setting basic salaries and allowances such as transport, housing, non-pensionable among others as a way of topping up the low level wages (Collective Bargaining Minutes Second Meeting, 2009). The findings tabulated below show the proposed offers at industry level while the contentious issues at ZESA level are presented while the last column presents the status at ZESA level.

Table 4.2. Findings on year-by-year collective bargaining process outcomes and challenges.

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposed Demands and Offers (at industry level)</th>
<th>Contentious Issues</th>
<th>Status (at ZESA level)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>JANUARY 2009 (INTERIM AWARD) Lowest paid employee $215 billion, 50 litres fuel coupons. FEBRUARY 2009 Lowest paid employee at Grade A3.1 paid $190 Transport Allowance $70 Retention Allowance 35% of basic Housing Allowance 35% of basic Responsibility Allowance 5% of basic Non Pensionable Allowance 30% of basic</td>
<td>Ministerial directive to the ZESA Holdings Board to unilaterally slash 30% of allowances with effect from 23 April 2009. This was done citing reduction of operating costs as part of national effort to correct economic fundamentals. <strong>Reduced Allowances</strong> Retention reduced to 20% Housing reduced to $25% Non pensionable reduced to 20%</td>
<td>Trade unions called for a strike to force management to restore slashed allowances. A show cause order was issued. Certificate of no settlement issued after parties failed to agree at conciliation stage. Matter went for compulsory arbitration before Manase and Manase who ruled in favour of employer. Employees then appealed to Labour Court and Judge Chidziva upheld the arbitration ruling. Employees further appealed to Supreme Court in 2012. Case yet to be heard.</td>
</tr>
<tr>
<td>2010</td>
<td>Lowest paid employee at Grade A3.1 paid $214</td>
<td>ZESA Management argued that the company could not</td>
<td>Issue taken for voluntary arbitration after conciliation had failed to bring</td>
</tr>
<tr>
<td>Allowance</td>
<td>Percentage of Basic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport Allowance</td>
<td>$70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retention Allowance</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Allowance</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility Allowance</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non Pensionable Allowance</td>
<td>35%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tools Allowance</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Lowest paid employee at Grade A3.1 paid $253. ZESA Management argued that the company could not afford to pay the salary increment unions were garnering for.</td>
</tr>
<tr>
<td></td>
<td>No agreement was reached between management and the unions and when conciliation failed, the matter was taken for voluntary arbitration. Matter arbitrated by Gwisai and Kabasa who awarded employees an 18% salary increment. Employees were also awarded a 2.5% cost of living adjustment through arbitration in June 2011. This was after it had been agreed that the country's economic fundamentals had changed as inflation had eaten away 2.5% of employees' earnings. Arbitrators Gwisai and Makings awarded this.</td>
</tr>
<tr>
<td>2012</td>
<td>Lowest paid employee at Grade A1.1 to be paid $275. ZESA management was offering $275 at A3.1 whereas the signed and gazetted agreement was saying $275 at A1.1. Ministerial directive citing incapacity to pay.</td>
</tr>
<tr>
<td></td>
<td>Other industry companies complied with CBA, ZESA refused citing interpretation differences. 3 Mandatory meetings to conciliate issue held at NEC level. Matter taken for voluntary arbitration. Employees awarded increase through arbitral award, employer appealed to High Court on grounds one of the arbitrators did not...</td>
</tr>
<tr>
<td>Allowance</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Non Pensionable Allowance 35% of basic</td>
<td>declare conflict of interest. Employer has never made a follow up on the case up to date. NEWUZ lawyer applied to have the case dismissed for want of prosecution.</td>
</tr>
<tr>
<td>Canteen Allowance $23</td>
<td></td>
</tr>
<tr>
<td>Tools Allowance 10% of basic</td>
<td></td>
</tr>
<tr>
<td>Housing Allowance 35% of basic</td>
<td></td>
</tr>
<tr>
<td>Responsibility Allowance 5% of basic</td>
<td></td>
</tr>
<tr>
<td>Non Pensionable Allowance 35% of basic</td>
<td></td>
</tr>
</tbody>
</table>

**2013**

<table>
<thead>
<tr>
<th>Lowest paid employee at Grade A1.1 to be paid $500.</th>
<th>Management offering 5% increment while trade unions are demanding $500 for lowest paid in line with CPI breadbasket.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Allowance $70 Retention Allowance 30% of basic</td>
<td>Parties are still arguing on interpretation of Section 13 (5) of the NEC Energy Constitution. The section states that if parties fail to agree, then the dispute must be taken for mediation or arbitration in line with the Act. It is on the particular ‘Act’ that parties are disagreeing – Labour Act or Arbitration Act. Parties have appeared before Justice Chinhengo to assist on the interpretation and are currently are awaiting the outcome of that hearing so that they can chart the way forward. As an interim measure, ZESA management awarded employees a 5% increment in order to cushion employees against the rising cost of living while awaiting resolution of the matter.</td>
</tr>
<tr>
<td>Housing Allowance 35% of basic Responsibility Allowance 5% of basic Non Pensionable Allowance 35% of basic</td>
<td></td>
</tr>
</tbody>
</table>

### Whilst the table presented information garnered from documents, the interviews also yielded the following information:

#### 4.4.1. Management position

According to management, ZESA scrapped away grades A1 to A2 in order to improve the earnings of its employees through upgrading them to grade A3.1. Nothing was done to employees already placed on A3.1. When the CB process was being held at company level this was not a problem, as all parties understood that reference to the lowest paid employee meant an employee placed on grade A3.1. Complications arose...
with negotiating at industry level as all the other companies in the Energy sector have employees graded from A1.1 to D2. There were contradictions as to what grade the lowest graded employee could be placed. A look at the 2012 collective bargaining agreement shows that a minimum basic salary of $275 would be paid for grade A1.1. ZESA management interpreted this to mean that the $275 would be paid for A3.1 since that was the lowest grade in existence at the company. ZESA further argued that it would not implement the NEC Energy salary scales that had been adopted by other companies because they were crafted in a manner that created a compounding effect. This is contrary to what Gwisai (2006) and Mucheche (2012) said when they stated that when a collective bargaining agreement has been published, it binds all employers within the industry and that there is no variation of the minimum terms agreed.

On the implementation of the agreements management argued that they respect the agreements and endeavour to adhere to agreed terms. In their internal memorandum to inform employees of the decision to reduce allowance in 2009, ZESA management wrote that,

management is cognizant of the fact that the current salary levels had been arrived at following CB negotiations conducted in terms of the Labour Act (Chapter 28:01), but sincerely implores members of staff to support government’s efforts towards the economic recovery program. (Internal Memo, 23 April 2009)

Management claimed to have mutually agreed with and obtained a signature from the employees but documentary evidence showed that only one union (ZEWU) had agreed while ZTEA refused to sign. This was in contrast to what Gwisai (2006) argued that parties amend collective bargaining agreements by mutual consent. The fact that only one union appended its signature while the other (ZTEA) did not showed that no mutual agreement of the parties was reached for the amendment of the 2009 CBA. In contrast, Gwisai (2006) said that under section 74 (4) proposals may be made for amendments after a year has elapsed but at ZESA in 2009 they were made after three months only had passed.
Management also maintained that their representatives who took part in the collective bargaining process were given a full mandate. The mandate was set based on how the company would be performing financially hence the ability to pay. The parties were fully empowered to make decisions within their mandate and to consult their seniors were necessary. According to management, the mandate governed the parameters within which management representatives were supposed to act and must not be exceeded.

Management also revealed that collective bargaining information was regarded as sensitive and confidential. Management disclosed information as and when necessary in order not to destabilize the industrial relations climate but unions were free to communicate with their members. Management also went further to say that they supported the trade unions and recognized the role they played in the regulation of working relations.

4.4.2. NEC Energy and Trade Unions

Records showed that ZESA had been directed by NEC to restore the grades as per the Patterson system that ZESA itself was using. The trade unions, NEC Energy and arbitrators took a different interpretation arguing that the 2012 agreement was very clear that the said amount was applicable at A1.1 thus ZESA management had to comply with the agreement. Respondents also cited Ministerial interference in the collective bargaining process as the biggest challenge to collective bargaining at ZESA. Respondents pointed to the 2009 Ministerial directive, to reduce staff allowances by 30% and the 2012 directive citing incapacity to pay. Trade Unions (NEWUZ in particular) cited that they had 3 meetings with then Minister of Energy who would promise to give a directive to ZESA management to honour the agreement but nothing would materialize. They even cited that ZESA management refused to disclose the company’s full financial status before an arbitrator when challenged over the allegation of financial incapacity, which was contrary to what section 76 of the Labour Act (Chapter 28:01) says.
4.5. CB PROCESSES’ IMPLICATIONS FOR THE IR CLIMATE

Generally, respondents felt that ZESA’s collective bargaining processes had negative implications for the industrial relations climate. The interpretation derived from the results was that ZESA employees were unsatisfied by the length of time it took to conclude collective bargaining agreements. For instance, in 2010 and 2011, the agreements were concluded more than four months after the new bargaining year had commenced and employees had to be paid their salary increments in retrospect. Additionally, as at the date this research was concluded, negotiations for 2013 were still in dispute. The employees felt this was unfair to them and that management was being insensitive to their needs as a stakeholder. Employees felt that management would just afford themselves hefty salary increments. Added to this, was the fact that management was unnecessarily delaying conclusion of the collective bargaining agreements and to the employees, this introduced the element of distrust with some even alleging that management would also attempt to bribe union members so that they could not adequately represent their constituents. In support of this, Cole (2002) said that lack of trust creates tension between management and employees or unions which impacts negatively on the industrial relations climate of an organization.

From the findings it emerged that employees had become militaristic and anti-management to the extent that every level of staff (both managerial and non-managerial employees) is strongly unionized. Middle management formed their own union ZESA Managers Association (ZEMA) that also dragged the employer to the courts and won their case for the slashing of the 30% allowances on 23 April 2009 according to internal documents accessed by the researcher. The company is cluttered with collective bargaining litigation as evidenced by documents that relate to the slashing of 2009 allowances, 2012 CBA and 2013 CBA as well. The nature of the collective bargaining processes has affected the socio economic status of its staff (as pointed out previously) and their families and the company has been rocked by a spate of industrial actions which have also received sizeable media coverage (Herald, 2012) which supports Salamon (1992)’s argument that conflict can have negative connotations such as the loss of trust between the negotiating parties, threats, hostility or even lead to collective
job action. As a way of managing the conflict, Adewole and Adebola (2010) suggested that an astute management would use the process of collective bargaining as a way of managing industrial conflict through consultation and negotiation with workers’ representatives.

What compounds the woes is that for 2012, other companies in the energy sector, PetroTrade, National Oil Company of Zimbabwe (NOIC), PetroZim line and the Rural Electrification Agency complied with the agreement and paid out the agreed salary rates (NEC Energy, 2012). Additionally, the fact that the employer suspended striking employees for periods exceeding the 14 days stipulated in the Energy Industry Code of Conduct without pay and in some regions such as ZETDC Northern (Chinhoyi) even firing the employees altogether only for them to be reinstated by the Labour Court further worsened the industrial tensions. Employees perceive the employer as an entity that does not respect the laws and takes a punitive approach vis-à-vis a rehabilitative and reconciliatory approach and this appears to fuel the industrial tension at the power utility.

Employees expressed dissatisfaction with ZESA’s collective bargaining processes, management willingness to make concessions and also the implementation of the terms agreed in the negotiations. The findings were interpreted to mean that the majority of the employees at ZESA felt that there was no mutual regard between the parties to the collective bargaining process and neither did the parties work together to resolve collective bargaining disputes. Management was perceived to have a negative attitude towards the trade unions and that it did not support the role played by trade unions in the company which supported Adewole and Adebola (2010)’s assertions that the industrial relations climate is deemed poor where management is perceived to be hostile to trade unions by its employees. Employees did concede that unions actively sought to bring finality to the disputes by citing the effort made by ZEWU in April 2013 to bring ZESA management to book for not complying with Statutory Instrument 50 of 2012 (2012 CBA). The State prosecutor in the case, Oscar Madhume, pointed out that this deliberate flouting of the law was negatively impacting on the employees (ZEWU,
2013). According to the case outcome documents, Magistrate Anita Tshuma ruled that ZESA’s refusal to comply with the instrument was deliberate and fined ZESA $400 (ZEWU, 2013). This supports Gwisai (2006)’s position that criminal procedures may be instituted against an employer who fails to comply with a labour officer’s ruling under section 76 (3) of the Labour Act and a fine may be imposed on the guilty employer. It must be noted however the Magistrates’ Court does not have the locus standi to enforce compliance with the agreement because of the amounts involved. It can only fine the company while higher courts deal with the matter. As a result, this was interpreted to mean that employees felt the industrial relations climate was poor.

4.6. CHAPTER SUMMARY

Chapter four dealt with the presentation, analysis and interpretation of data. Figures and tables were used to present and illustrate the findings. The overall response rate to the study was seventy five percent (75%). Analysis of the findings revealed that over eighty percent of the respondents felt that ZESA’s collective bargaining processes were not effective and several factors were responsible for this. It also came out that the collective bargaining processes at ZESA have negative implications for the industrial relations climate. The next chapter will provide the conclusions to the research and recommendations to be considered by the company.
CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter provides the conclusions drawn from the research findings. Recommendations to be considered by parties to the collective bargaining process at ZESA for improvement and also to minimize the negative implications of the process dynamics are also provided in this chapter.

5.1 CONCLUSIONS

The following conclusions were drawn for each research objectives from the research findings.

5.1.1. Identify ZESA CB processes over study period

The research concluded that when collective bargaining was being done at company level, there were limited misunderstandings pertaining to grading, management-union relations and outside interference. When the process was now done at industry level, problems arose with interference from outside and confusion over the grades.

5.1.2. Identify the challenges associated with the processes.

The research concluded that the processes faced challenges such as ministerial interference in the processes, management not implementing the terms of the agreements, agreements were taking too long to be concluded and also that all disputes were not being resolved in-house. This has rendered the collective bargaining processes ineffective.
5.1.3. Assess the processes’ implications for IR Climate

The research also concluded that the collective bargaining dynamics have had negative implications for the industrial relations climate at ZESA over the period of the study.

5.2. TESTING THE RESEARCH PROPOSITION

The overall analysis supports the research proposition that the collective bargaining processes used at ZESA have negative implications for the company’s industrial relations climate over the period January 2009 through to January 2013. Overall research findings have shown that the actual collective bargaining process dynamics on the ground at the company are creating an industrial relations chasm between management and employees.

5.3. RECOMMENDATIONS

Based on the above conclusions, the following recommendations are proposed to ensure that the collective bargaining processes at ZESA are improved and that they do not create negative implications for the industrial relations environment.

5.3.1. Involve all Stakeholders

Communication should be improved and all stakeholders (both unions) need to be involved and adequately consulted in issues that affect their constituents’ conditions of service. It is vital for all social partners involved in the collective bargaining process to work collectively towards resolution of conflict and in decision-making as it promotes agreement and consensus (Salamon, 1992; Nel et al, 2005).

5.3.2. Take a needs based approach

This is an approach based on the win-win approach. No one party strives to gain ground or concessions at the expense of the other. The approach favours dialogue, concession, compromise and the collective good over a win-lose or lose-win approach.
ZESA management needs to understand why the employees will be making their demands, what it is that they really want while the trade unions also understand why management takes the position it does. The driving forces behind the demands of the other party need to be understood and appreciated by both parties in the same manner so that they strive to arrive at a position that satisfies both. In the end, a give and take relationship exists between both parties, as there is mutual regard and recognition. Taking this approach towards collective bargaining allows for a shared vision between management and employees; that is goal congruence; so that local management can operate on firm ground (Horwitz, 2006).

5.3.3. Ensure finality is brought to all pending CB cases

ZESA management must ensure that all hanging collective bargaining cases are brought to a closure. Too many collective bargaining disputes have been left hanging thus management must endeavour to ensure the cases are brought to ‘finality’ as a matter of urgency. It is unhealthy for an organization to have a lot of litigation haunting it. It would also be prudent to withdraw some of the appeals and engage employees on how best to resolve them.

5.3.4. Resolve problems in-house

Where there is a meeting of the minds peace reigns. Collective bargaining aims to bring the conflicting demands of employees and their employers through concessions and compromises. Ideally parties to the collective bargaining process should reach an agreement at all times but conflict is a normal and inherent feature of the process. Parties should strive to resolve disputes through dialogue, concessions and conciliation instead of arbitration which can disadvantage one party at the expense of the other one.
5.3.5. Comply with the law and CBA terms

ZESA management representatives who come to the bargaining table must do so with a full mandate. This is in order to prevent authorization disputes and unnecessary litigation. Parties must negotiate with the utmost good faith and also respect the terms agreed in the actual agreements themselves. Parameters for expediting the process as set in the Labour Act and NEC Constitution must be respected and followed as it prevents industrial conflicts.

5.3.6. Minimize outside interference

Measures must be put in place to minimize interference from the Ministry of Energy. The Ministry must be confined to crafting guiding national policy and not be given room to interfere in the day to day running of the organization as it has negative implications for the industrial relations climate.

5.4. AREAS OF FURTHER RESEARCH

An area of further study would be to assess how the external environment might be affecting an organization’s industrial relations climate.
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86. ZPC Strategic Document, 2013
APPENDICES

APPENDIX 1 - INTERVIEW GUIDE SHEET

DEMOGRAPHIC INFORMATION ABOUT THE RESPONDENTS

Gender: …………………………...        Age Range: ……………………………

Employment Status: ……………        Employee Category: ……………….

Education Level: ………………………………………………………

Company Worked For: …………………………………………

Years of Service: …………………………………………………

1. What is your understanding of industry level collective bargaining?
2. How would you describe the collective bargaining processes at ZESA as from January 2009 through to January 2013?
3. Please explain your answer to the above question.
4. How many collective bargaining agreements have been made without declaring a dispute since January 2009 to January 2013?
5. In your opinion, is settlement of disputes through the arbitration process the best practice for an organization?
6. Explain your answer to the above question.
7. What is your understanding of employee engagement and involvement?
8. In your opinion, is the bargaining relationship equally balanced?
9. How would you describe the current IR climate at ZESA?
10. To what extent would you say the collective bargaining processes at ZESA contribute to the prevailing IR Climate?
11. Does ZESA have laid down policies and procedures to be followed when there has been a disagreement in the implementation or interpretation of collective bargaining agreements?

12. What is your impression about the way ZESA is handling the collective bargaining process in general?

13. Do you belong to a trade union?

14. In your opinion, does the external environment have a role to play in the industrial tension created through ZESA’s collective bargaining practices? If so how?

15. What suggestions would you give to ZESA management to minimize the industrial tension created by their handling of collective bargaining agreements?
APPENDIX 2 - INTERVIEW GUIDE SHEET – MANAGEMENT

DEMOGRAPHIC INFORMATION ABOUT THE RESPONDENTS

Gender: .................................  Age Range: .................................

Employment Status: ..........  Employee Category: .................

Education Level: ...............................

Company Worked For: ........................

Years of Service: ...............................

1. What is your understanding of industry level collective bargaining?
2. How would you describe the collective bargaining processes at ZESA as from January 2009 through to January 2013?
3. Please explain your answer to the above question.
4. What has management done to maintain the effectiveness and relevance of the collective bargaining process?
5. How many collective bargaining agreements have been made without declaring a dispute since January 2009 to January 2013?
6. In your opinion, is settlement of disputes through the arbitration process the best practice for an organization?
7. Explain your answer to the above question.
8. What role has ZESA management played to ensure that all disputed collective bargaining agreements are resolved satisfactorily?
9. To what extent has management adhered to the CBAs?
10. What is your understanding of employee engagement and involvement?
11. In your opinion, is the bargaining relationship equally balanced?
12. How would you describe the current IR climate at ZESA?
13. To what extent would you say the collective bargaining processes at ZESA contribute to the prevailing IR Climate?

14. Does ZESA have laid down policies and procedures to be followed when there has been a disagreement in the implementation or interpretation of collective bargaining agreements?

15. What is your impression about the way ZESA is handling the collective bargaining process in general?

16. In your opinion, does the external environment have a role to play in the industrial tension created through ZESA’s collective bargaining practices?

17. If so how?

18. What suggestions would you give for the minimization of the industrial tension created by the way collective bargaining agreements have been handled in ZESA?
APPENDIX 3 – INTRODUCTORY LETTER

3 July 2013

Dear Respondent

REQUEST FOR AN INTERVIEW

The researcher is a final year student studying for a Master of Business Administration degree with the University of Zimbabwe. In partial fulfilment of the requirements for the above-mentioned program, the researcher is required to undertake fieldwork in any area of study. This research seeks to study the collective bargaining processes in the energy sector and implications for the industrial relations climate: The case of Zimbabwe Electricity Supply Authority (January 2009 - January 2013).

You are one of the people selected to participate in the study and the researcher is requesting for an interview with you at your earliest convenience. You may rest assured that information you give during the course of the interview will be treated with the strictest confidence and will not be divulged to anyone else. Please also note that you are not required to supply your name to the interviewer.

Thank you in advance for your assistance.

Yours faithfully,

Sharon Tendai Mukombwe (R984206G)