

PhD Thesis, Defence Presentation

IMPLICATIONS OF LABOUR DISPUTES ON WORKPLACE OPERATIONS A Study on Select Major Formal Private Coal Mining Companies in Rumphi District, Malawi

By

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Presentation Outline

- **Background to the Study, Problem Statement, Research Gap**
- **Study Conceptual Framework Model**
- **Research Question(s) & Objectives**
- **Study Design and Methodology**
- **Major Findings of the Study On:**
 1. Nature and Types of Labour Disputes
 2. Characteristics of Labour Disputes
 3. Labour Disputes' Resultant Actions
 4. Implications of Labour Disputes on Workplace Operations:
 - Production Operation
 - Dispute Settlement Management Operation
 - Employment Relationships Management Operation
 5. LDs Prevention and/or Reduction Strategies
- **Suggestions (Recommendations)**

Background to the study

1. Labour disputes free workplaces bring about harmonious industrial/labour relations which is a conducive environment for a country's economic growth (Christenson, 1953). *This is a desirable situation*
 2. The occurrence of labour disputes on workplaces is, however, taking an increasing trend while becoming very counterproductive (Xiliang-Feng, 2012). *This is not a desirable situation.*
- ❖ *The difference between these two key statements (1 & 2) shows that there is a problem to be looked into by way of studies such as this one.*

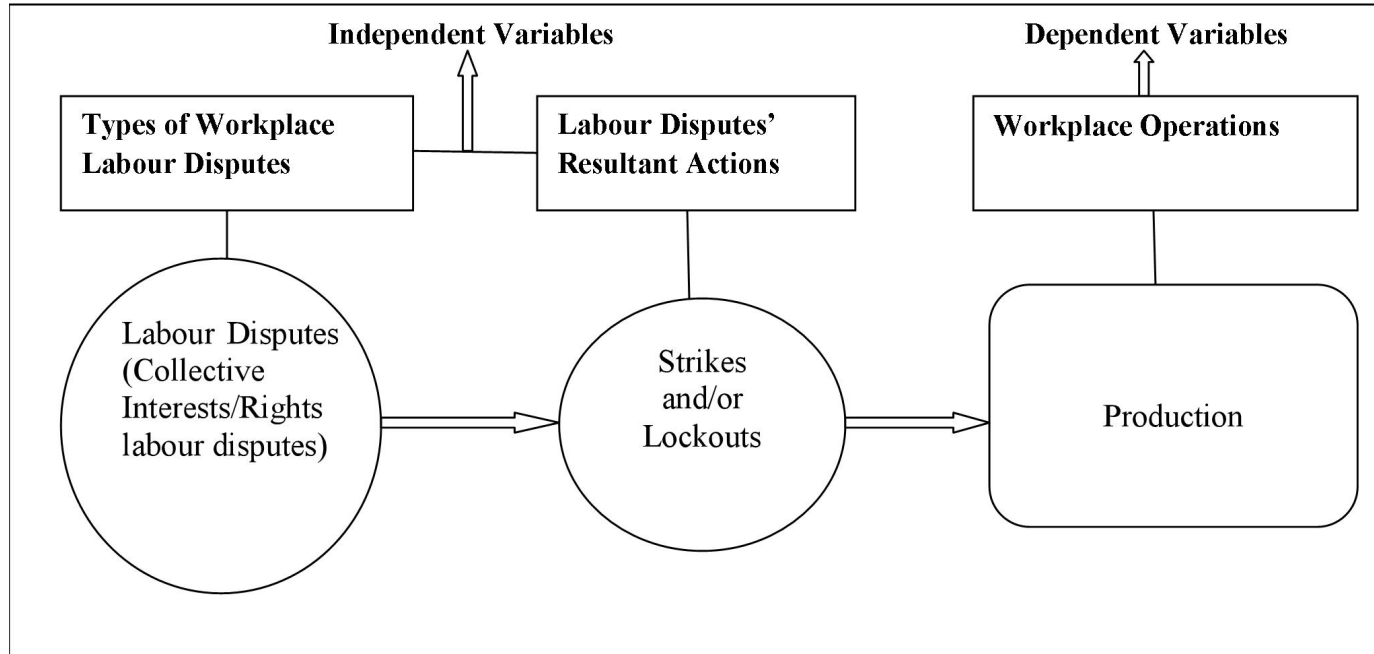
Problem Statement

- Labour disputes are complex in nature, increasing in their occurrence and that they are becoming very counterproductive. *This shows what is already known about labour disputes and their impacts.*
- Characteristics of labour disputes in some jurisdictions/countries are, however, not clearly understood and that labour disputes' implicational relationships are not comprehensively studied and known. *This shows what is not known about labour disputes and their impacts/implications.*
- Comprehensive implicational relationships between labour disputes' resulting actions and workplace operations must be known. *This shows what researchers want it to be known.*

Research gap identified in LR that informs the study focus

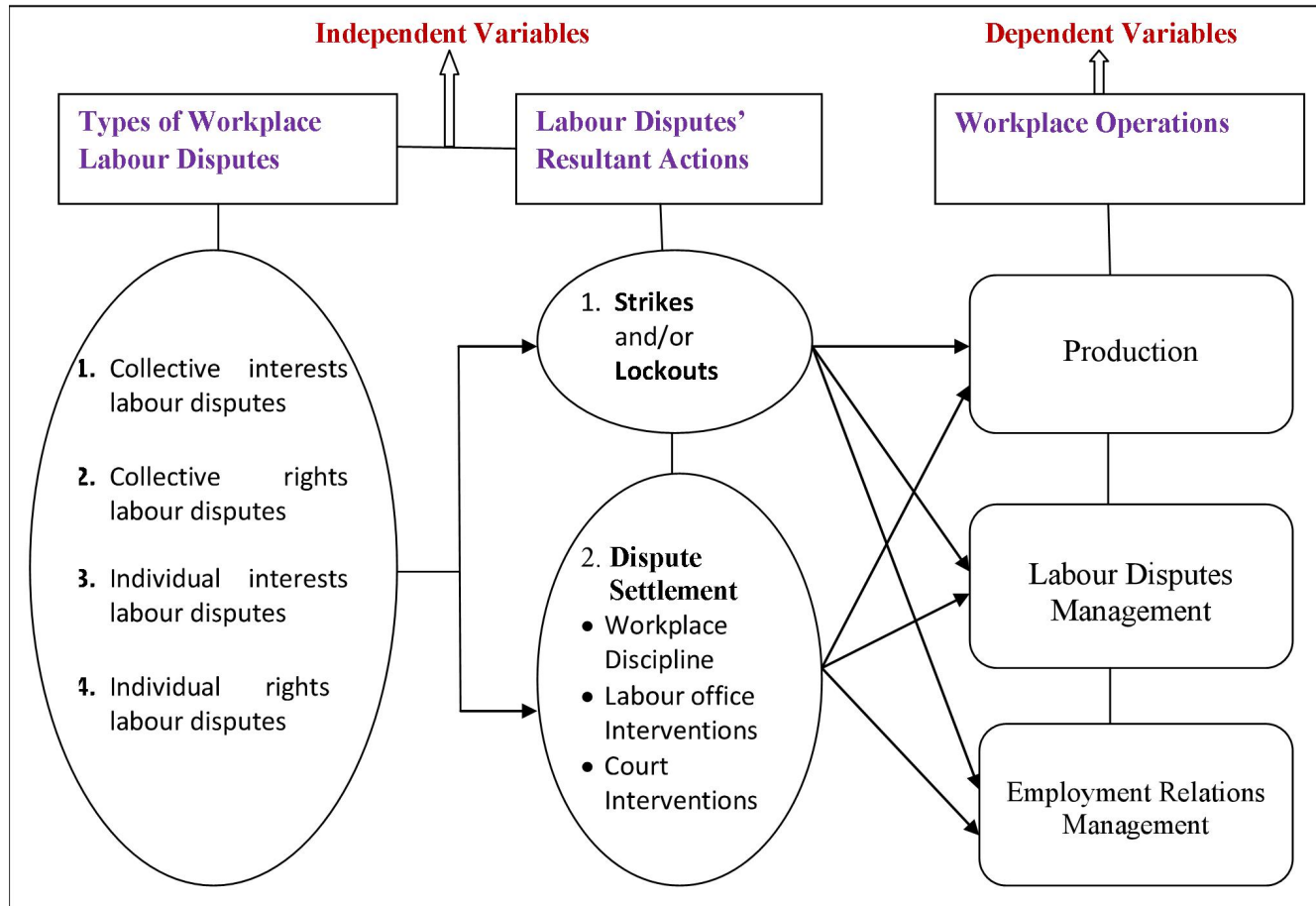
- The revealed research gap has been explained in terms of:
 1. inadequate coverage with respect to types of labour disputes as well as with respect to disputes' resultant actions.
 2. limitation with respect to examined dependent variables by past disputes' impact studies that have only covered production loss related variables excluding labour dispute settlement cost and employment relationship loss related variables.

Conceptual Framework Model of Previous Labour Disputes' Impact Studies



Source: Author's own construction based on various empirical studies on labour disputes' impacts on production (Christenson, 193; Stevens, 1972).

Modified Conceptual Framework Model of this Study



Overall Research Question

- What are the implications of labour disputes on workplace operations (such as production, dispute settlement and employment relations management) that can be explained by the resulting actions of various types of labour disputes?

In other words,

- How can various types of labour disputes' resultant actions explain implications of labour disputes on workplace operations according to perceptions of the employment social partners of the coal mining companies?

Study focus – Main aim of this research work

- To investigate and establish the nature/types and characteristics of labour disputes as well as to identify and explain their implications on workplace operations (production, dispute settlement management & employment relationship management) in the major formal privately owned coal mining companies in Rumphi district in Malawi.

Specific Research Questions

1. What nature and types of labour disputes occur in the sample coal mining companies?
2. What are the characteristics of labour disputes occurring in the sample coal mining companies?
3. What are the labour disputes' resultant actions that can be used to explain the implications of labour disputes on the workplace operations?
4. What are the qualitative implications of workplace labour disputes on workplace operations that can be explained using the labour disputes' resultant actions?
5. How do labour disputes generally impact workplace parties (i.e. employees, employers and the state/public) with reference to the surveyed companies?
6. What would be the appropriate policy strategies for workplace parties and policy makers to adopt and implement in order to help prevent or minimise the occurrence and impacts of labour disputes in the companies in Malawi?

Specific Study Objectives

1. to review the nature and types of labour disputes with reference to the sample coal mining companies;
2. to describe the characteristics of labour disputes occurring in the sample coal mining companies;
3. to identify and explain labour disputes' resultant actions that have implications at the workplace;
4. to examine and discuss labour disputes' implications on the workplace operations (production, dispute settlement and employment relationships management) using the examined labour disputes' resultant actions;
5. to explain how labour disputes generally impact workplace parties (i.e. employees, employers and the state/public) with reference to surveyed companies; and,
6. to suggest ways of preventing or minimizing the occurrence and impacts of labour disputes in Malawi.

Study Design and Methodology

- The study adopted **deductive research approach** because it draws upon the theories of labour dispute impacts to examine/explore and explain how labour disputes implicate the workplace operations in the sample coal mining companies in Malawi.
- The study adopted a **mixed methods research approach** to address the research question of labour disputes' implications on workplace operations that can be explained by the resulting actions of various types of labour disputes.
- The study is **descriptive and explanatory** in nature as it provides a detailed description of the characteristics of labour disputes that occur in the major formal privately owned coal mining companies in Rumphi district, Malawi as well as explaining their implications.
- The study was designed as a **cross-sectional survey research** since it was conducted once within a particular time period using sampled companies as study areas.

Study Design and Methodology / *Cont.!*

Study Population

- This study on labour disputes targeted employees (workers) and their employers from the study selected companies as the study population.
- The study selected 4 surveyed coal mining companies of Mchenga, Kaziwiziwi, Mean Jalawe and Rukuru. These study companies were selected based on the defining criteria of the "*major formal private coal mining company*" in the district.
- Operationally the phrase "*major formal private coal mining company*", in this study means:

"any non government owned coal mining company in Rumphu district which is duly registered and/or licenced by the Malawi Government and had at least, at the time of the study, a hundred total workforce producing more than twenty metric tones of coal per month".

Study Design and Methodology / *Cont.!*

Sample Size

- Yamane's 1967 and Israel's 1992 model formulae of calculating the total number of minimum required respondents were/was used to determine the (sample size), that is, total number of respondents for this study.

$$n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}} = \frac{292}{1 + \frac{(292 - 1)}{1083}} = \mathbf{230}$$

- 50 respondents were added to 230 as contingency, making the total sample size to be **280** of which 8 of them were from the management sections mainly the managers and/or the human resource officers as employers' representatives (i.e. 2 from each of the 4 selected companies).
- The sample size of 280 was proportionately considered from each of the 4 selected companies using quota sampling method.

Study Design and Methodology / *Cont.!*

Four Purposively Sampled Coal Mining Workplace Establishments for this Study

Coal Mining Company (Workplace Establishment)	Total Workforce (Study Population)	Sample Size	Proportion of the Population or Sample (%)	Number of Respondents in the Sample
Mchenga Coal Mines Ltd	452	117	42	101
Kaziwiziwi Coal Mines Ltd	350	90	32	77
Mean Jalawe Coal Mines Ltd	175	45	16	38
Rukuru (Chombe) Coal Mines Ltd	106	28	10	24
Total	1,083	280	100	240

Source: Author's empirical findings

- The 4 study companies were selected based on the defining criteria of the major formal private coal mining company in the district.
- Simple random sampling strategy was used to select the required number of respondents from each coal mining workplace establishment.
- Purposive sampling strategy was used to first select 8 participants/respondents who were the mine managers and HR officials from the selected coal mining companies. The 8 were also employees and hence were within the 240 actual study respondents.

Study Hypotheses that guided in developing questionnaire (Questions) for the 4th specific study objective

1. Associated labour dispute production costs/losses increase with the increasing labour dispute settlement time.
2. Labour dispute settlement cost increases with the increasing labour dispute settlement time.
3. Lowest labour dispute settlement costs a rise when labour disputes are settled in-house by own parties themselves with neither the employee nor the employer having representation. Alternatively, the highest labour dispute settlement costs a rise when labour disputes are settled through third party interventions.
4. Labour dispute settlement costs increase with the increasing level of labour dispute settlement framework from the lowest settlement framework level of own parties themselves through labour office conciliation and/or mediation, arbitration to court litigation/adjudication as the highest level in the dispute resolution framework.
5. Employment relationship between employee and employer graduates/deteriorates towards termination with increasing degree level of their differences from low degree of dispute level to high degree of dispute level. Alternatively, employment relationship between employee and employer improves with decreasing degree level of their differences from high degree of dispute level to low degree of dispute level.

Major Findings of the Study

Nature and types of labour disputes with reference to the sample coal mining companies

- The coal mining companies in Rumphi district, Malawi experience occurrence of more than 10 different kinds of labour disputes based on different causes of which disputes on severance pay were the most frequent occurring disputes indicated by the majority respondents (76.3 %) followed by disputes on interpretation of collective bargaining agreements and unfair labour practices (75.8 % each). The least majority respondents (70 %) identified disputes on organizational rights.
- The study found that among the different kinds of labour disputes in occurrence, there were more individual labour disputes than collective labour disputes occurring with most of them being interests labour disputes (85 %) as compared to rights labour disputes (76 %).
- **With respect to these key findings on nature and types of labour disputes, the study confirms/concludes that the labour disputes in the sample coal mining companies are complex with more than 10 different kinds of such labour disputes with different causes occurring most of which are individual labour disputes in nature as compared to collective labour disputes.**

Major Findings of the Study

Characteristics of labour disputes occurring in the sample coal mining companies

- The study found that all the 10 characterized rights labour disputes indicated by at least 50 % of respondents (for each characterised dispute) occur at their companies with non-payment of benefits (78 %) followed by dismissal and workers compensation reported as three top most occurring disputes.
- The study also found that 7 out of 10 characterized labour disputes are wage related labour disputes. Delayed wage payment labour disputes were the least in occurrence indicated by 67 % of respondents. This finding therefore means that 70 % of the characterised labour disputes in the sampled companies are mostly wage related labour disputes.
- The other finding with respect to characteristics of labour disputes was that nearly half of the respondents disagreed cumulatively (43 %) with the occurrence of non-wage payment and delayed wage payment labour disputes in their companies.
- **With respect to these key findings on characteristics of labour disputes, the study concludes that the characterized labour disputes in the sample coal mining companies are wage related labour disputes and that of all the characterised labour disputes, the non-payment of benefits, dismissal and workers compensation labour disputes are the first three top most occurring labour disputes in the sample coal mining companies.**

Major Findings of the Study

Labour disputes' resultant actions that have implications at the workplace

- The study found that four explored labour disputes' resultant actions of dispute settlement, employee discipline, strikes and lockouts were all confirmed as most representative resulting labour disputes' actions in the coal mining companies with dispute settlement (88 %) and employee discipline (87 %) emerging top followed by strikes (86 %) and/or lockouts (77 %).

NEXT

Labour disputes' implications in the workplace operations (S. objective 4)

1. **Production Operation,**
2. **Dispute settlement Management Operation, and**
3. **Employment relationships management Operation.**

Labour Disputes and the Production Workplace Operation

Labour disputes' resultant actions versus production associated costs/losses

- 8 - production associated cost/loss variables: **(1)** working hours/days loss (man-hours/days loss), **(2)** production time loss, **(3)** dispute time loss (lost time due to dispute), **(4)** production process disturbances/disruptions, **(5)** loss in supply of goods and services, **(6)** workplace customers or markets loss, **(7)** production/operational costs and **(8)** damaged equipment replacement cost were examined in this study.
- The study found that at least 57 % of the respondents associated strikes with high cost/loss level for each production associated cost/loss, whereas at least 43 % of the respondents associated lockouts with medium cost/loss level for each production associated cost/loss. On the other hand, the study found that dispute settlement action is mainly associated with either high or medium production cost/loss levels for each production associated cost/loss except for production/operational costs and damaged equipment replacement costs where the dispute settlement action was also equally perceived to be associated with low level of cost/loss.

Labour Disputes and the Production Workplace Operation

- Overall, these study findings indicate that:
- labour disputes' resultant actions of strike, lockout and dispute settlement each accounts for either medium or high level of cost/loss for each studied production associated cost/loss.
- Secondly, the results indicate that strikes and lockouts are specifically associated with high and medium production associated costs/losses, respectively.
- Finally, the results indicate that dispute settlement action, on the other hand, is mainly associated with either high or medium production cost/loss levels except for production/operational costs and damaged equipment replacement costs where the dispute settlement action was also equally perceived to be associated with low level of cost/loss.

Labour dispute settlement time versus production associated costs/losses

- The study found that there appears to be a positive relationship between labour dispute settlement time and production associated costs/losses. That is, the associated dispute production costs/losses increase with the increasing labour dispute settlement time. *Table in the next slide contains evidence for this finding/conclusion.*

Labour Dispute Settlement Time by Production Associated Costs/losses: Column Percentages

Variables	Labour dispute settlement time				
Production associated costs/losses	Category	Below average settlement time (N = 39)	Average settlement time (N = 73)	Above average settlement time (N = 128)	Total (N = 240)
	Low	51	15	14	27
	Medium	18	69	16	34
	High	31	16	70	39
	Total (%)	100	100	100	100

Labour Dispute Settlement Time by Production Associated Costs/losses: Column Percentages

- From the table in previous slide;
- 51 % of those who responded about “below average settlement time” hold a view that the below average labour dispute settlement time is associated with low production costs/losses. On the other hand, 70 % of those who responded about “above average settlement time” are of the view that high production costs/losses are associated with the above average dispute settlement time.
- It is also clear from the table that at the average settlement time scale, the majority (69 %) who responded within this scale hold a corresponding view that medium production costs/losses are associated with the average time of labour dispute settlement.

Labour Disputes and the Dispute Settlement Management

Labour dispute settlement costs/losses

- The study found that the dispute settlement management workplace operation is negatively affected/implicated as a result of dispute settlement costs/losses due to increased wages and improved working conditions, operational costs, direct dispute settlement costs, replacement costs, loss of staff members and staff loss/death associated costs.
- In this regard, the study found that dispute settlement costs/losses due to increased wages and improved working conditions (90 %) is the most affecting cost, whereas the staff loss/death associated costs is the least (79 %).
- Regarding ***labour dispute settlement time, methods and framework levels versus dispute settlement costs and/or losses***, the study found that:
 - Labour dispute settlement costs increase with increasing dispute settlement time.

Labour Disputes and the Dispute Settlement Management

- The study also found that the first two labour dispute settlement methods of discipline and collective bargaining are least costly as compared to the other three methods of conciliation/mediation, arbitration and courts, which are perceived to be very costly.
- The study results show discipline (85 %) and collective bargaining (76 %) as the least costly dispute settlement methods compared to less than 20 % of respondents indicating each of the two settlement methods as moderate and very costly methods. On the other hand, over 70 % of the respondents, in each case, indicate labour office (72 %), arbitration (79 %) and courts (80 %) as very costly dispute settlement methods compared to less than 17 % of respondents indicating each of the three settlement methods as least costly and moderate costly methods.
- Finally, the study also found that lower dispute settlement costs are associated with the lower framework level of labour dispute settlement, whereas higher dispute settlement costs are associated with higher framework level of labour dispute settlement.
- **Therefore, it can be concluded that labour dispute settlement attracts dispute settlement cost on disputants which may increase or decrease depending on the involved labour dispute settlement time, method and framework level.**

Labour Disputes and the Employment Relationships Management

- Regarding **labour dispute settlement outcomes** and employment relationship, the study found that the labour dispute settlement outcome of increased workers' wages (93 %) has the most effect in improving the employment relationship between employees and employers followed by the outcome of improved working conditions (79 %).
- Regarding **labour dispute settlement consequences** and employment relationship, the study, first, found that lower degree level of labour dispute is associated with warning and suspension as employment relationship consequences, whereas demotion and termination seem to be associated with high degree levels of labour disputes.
- Second, the study found that warning (75 %) as an employment relationship consequence associated with low degree level of labour disputes compared to 13 % and 12 % of the respondents who perceive that warning is associated with medium and high degree levels of labour disputes respectively.
- On the other hand, at least 70 % of the respondents, in each case, indicate demotion (70 %) and termination (73 %) as employment relationship consequences associated with high degree level of labour disputes compared to less than 20 % of respondents indicating each of the two employment relationship consequences as associated with low and medium degree levels of labour disputes.

Labour disputes' general impacts on workplace parties (i.e. employees, employers and the State)

- With respect to labour disputes' impact on the employment social partners - the employees, employers and the state, the overall finding is that labour disputes' resultant actions, have equally remarkable effects on both the workplace parties and the state.
- The study results indicate that, largely, labour dispute strikes/lockouts and settlement are:
 - ❖ a source of **workers' disappointments at work** (with highest sample mean score, \bar{x} , of 4.27 and standard deviation, s.d. of 0.936 for 216 respondents, 90 %);
 - ❖ a cause of **employers' suffered production output losses** (with highest sample mean score of 4.58 and standard deviation of 0.783 for 222 respondents, 93 %); and
 - ❖ a contribution to a **country's (state's) lowered gross domestic product** (with highest mean score of 4.29 and standard deviation of 0.949 for 209 respondents, 87 %).
- As a positive impact, the study found that labour dispute settlement outcome of increased workers' wages positively affect by improving employment relationships between workplace parties (employees and employers).

Labour disputes' Preventing and Reduction strategies

- A total of 15 suggested prevention and/or reduction strategies were presented to respondents for rating. Mean score ranking was used. The average mean score was 3.0. Strategies were grouped and discussed in seven thematic areas which included related strategies under working conditions; grievance procedures; workers' capacity building; trade unions and collective bargaining; labour relations; workplace communication attitudes; and settlement of labour disputes. **The majority respondents indicated high levels of agreement for each presented statement with sample mean of 3.81, (80 %) of the respondents, for the least scored/ranked statement, indicating above the scale midpoint of 3.0.**
- The study found the provision or adjustment of wages based on price index level, inflation and prevailing living standards (with $x = 4.60$, $s.d. = 0.833$, (89 %)) as the top most labour disputes prevention and/or reduction strategies for workplace parties in the sample coal mining companies.

Labour disputes' Preventing and Reduction strategies

- Second, the study found the availability and use of grievance procedures (with $x = 4.60$, $s.d. = 0.827$, (87 %)) as the other top most labour disputes prevention and/or reduction strategies for workplace parties in the sample coal mining companies.
- On the other hand, the study found the strategy of improving working conditions (with $x = 3.81$, $s.d. = 1.125$, (80 %)) as the least ranked labour disputes prevention/reduction strategy.
- **With respect to these key findings, the study concludes that provision or adjustment of wages based on price index level, inflation and prevailing living standards coupled with availability and use of grievance procedures are the most perceived effective strategies to minimise the occurrence and impacts of labour disputes in the surveyed companies.**

Suggestions (Recommendations) for Workplace parties and Policy Makers

Based on key study conclusions, the following are some policy recommendations:

- The Malawi government through the Ministry of labour should promote policy guidelines that would lead into designing labour dispute management measures that would help contain the complexity of labour dispute causes while targeting mostly to minimise occurrence of individual labour disputes.
- Both workplace parties (employees and employers) should strive to put in place proper collective bargaining agreements along with their workplace grievance procedures to be followed in order to minimize or prevent their workplace labour disputes. This recommendation is further supported by the study finding that the availability and use of grievance procedures were found to be among the top most labour disputes prevention and/or reduction strategies for workplace parties in the sample coal mining companies.

Suggestions (Recommendations) for Workplace parties and Policy Makers / *Cont!*

- Workplace parties should strive to resolve their workplace labour disputes before they result into strikes or lockouts and that the government policy makers should put in place effective mechanisms for settling labour disputes before they result into strikes and/or lockouts. This will help minimize medium or high workplace production costs/losses arising from effects of strikes/lockouts.
- The Government policy makers should ensure that the labour dispute settlement management system is designed and constituted in such a way that there is prescribed minimal time possible it can take for settlement of labour dispute to be concluded with encouragement for labour disputes to be utmost prevented or settled at early stage of their occurrence within the lowest labour dispute settlement framework levels while using in-house dispute settlement methods.

End of my Presentation

Any Questions Please!

Thank You all for your Participation!

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