

Employment relations and human resource management Africa

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Human Resource Management (HRM) in Africa

- ▶ HRM studies focus on:
 - ▶ **unique contextual features:** theoretical & applied work on relationship between indigenous cultural features & HRM, how managers devise locally appropriate strategies & practices to solve the unique set of problems, challenges & opportunities they face [internal capabilities of African organisations recognised & diverse nature of workforces within many African organisations seen as source of competitive advantage, owing to the wide range of life experiences and perspectives]
 - ▶ **the location of HR in Africa within broad trends in the global political economy:** institutional studies that locate specific contextual features within the global political economy, & applied accounts that explore the role of MNEs, as they both export and adjust their HR practices across the continent

Human Resource Management (HRM) in Africa

- ▶ Many studies on the practice of HRM in Africa are primarily empirical or data driven
- ▶ Numerical decline of regular employment & organised labour across the continent: significant decline in the volume of scholarship on industrial relations in Africa
- ▶ Limited work on:
 - ▶ Recruitment & selection
 - ▶ HR Planning
- ▶ The literature on understanding HRM in Africa can be divided into four categories:
 - **Comparative institutional thinking (moving away from cross-cultural approaches):** accounts that try and develop, extend and/or apply specific bodies of social and economic theory with a much wider compass to the African context - assist in comprehending HR on the continent & deal with issues of formative regulatory events, position of labour in society, ties between individuals, communities and other actors;

Human Resource Management (HRM) in Africa

- Body of work that looks at the **HR practices of foreign MNEs operating in Africa**: interest in the role of Chinese MNEs, home country diplomatic support & country of domicile political dynamics & the usage of semi- and unskilled expatriate labour
- **Focused studies on the actual practice of HRM**: the types of policies & practices that are most relevant to specific contexts, the inappropriate/ ineffective nature of legislation, skills gaps, presence of emerging market MNEs (such as SA MNEs on the continent) & implications these might have for HR practice; decline of regular employment, increasing reliance on informal sector activity & widespread precarity
- Significant literature on **HRM and employment relations: South Africa**: scale & scope of industrial employment, strength of the labour movement, rapidly shifting relations between political parties & unions, fragmentation of labour movement; role of skills & **Human Resource Development (HRD)** in ensuring competitiveness, nature and effects of affirmative action & HRM within South African MNEs

HRM in Practice – Emerging Trends and Issues

- ▶ **Communitarian** features present in many African cultures might promote more inclusive, productive and compassionate workplaces
- ▶ Many Sub-Saharan African countries have **extensive bodies of labour law** but evidence points to uneven enforcement
- ▶ Faced with **intense adversarial competition**, firms cannot afford to move much beyond labour repression
- ▶ **Union bargaining power** is undercut by large-scale job losses that have universally accompanied destructive structural adjustment policies

HRM in Practice – Emerging Trends and Issues in Africa

- ▶ **African HRM is often autocratic;** low-wage/ low-skill model ameliorated by a kind of paternalism that incorporates conceptions of personal and family based ties, rights and obligations; managerial focus is on control; low wages may be offset through ad hoc financial assistance; older male managers may play a patriarchal role, women are likely to be marginalised, and informal recruitment will be on the lines of existing patronage mechanisms, excluding outsiders
- ▶ Risk aversion, close supervision & a concentration of decision making at the centre makes for **low productivity and morale**
- ▶ **Training informal & on the job** with employment not being seen so much as a formal, fixed contract, but rather as part of a set of reciprocal informal obligations
- ▶ **Limited capacity** of many African states both to support the development of human resources and to enforce existing labour laws (critical to understanding HRM in Africa)
- ▶ **Foreign firms** have vital role to play in developing human capital and diffusing knowledge – ‘responsibility to act responsibly’ but many clearly do not - lack of commitment to a specific locale other than as a supply of cheap raw materials, cheap labour or a market for low cost goods is too often the norm

Employment relations in South Africa

- ▶ **Labour Relations Act (No. 66 of 1995) (LRA)** sets out the guidelines for collective bargaining, offers a framework for dealing with conflict between employers & employees at the workplace & entrenches & extends the system of wage determination by means of centralised bargaining
- ▶ NB: **institutionalised co-determination** as upheld in chapter five of the labour legislation – example: workplace forums (co-determination)
- ▶ **Majority union** in an enterprise can conclude a recognition agreement whereby the employer & union with representation of 50 percent plus one percent reach an agreement
- ▶ **Racial transformation:** interest in both affirmative action & black economic empowerment to promote career development (overcome the historical structural & systemic inequalities inherent in the South African labour market)

Human Resource Management in South Africa

- ▶ Economic effects of the political transition from apartheid to democracy - phased reduction of protective tariffs - led to **firms becoming more competitive**
- ▶ Firms regard skills development & adoption of more capital-intensive production paradigms as more important - more **complex HRM policies adopted**
- ▶ **Sophisticated HRM strategies** involve team working & quality circles (automotive sector in South Africa & many other export orientated industries)
- ▶ Adoption of HRM systems gone hand-in-hand with **wholesale job shedding** & both weakened the position of organised labour & contributed to the expansion of an underclass locked in poorly paid and insecure informal sector work

Human Resource Management in South Africa

- ▶ **SA HR practices** shifted from concentrating on industrial relations & personnel administration to giving emphasis to employment equity and performance management
- ▶ Core concern of contemporary studies on HRM is **Human Resource Development (HRD)** - entails training and development explicitly devoted to the 'bottom line' and to building up skills
- ▶ Challenge to design and implement an integrated HRD strategy to aid South Africa to plan its HRD requirements for the 21st century in the face of formidable obstacles identified in its educational system

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