CORPORATE SOCIAL RESPONSIBILITY POLICIES AND LABOUR PRACTICES IN GHANA: A CASE STUDY OF ANGLOGOLD ASHANTI AND THE INTERNATIONAL FRAMEWORK AGREEMENT

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Abstract

This case study was on one of the major areas in industrial relations (IR), union-employer relations. Specifically it dealt with the global mining giant, AngloGold Ashanti, the only mining signatory to an International Framework Agreement (IFA) in Africa. The study also examined the management practices transfer, the two IFA/GFA agreements (2002 and 2009) and the company’s corporate code of conduct (CCC) and its CSR practices. The methodology for this study was qualitative through the interpretive method, entailing desk research, internet searches and interviews of 46 persons among select mining stakeholder groups. There were national and local unions, AngloGold staff, government agencies, academics/researchers, other professionals and NGOs. The results showed that there was little or no awareness/knowledge of IFAs, AngloGold as an IFA signatory, her CCC, management practices transfer, unions and global union federations (GUF). The respondents were however aware of the company’s corporate philanthropy projects. The findings also revealed that the power of the unions has not been able to match up to the powers of AngloGold in all respects. Whatever “meaning” there was, had been socially constructed by AngloGold in their activities and CSR, their recourse to a management initiated CCC, rather than their two global agreements. The Ghana unions were more of the “pluralist” tradition, within a “neo-institutionalist” type of worker representation as opposed to their South African counterparts who were “radical” and “militant” within the “social movement” stock. The Ghana unions were spineless despite the successes achieved in other jurisdictions and continents, in “union coalition”, “transnational solidarity”, “social movement unionism”, and “community unions”. The unions should also strive to reconstruct the AngloGold determined “meanings”. These unions with the assistance of sister unions and GUFs need to counter the management practices in union-employer relations like outsourcing, discrimination in remuneration and the poor corporate governance practices of AngloGold.
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Abbreviations and Acronyms

AFWIMN-African Women in Mining Network
AGA-AngloGold Ashanti
AGC-Ashanti Goldfields Company
AGI-Association of Ghana Industries
AngloGold-AngloGold Ashanti
AIFR-All Injury Frequency Rate
AILAP-Agricultural Improvement and Land Access Programme
ALP-Ahafo Linkage Programme
APMO-Amended Programme of Mining Operations
ART-Anti-Retroviral Therapies
ASM-Artisanal and Small Scale Mining
BPO-Business Principles Office
CASM-Communities and Small Scale Mining
CBA-Collective Bargaining Agreement
CBO-Community Based Organisation
CCC- Corporate Code of Conduct
CEO- Chief Executive Officer
CER- Corporate Externality Recognition
CIP-Carbon-In-Pulp
CLOSAG-Civil and Local Government Staff Association of Ghana
CLS-Core Labour Standards
COCPO-World Bank Oil, Gas, and Mining Policy Division
COSATU-Congress of South African Trade Unions
CR- Community Relations
CSA-Civil Servants Association
CSI-Corporate Social Investment
CSO-Civil Society Organisation
CSR-Corporate Social Responsibility
DRC-Democratic Republic of Congo
EFA-European Framework Agreement
EI-Extractive Industries
EIF-European Industry Federations
EITI-Extractive Industries Transparency Initiative
EPA-Environmental Protection Agency
EWC-European Works Council
FAQ-Frequently Asked Questions
FDI-Foreign Direct Investment
FETUSA- Federation of Trade Unions of South Africa
FES- Friedrich Ebert Stiftung
FIFR-Fatal Injuries Frequency Rate
FWSC- Fair Wages and Salaries Commission
GAP- Gender Action Plan
GAWU- Ghana Agricultural Workers Union
GC- Global Compact
GCM- Ghana Chamber of Mines
GEA- Ghana Employers Association
GFA- Global Framework Agreement
GFL- Ghana Federation of Labour
GIMPA- Ghana Institute of Management and Public Administration
GLSS- Ghana Living Standards Survey
GMA- Ghana Medical Association
GMWU- Ghana Mine Workers Union
GNA- Ghana News Agency
GoG- Government of Ghana
GRA- Ghana Revenue Authority
GRI- Global Reporting Initiative
GSS- Ghana Statistical Service
GUF- Global Union Federation
HR- Human Resources
HPWS- High-performance work systems
Iall- IndustriALL ICB - Institutional Capacity Building
ICC – International Chamber of Commerce
ICEM- International Federation of Chemical, Energy, Mines and General Workers Union
ICFTU – International Confederation of Free Trade Unions
ICMM- International Council on Mining and Metal
ID- Institutional Distance
IFA- International Framework Agreement
IFC- International Finance Corporation
IFI- International Financial Institutions
IFRS- International Financial Reporting Standards
IHRM- International Human Resource Management
ILO-International Labour Organisation
IMF-International Metalworkers Federation
IR- Industrial Relations
ITF- International Transport Workers Federation
ITGLWF-International Textile, Garment and Leader Workers Federation
ITUC-International Trade Union Confederation
IUF – International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations
JIG- Joint Investigative Group
JNC-Joint Negotiating Committee
JSE- Johannesburg Stock Exchange
LED-Local Economic Development
LEEP-Livelihood Enhancement and Community Empowerment Programme
LGWU-Local Government Workers Union
LI-Legislative Instrument
LR-Labour Relations
LRS-Labour Research Service
LSCD- Local Suppliers and Contractors Development
MDG- Millennium Development Goals
MDU-Maritime and Dockworkers Union
MMDA-Metropolitan, Municipal and District Assemblies
MNC-Multinational Corporation
MNE-Multinational Enterprise
MP-Member of Parliament
MSME- Micro, Small and Medium Enterprises
NADeF-New Ahafo Development Foundation
NCOM-National Coalition on Mining
NAGRAT- National Association of Graduate Teachers
NACTU-National Council of Trade Unions
NDC-National Democratic Congress
NGO-Non-Governmental Organisation
NHIS-National Health Insurance Scheme
NIC-Newly Industrialising Countries
NLC-National Labour Commission
NMW-National Minimum Wage
NTC-National Tripartite Committee
NUM-National Union of Mineworkers
OECD – Organisation for Economic Cooperation and Development
OICI-Opportunity International Centres International
PMWU-Professional and Materials Workers Union
PNDC-Provisional National Defence Council
PR-Public Relations
PRSP- Poverty Reduction Strategies Programmes
PSCBC-Public Service Coordinating Bargaining Council
PSWU-Public Services Workers Union
PURC-Public Utilities Regulatory Commission
SAP-Structural Adjustment Programme
SEAP-Stakeholder Engagement Action Plans
SI-Social Investment
SIAST-Saskatchewan Institute of Applied Science and Technology
SME- Small and Medium Enterprises
SNC-Standing Negotiation Committee
SOEs-State Owned Enterprises
SR- Social Responsibility
SRI-Social Responsibility Investment
SSA-Sub Saharan Africa
SSSS- Single Spine Salary Structure
TFA-Transnational Framework Agreement
TSF-Tailings Storage Facility
TUAC-Trade Union Advisory Committee
TUC-Trade Union Congress
UDHR- Universal Declaration of Human Rights
UK- United Kingdom
UN-United Nations
UNGC-United Nations Global Compact
VCT-Voluntary Counseling and Testing
VOC-Varieties of Capitalism
WHO-World Health Organisation
WWC-World Work Council
CHAPTER ONE: GENERAL INTRODUCTION

1.1 Introduction

This industrial relations (IR) study examined as an overarching theme, the union-employer relationship in AngloGold Ashanti, Ghana, a multinational in the mining sector within an emerging economy context. It also entailed the investigation of the management practices, the international framework agreement (IFA) and corporate social responsibility (CSR) policies of AngloGold, the only mining sector signatory to the IFA. The multi-layered union framework offered some opportunities for further elucidation of global labour governance, because of the cross border dimensions. IR has positioned unions and collective bargaining as important entities for the representation of workers and ensuring balance in power in employment relations (Muller-Jentsch, 2008). In fact, Sisson (2007) explained that IR highlights the public and private arrangements, the regulations and the dimensions at the individual and collective levels of employment relations. IR also incorporates the various labour “layers”: workplace, sector, national and global levels. As a case study with an emphasis on empiricism, this thesis resonates with the systems theory and methodology (Ackers and Wilkenson, 2008; Heery, 2008). It must be noted that several case studies have been conducted in IR in order to explain the various dimensions of employer-union relationships (Anner et al, 2006; Cotton and Royle, 2014; Niforou, 2012, 2014; Williams et al, 2013; Ferner et al, 2011; Barton and Fairbrother, 2009; Almond et al, 2005 and Herrnstadt, 2013)

This study further examined the trade union as a labour key stakeholder dealing with a whole range of issues within the changing environment of the workplace. The capability of labour to function effectively has been on the decline with the spread of globalization and the inevitable reduction in the densities of union membership. As a counter, the emergence of the institutions of labour like the industrially defined Global Union Federations (GUFs) and the International Confederation Free Trade Unions (IGFTU) have become the instruments for cooperation across countries for the national unions. These international unions are national federations which offer administrative and financial support and appoint their workers. As has been observed, organised labour at the global level are national in structure and also in construction (Stevis, 1998). As
unions, they are products of the larger economic, historic, political, cultural and the regulatory context from which they exist, a systems theory principle. Essentially they can be seen as being no different from the MNEs, but as opposed to such global giants, they operate in only one country or merge or cooperate with their counterparts or other bodies on a networking and informal basis. While any such collaboration will be a coalition between autonomous organisations, unions are generally organised around sectors and these emphasise “the political and sectoral boundaries of capitalisation”. Eventually labour’s modus operandi “creates structures, modes of understanding and discourses that lock labour into the very structures of capital” (Lillie and Lucio, 2012:80).

Despite these developments, labour still lags behind when it comes to structures which are coherent and embedded and lack the requisite resources and consensus to tackle the MNE. Another dimension to the response of labour to the MNE is the phenomenon of union coalition, especially in the face of global production, the movement and consumption of such goods and services in the era of “deterritorialization”. In what can be seen as a pre-cursor to global unionisation, there is the call for activities beyond the nation state and a focus on the employers within that country. There is a huge potential for “institutional adaptation” with the creation of a working group under the auspices of a GUF. Such a group can promote practices which go beyond the traditional boundaries of a country (Barton and Fairbrother, 2009).

Unions, whether at the national or global level are hinged on the concept of solidarity, the position of common action with other significant groups and the tying of an entity’s interest with these identified groups. For unions aligned with GUFs this means committing to support other members as a response to any conflict with an employer, driven by the notion of solidarity and “enlightened self-interest” (Cotton and Royle, 2014). Another further strength here, is that in very dangerous workplace contexts, there can be the recourse to international “partners” through the GUFs in order to increase the leverage with the MNE. They now assist workers of such multinationals to gain some notable concessions from MNEs. Some of these gains have been won through capacity building and the development of educational capacities to build responsive unions and democracy at the workplace. It must be conceded that such successes have been significant due to the inability of national unions to use their strategic acumen and resources to
manage labour related issues outside the national labour comfort zone.

On the other hand MNEs are very powerful institutions shaping and driving economic activities in various sectors and serving as the pillars of globalization. As institutions, they are complex and wield a lot of power and influence with a more centralized power hierarchy at both the headquarters and subsidiary level. The issue of power is reflected most in the area of management practices transfer. Such transfers can be seen as particular situations of headquarters and subsidiary relations where there is a power potential of the key players at each level to impact on the outcomes (Ferner et al, 2011). Power can also be discerned along two forms of capabilities, the macro-institutional and the micro-institutional where these MNEs are able to “manipulate” and “construct” aspects of the institutional context in which they operate (Ferner et al, 2011). Another perspective of MNEs is that, they are now new power blocs which exploit or construct competitive breakages between unions, suppliers, communities and in some cases even among their own subsidiaries in order to maintain corporate control (Lillie and Lucio, 2012).

Another theme, management practices transfer in multinationals, is a major IR phenomenon mainly for ensuring efficiency and synergy across all the subsidiaries for the purposes of imbuing in such subsidiaries major competencies and management expertise. Within the specific field of International Human Resource Management (IHRM), such practices are seen as strategic and dominant for meeting the mission of the MNE. These organisational practices can be discerned in three different contexts: “social, organisational and relational” (Kostova, 1999). These “neo-institutionalist” contributions to IR literature operate within a framework of “institutional quality” as far as the two contexts within the MNE and the hosting country are concerned. So for the purposes of this study, the “country institutional profile” could be utilised to serve as a tool for describing the AngloGold, Global and AngloGold, Ghana institutions (“home” and “host” institutions respectively). This therefore assisted in assessing the “institutional distance” (ID), especially as they were related to the extent of the differences between the “home” and the “host” countries. Ferner et al (2011), however explained that there was a deficit when “old institutionalist” issues about “power, coalitions, interests and competing value “systems” arose. For these authors, therefore, there was a gap in such discussions that neglect the potential of the MNC actors to determine how institutions could be shaped in the
process of “strategic organisational transfers”.

Ferner et al, (2011) therefore discuss how crucial the phenomenon of power analysis is, in any examination of “cross institutional practice transfer”, using as building blocks recent thinking on MNEs as “political actors”. Such practices transfer are complicated and lead to various outcomes, especially because of the types of dimensions involved: extent of adaptation/hybridization; “internalization”; “functionality” and “directionality” (Ferner et al, 2011). Almond et al, (2005) on their own place more emphasis on the multilevel embeddedness faced by the MNE and the negotiation regime at the different levels in the MNE. For these authors, rather than focus on the ways by which the differences are exhibited, or what they see as a “model of attribution” as one approach and the “culturalist” approach as the other, there should be an alternative. The alternative, is to see a “national business system”. In this scenario, intertwined structures and institutions in varied economic spheres come together to create a distinct national approach to producing economic activities.

The next theme, outside the earlier overarching theme of union-employer relations and the theme of management practices transfer, deals with AngloGold as an IFA signatory. The reification of AngloGold as a case of the only mining company in Africa which is an IFA signatory, has put AngloGold on a pedestal when it comes to any scholarly discussion of IFAs at the global level. This is even more significant because not many agreements of this nature have been signed outside Europe. The descriptive study of the process of the signing of the two agreements: 2002 (AngloGold and IFA) and in 2009 (ICEM-AngloGold Global Framework Agreement) as noted in the three case studies in South Africa, Russia and Japan by Papadakis (2009) has assisted in creating the myth of an agreement which was in operation. As Niforou (2012) states, the literature on IFAs, can be categorised into two compacts: the group which explains the “potential impact of IFAs” and the second, which examines their real impact, the few empirical studies and their implementation. Niforou (2012) explains that the IFAs in the first grouping examined their “content and relevance”, “motives behind their adoption”, IFAs and other union strategies, comparisons with codes of conduct, and “potential contribution to the internalisation of industrial relations.” The real challenge is in the description of the second group which encompasses the “handful of empirical in-depth studies on implementation” (Niforou, 2012). There are only a few
studies which have been conducted outside Europe, with a small number in Latin America especially within the mining sector. The Latin America case study, examines how the tenets of the IFAs are reflected in practice. At least, they offer an understanding of how IFAs can strengthen social protection. For IFAs in general, there are fundamental questions about how they have emerged, their operations and how compliance is determined.

As a theme for this study, the issue of IFAs was very important, apart from the overarching theme of employer-union relations. First, AngloGold was chosen as a case study because of it being the only mining signatory to this global agreement in Africa. This therefore offered an opportunity to examine IFAs, whether as management initiatives (Edwards et al, 2007) or “soft accountability mechanisms”, within the CSR framework (Papadakis, 2008); among several conceptual explanations, they provide platforms for advancing the interests of labour.

This study also facilitated the testing of the efficiency and effectiveness of these agreements and whether they were relevant and functional outside Europe (Burkett, 2004). More specifically, the issue was whether this particular agreement which was signed twice (2002 and 2009) was not only in existence but was being promoted and actually being utilised at the AngloGold workplace. If not, then what was the alternative IR option in operation. If the company, on the other hand resorted to the use of the corporate code of conduct (CCC), to what extent was that a common practice among MNEs? Gallin (2008) had stated that most MNEs opted for CCCs as opposed to IFAs, so the AngloGold case study confirmed the position that MNEs have shied away from IFAs, even where that framework agreement was voluntary and largely ineffective in tackling the matter of “fair labour practices” based on the ILO’s core labour standards (CLS).

This study therefore scrutinised, in-depth, the reasons for signing the two agreement, the specific role of the then Chief Executive Officer (CEO) Bobby Godsell (Papadakis, 2008) and the management. Also very critical, the extent to which the GUF, ICEM until it became IndustriALL was ready to commit to seeing to the full implementation of the agreement. There were also concerns about whether, as it did in Columbia (Cotton and Royle, 2014), the then ICEM and now IndustriALL was even committed to assisting in a meaningful manner, the national unions, especially the National Union of Mineworkers (NUM) in South Africa and at least their
counterpart in Ghana, Ghana Mine Workers Union (GMWU) to fight for the full implementation of this agreement. Were there any sincere attempts and commitments to offer ground breaking assistance in education, training and other tactics, to see to the actualisation of the agreements? The CCCs inevitably became the alternative for this MNE. While, first, the IFA had not been publicised in any of their public relations (PR) materials (websites, annual reports etc.), the CCC has been well promoted.

Using corporate codes as CSR instruments, Rowe (2005) positions the code as the “most celebrated mechanism in the CSR kit”, while Edwards et al (2011) see them as privatised regulation which are voluntary and do not take cognisance of all the stakeholders at the formulation phase. The corporate code which is also another CSR instrument is a “management initiative” (Edwards et al, 2007). According to the Organisation for Economic Cooperation and Department (OECD), CCCs are:

“Commitments, voluntarily made by companies, associations or other entities, which put forth standards and principles for the conduct of business activities in the market place”

The AngloGold case study offered an opportunity for determining whether the MNE as an IFA signatory displays in rhetoric and action, its commitment to the dictates of CSR

IFAs originated in the 1960s when three GUFs (then International Trade Secretariats) in response to the growing impact of MNEs on IR, especially at the level of the nation state (Gallin, 2008). The first IFA was signed by the then French MNE, BSN now Danone in 1988 titled “Common Viewpoint IUF/BSN” to promote initiatives in the group. According to Gallin (2008), the Danone agreement, including the subsidiary agreements, was the “most far reaching IFA to this day and has set the pattern for further IUF agreements with TNCs”. IFAs are expected to offer guidelines for the “minimum labour standards” related to the ILO core labour rights (CLS), and in some case include health and safety at the workplace, capacity development, wages and also working time. These days, provision is made for IFA implementation at the subcontractor and supplier sites.
International framework agreements (IFAs), described sometimes as global framework agreements (GFAs) have become one of the major developments on the global labour scene since the first signing. Such agreements are hinged on the International Labour Organisation’s (ILO) declaration on the “Fundamental Principles and Rights at Work”. Following this first agreement, the number of IFAs has grown with a correspondent increase in content, and now there are 85 of such agreements (Burkett, 2014). As arrangements between multinationals and GUFs, they are expected to promote social justice and democracy. In essence, the GUFs see IFAs as a means of increasing their relevance and turning their “significant intellectual capacity” into strong labour institutions at the national and international levels (Burkett, 2014). Presently there is no legal framework at the global or national level for regulating the signing, implementation and monitoring of such agreements, while the growth of these IFAs have been more in European companies, calling to question the “international “ nature of such IFAs (Burkett, 2014).

This study assessed AngloGold’s initial IFA it signed with ICEM in 2002 and was updated in 2009. The thrust of the thesis entailed determining the extent to which the tenets of the agreement influenced its management conduct in the Ghanaian operations. However there were some special circumstances. First, there was the role of the then Chief Executive, Bobby Godsell and the goal of the mining company to replicate the working relationship with the National Union of Mineworkers (NUM) at the national level and ICEM as the GUF partner. This study, to a less extent examined the IFA within the larger framework of labour management practices and CSR and assessed the influence of the IFA on the workplace practices of the company.

The assessment of AngloGold and its IFA was expected to offer new insights into whether this arrangement showed the potential of IFAs to advance the interests of the workforce. Another matter of consideration was whether the IFA and its implementation showed the inclination on the part of AngloGold to promote its corporate code of conduct (CCC), the “management initiative”, as opposed to the “negotiated agreement” (IFA) (Edwards et al, 2007)? Did this IFA in Africa provide some knowledge on whether these arrangements were useful to the issue of upholding the rights of workers at the global level? Last but not least, how committed was
AngloGold to this IFA and its implementation?

The last underpinning theme outside the overarching theme of union-employer relationship, as far as this study was concerned, was the role of CSR in the management practices of AngloGold. CSR as a modern business phenomenon offers various perspectives on how to understand labour relations, management practices and stakeholder relations. However, this global business practice continues to be seen differently by the two key stakeholders, the shareholders/management and the unions/workers. Managements see CSR as a means of promoting this ethical business behaviour as part of its branding and a “business strategy” which is adopted through specific vehicles like an IFA, a corporate code of conduct (CCC), corporate social investment (CSI) or training and capacity building for the workers. On the other hand, for labour, corporate “voluntarism”, “unilateralism” and the self-regulatory nature of CSR are the threats which would lead to the marginalisation of unions in any workplace discussions on corporate behaviour. CSR symbolised the exclusion of the workforce from the age-old “social partnerships”, with their employers.

CSR is perceived in various dimensions due to its eclectic, multidisciplinary nature and the way it has been used by various stakeholders within the global workplace. The presence of diversity and the conflicting goals make its definition a difficult one. McWilliams and Siegel (2001) define the phenomenon as activities and performance which seem to promote “some social good”, outside the company’s interests and the requirements of the law. The authors therefore explain that such CSR actions can be practices like promoting “progressive human resource management programs” (McWilliams and Siegel, 2001). For the purposes of definition, CSR will be the full commitment of a corporate entity to meet the needs of all her stakeholders (shareholders, workers/unions, other stakeholders and the environment) especially the workers, through the voluntary promotion and enforcement of ILO core labour standards and other fair labour practices, outside local labour related laws.

The issue of CSR for the purposes of this study however has critical dimensions due to the way the key stakeholders look at the phenomenon. International labour unions see the adoption of CSR by MNEs as a threat to the position of the labour movement. This gap which has been
created and is widening is seen as opening the floodgates for employer generated schemes at the expense of the interests of the workers. Some authors have raised some issues about CSR especially how it has been used by corporate entities.

1.2 Research Problem

This case study dealt specifically with the relationship between AngloGold and the unions and the extent to which the tenets of the agreement reflected, first of all the ILO core labour standards (CLS). Also there was the issue of the capacity of the local union to meet the prerequisites of standing up to the strengths of AngloGold. Second, how such tenets were reflected in the management practices of this multinational. Where this was absent, were there any other instruments being used, like an internally generated, and management initiated code and how was this reflected in the internally generated code? The research problem and the research questions considered were the understanding of the basic concepts, issues and agreements among other respondents and also the commitment of AngloGold to implement the dictates of the agreement. It also incorporated the examination of the ICEM-AngloGold Global Framework Agreement and the updated ICEM-AngloGold Global Framework Agreement (2009) and the CLS of the ILO. Specifically they were taken from the “Fundamental Principles and Values” and the Implementation phase. The final issue was the extent to which all these: AngloGold and the unions, management practices transfers and IFAs/GFAs could be framed within CSR.

Research Questions

This case which examined how AngloGold dealt with the unions also investigated the role of the three levels of unions, the GUF, the national unions, GMWU, national and NUM and GMWU local. For the unions, the questions dealt with the capacities of the national and local GMWU unions to deal with both CLS and other progressive and emerging issues like “precarious work”. These questions dealt with the prerequisites of the two framework agreements, the original and the updated one, and sought to find out how these agreements influenced its labour practices. The study also examined the extent to which these agreements influenced the activities of
AngloGold and whether such influences could be seen as a real commitment to the dictates of CSR principles. Finally the data gathering component encompassed two sections of the agreement: “Fundamental Principles and Clauses” (3) and Implementation (4). (See Appendix for details).

1.3 Ghana Labour Context

Ghana is located along the coast of West Africa and it spans a 238,537 square kilometres land area with a tropical climate and an annual average of 26 C. The country got her independence in March 6, 1957 from Great Britain and became a republic in July 1, 1960. Presently, she has a presidential system which is multiparty based, with a parliament, and the President can stay in office for not more than two terms, with a term being four years. There are ten regions with the regions divided into districts. Ghana operates a constitution which was enacted in 1992 with 26 chapters. Some parts of the constitution deal with labour issues like Chapter 5, 16 (2) “No person shall be required to perform forced labour” and under 21, General Fundamental Freedoms it states that “All persons shall have the right to (e) freedom of association which shall include freedom to form or join trade unions or other associations, national and international, for the protection of their interests”.

It is important to acknowledge the period in which the study was undertaken, which was between 2010 and 2016. Perhaps more specifically, the time fieldwork was undertaken was characterised by industrial turmoil shown in strike actions and the threats of strike actions. The spatial context, a typical emerging economy situation with its economic, social and industrial climate played a significant role in colouring the data from the perspective of the stakeholders, namely management, the local and national unions, the South African union, GUF and the larger labour market.

Meanwhile, various labour groupings and/or associations embarked on strike actions, or threatened to go on strikes. For the mining sector, the more particular issue was the fall in gold prices and the subsequent retrenchment of workers. While there was an industrial turmoil within the mining sector following the decision to reduce the staff strength of mine workers generally
and specifically for AngloGold, this did not lead to any strike actions, as was the case in virtually every sector of the economy. In the case of the general labour front however, there were stand-offs between the government and labour, and in some cases there were divisions in the labour front. At the national level the major issue was the industrial unrest, the bulk of it emanating from the implementation of the Single Spine Salary Structure (SSSS) for public sector workers. The SSSS was introduced by the government and was aimed at ensuring equitable equivalencies across all professional groupings.

An examination of the IR superstructure showed that there are three groupings: Organised Labour, Ghana Employers Association (GEA), and the government. The key stakeholder, Organised Labour has had a chequered history in the country, right from the early 20th century. In the then Gold Coast, Trade unions evolved in the 1900s as Craft Unions before metamorphosing into industrial and trade unions at the national level. Baah (2000) explained that before the emergence of unions, employer-employee relations were essentially a master-servant relationship and the labour market was noted for slave wages, employment discrimination based on race and forced labour. Other attributes of the labour world were general poor working conditions characterised by long hours, low health and safety standards and no participation of workers in decision making, all due to the non-existence of labour laws. Adu-Amankwah (1990) and Britwum (2007) traced the history of the birth of unionism to the evolution of craft unions and subsequently industrial unions to protect the interests of various unions from 1925 to 1956 using mass protests as a tactic in the absence of a dispute resolution mechanism and the fact that these unions had not been recognised. Following such agitations, the Labour Department was set up in 1938 with a Trade Union Ordinance (CAP 91) in 1941 with no right to collective bargaining but permission granted to any five employees to form a trade union. Wages and working conditions were the sole preserve of the employers and strikes were illegal.

Specifically, within the mining sector, Adu-Amankwah (1990) recalled how mining entities refused to bargain with the Mine Employees Unions for a year until a strike action was embarked on. This led to the appointment of an expatriate judge to arbitrate, leading to the beginning of labour arbitration in the country (Britwum, 2007). The British government facilitated the development of unionism by bringing in two officials of the British Trade Union Movement. The
Trade Union Congress (TUC) of Gold Coast came into being with a membership of 6,030 among 14 unions in 1945. As at 1947, 27 unions had been formed with the number of members shooting up to 10,976 with the creation of District Councils consisting of registered and unregistered unions. Also, by 1948 about 28 unions had been registered. In 1953, the Gold Coast Trade Union Congress was formed and by independence in 1957 there were 58,000 members and 95 unions.

Post-Independence Ghana could be categorised into two epochs, namely civilian/constitutional and military rule. It must be explained that the political and political economy orientation of the government at any specific period determined the nature and path of the IR system and labour relations. The first example was the immediate period after independence, during the first republic which saw the coming into force of the Industrial Relations Act (Act 56) making the TUC the only labour organisation. This ensured compulsory bargaining for the private sector and collective agreements binding for workers and employers. The Convention Peoples Party (CPP) which had leftist leanings became a one party constitutionally-led government.

Whatever gains were achieved from the perspective of the workers in the first republic were eroded with the military take-over in 1966. The Civil Services Act of 1966 which made union membership binding on civil servants, was scrapped, and this affected unions like the Public Services Workers Union (PWSU). At the global level, the impact of the conditionalities of the International Monetary Fund led to large scale retrenchment of workers in state-owned companies, very limited increase in the minimum wage, a decline in government spending and trade liberalisation. The second republic also saw the dissolution of the TUC in 1971 with the Industrial Relations (Amendment) Act (Act 383). The intervention of the military led to reforms and policies which improved the circumstances and job security of the workers through an enhancement in social security benefits and administration and more substantial increases in the minimum wage. From the 1980s to the 1990s, the global Structural Adjustment Programme (SAP) introduced by the World Bank and International Monetary Fund, led to further retrenchment in the public sector, leading to the loss of 235,000 jobs (Boateng, 2001).

The labour sector during the Fourth Republic, which came into being in 1993, saw a lot of breakaways with new labour bodies being created. The major development was the Labour Act (Act 651, 2003) which repealed several acts, ordinances, laws and decrees, and the setting up of
the National Labour Commission (NLC). This led to the emergence of unions and enterprise-level unions without any affiliation to any national union. The scope of the Labour Act (2003) covers both employers and employees apart from those in selected security related organisations and dealt with employment centres, protection, and termination, among other issues. The Labour Regulations (2007) still deal with some of the Labour Act issues such as employment avenues, organised labour, employment of persons with disability, health and employment.

The Trade Unions and Industrial Relations in Ghana (2012), a document of the TUC, indicates that apart from the Labour Act (Act 651, 2003) there were other laws like Labour Regulations, 2007 (LI 1833) Factories, Offices and Shops Act 1970, Act 328, PNDCL 187, PNDCL 247, Pensions Act 1987 and Social Security Law, 1991. At the international level, there has been a ratification of five ILO conventions incorporating core conventions which deal with unions, collective bargaining, forced labour abolition, forced labour, worst forms of child labour, equal treatment and minimum age.

This document indicated that the Labour Department sources explained that Organised Labour was made up of five groups with the GMWU being a member of TUC. The five groups were: TUC, Ghana Federation of Labour (GFL), and Non-Affiliated National Unions, and the third and fourth groups (Sector-Based Unions and Enterprise Based Unions) have two sub-units that are those with bargaining certificates and the others without any. The other main actor, GEA, has over 1,000 members and eight affiliate business associations, which include the Ghana Chamber of Mines (GCM). The government as the major employer and the body for making and implementing policies has a ministry for all labour and employment matters through the Labour Department, National Labour Commission (NLC), Factories Inspectorate and Fair and Wages and Salaries Commission (FWSC). The NLC has the power of a high court when it comes to ensuring witness attendance and producing documents during hearing. Within the national IR system, the Labour Act (Act 651, 2003) caters for the duties of employers, worker rights and duties of workers. Presently, unions operate in the key sectors, namely: Agriculture, Finance and Insurance, Construction, Transport, Utility, Communication, Education, Health, Manufacturing, Civil and Local Government and Mining sectors (Trade Unions and Industrial Relations in Ghana, 2012). The mining sector has GMWU as the umbrella body, and is affiliated to the
International Federation of Chemical, Energy, Mines and General Workers Union (ICEM), now IndustriAll Global Union.

1.4 AngloGold Ashanti

AngloGold Ashanti Limited which has its headquarters in Johannesburg, South Africa has operations in Africa, Australia and North and South America and is the third highest producer of gold. The countries which are in the Africa continent apart from South Africa are Democratic Republic of Congo (DRC), Ghana, Mali, Namibia and Tanzania. The firm is listed on the Johannesburg Stock Exchange (JSE) for the primary listing while it is also listed on the Ghana, Australia, London and the New York Stock Exchange and also the bourses of Paris and Brussels.

Their operations are in the Ashanti and Western regions. The Iduapriem concession (Western region) consists of the Iduapriem and Teberebiem, a 110 km concession, an open-pit mine, with processing facilities which include a carbon-in-pulp (CIP) plant. The Obuasi operations (Ashanti region) are largely underground to a depth of 1.5 km, with some amount of surface mining which is open pit with tailings reclamation. The mineral resource is 38.44 ounces, which is equivalent to 16.6 per cent for group resources.

The Ghanaian antecedents of AngloGold Ashanti can be traced to Ashanti Goldfields Company which started operations in 1895 and was listed on the London Stock Exchange in 1897 (Anaman, n.d.). AngloGold has over a 100 years history, starting with strong original Ghanaian interests. The relationship has culminated in a close bonding with the local communities at Obuasi. The mine is now part of the local and national identity and is still described as the jewel of the Ghanaian people. It is essentially an underground operation and has played a significant part in the growth of Obuasi, as a municipality.

AGC has a chequered history, covering the period when it became state-owned. Criste (2009) explained that when the state took over the mining concern, the feeling of national ownership was further strengthened towards Obuasi and this also included state protection. Some of these activities did not incorporate environment-friendly policies and practices with sometimes state
security being used to safeguard the mine especially when there was any community unrest. Some of the challenges were, the exact roles and responsibilities of the state and the mining company. During this period a leadership style by the then Chief Executive, a Ghanaian, Sam Jonah, led to the creation of a family culture with some employees having worked at the company over long periods. There was a strong sense of allegiance, trust and bonding at the formal and informal levels.

Criste (2009) also further explained that it was also during this period that there emerged the goal of achieving a target of one million ounces which turned Obuasi’s underground operations to open pit mining, a development which had a huge impact on the environment. This operational paradigm shift led to more recruitment and greater possibilities for the employees, all at the expense of an uneasy relationship with the communities and in some cases other environs which suffered pollution (water, noise and dust) and loss of land. All these developments led to an inevitable financial decline in fortunes resulting in retrenchment and cost-cutting measures. From an organizational culture perspective, the Ashanti-AngloGold merger led to a clash of cultures; loss of sense of Ghanaian ownership; antagonism by local staff towards South African expatriates; and low morale (Criste, 2009). Some of the elements of the new strategic direction of AngloGold meant that the focus was on increasing production, little or no long term investment, cost minimization, all at the expense of general business performance. The implications of a strategic direction of this nature meant that production or in other words mining was the sole concern of the company therefore pushing less productive departments to the periphery.

The “business combination” of AngloGold (South Africa) and Ashanti Goldfields Company (Ghana) came into being in 2003 when AngloGold beat Randgold (UK) with an amount of US$1.5bn. AngloGold was favoured because of its pedigree in deep level mining and a good balance sheet, which could assist in raising the requisite capital for future strategic operations. AngloGold’s lease was to end in 2054 with royalty to the government at 3% of earnings for the subsequent 15 years for the Ghana operations. AngloGold’s vision, mission and values, dealt with various organisational issues. The mission was to create value for the shareholders, employees, and other stakeholders. As far as the values were concerned, they were safety,
dignity and respect, diversity among others. The values were people-centred and there was an emphasis on safety and health, and the reduction of occupational injury and illness. The business delivery targets covered safety, people, environment, production, costs, financial, social licensing and growth. The ultimate phase before AngloGold became the preferred mining operator and the strategic direction of AngloGold was the vision to be the leading mining company at the global level (HYPERLINK http://www.agareports.com/11/podwww.agareports.com/11/pod casts).


This study which was mainly aimed at examining AngloGold and the relationship with the unions needed to be contextualised within the particular global agreement the company signed with her GUF. The first agreement was signed in 2002, and although the agreement was not available, a picture of the tenets of this IFA could be discerned in the comments passed by various actors in this arrangement. In a joint press statement, ICEM and AngloGold explained:

“AngloGold, ICEM and the South African Union of Mineworkers have signed on agreements on the promotion and implementation of good human and industrial relations in AngloGold operations worldwide. It is the first such global agreement to be signed in the mining industry and the first in the developing world”


Meanwhile the NUM General Secretary commented:

“This agreement with AngloGold represents a breakthrough in ensuring that the industry respects and adheres to best international practices”

Bobby Godsell, the IFA champion on behalf of AngloGold also in his comments indicated that:

“AngloGold is pleased to be part of a process whose intention is to protect and advance the interests of all stakeholders in our industry and to promote dialogue, and sound labour
IndustriALL, on their part explained that the clauses on “human and trade union rights” “safety and training provisions” were specifically linked to ILO standards and that the agreement was in consonance with the Global Compact. This linkage it was expected would give better support to the IFA.


The first matter of concern was the issue of “organisational culture” which was pursued by the then CEO, Robert Michael (Bobby) Godsell (1998-2007). Before the “business combination” agreement with AGC, this CEO was regarded as one of the distinguished top corporate executives in South Africa due largely to his leadership roles in reputable entities and more strategically his visionary positions even during the apartheid phase on black employees in unions.

This peculiar situation offered an explanation for AngloGold being the only South African mining company to sign this IFA. There were internal and external concerns expressed within the company and the larger industrial sector. The agreement had the following signatories: AngloGold’s Bobby Godsell, General Secretary, Fred Higgs and the National Union of Mining’s (NUM) President Senzeni Zokwana. The discussions which culminated in the agreement were initiated by ICEM, the global union. Although the initial agreement was diluted a lot, the final text incorporated some internationally accepted labour principles like right to collective bargaining (ILO conventions 87 and 98). ICEM’s original document included a more frontal role for the company in “cross border organisation” of the employees across the value chain, “abolition of forced labour (ILO convention 29), “elimination of child labour” (ILO Convention 138, and 182), “non-discrimination” at work. Others were ILO convention (100 (III)) and “occupational health and safety without direct reference to ILO conventions”, as well as “basic human rights and principles regarding the protection of the environment and local communities affected by the operations of the company” (Papadakis, 2009). Other important components of this agreement were that it obliged the parties to meet on an annual basis at the very least, to
reassess and renew sub-committees to handle cases.

Another milestone in the history of framework agreements in Africa was when in May, 2009 ICEM signed a “global framework agreement” (GFA) with AngloGold, which bound the signatories to the CLS of the ILO. This GFA which promoted and implemented “good human and industrial relations” in all AngloGold operations has components like a preamble, application, “fundamental principles and values” and implementation. Basically, it aimed at sustaining dialogue between the parties and sets up a mechanism for resolving any disagreements. The document aimed at promoting the interests of “all stakeholders” to promote a “safe, humane and productive” industry.

As far as the application of the terms of the agreement were concerned, the agreement was expected to cover all operations and enhance standards in local laws or through bargaining which was pursued collectively. Also, the workers’ rights to decide to associate with their choice of a union, with AngloGold remaining strictly neutral in terms the choice of employees were assured, by this agreement. The document further called for compliance on the part of subsidiaries in the context of “economic, labour and cultural realities” for individual countries.

The “fundamental principles and values” which the agreement promoted incorporated “human rights and fundamental freedom of association”, “terms and conditions of employment”, “the elimination of discrimination in employment” and “abolition of child labour”. Others were the elimination of “forced and compulsory labour”, the provision of “a safe and healthy working environment”, and the operating of mining with a strong commitment to the needs of the environment to ensure “health and safety”. Some more values were, ensuring excellent linkages with the local communities and a good contribution to the activities of these communities, the promotion of “a socially responsible approach” to units restructuring and finally, promoting Global Compact and GRI principles.

The last two sections dealt with implementation and “administration and duration”. These dealt with the implementation in areas like “review and application” and others like “information sharing and training”, while “administration and duration” dealt with the key representative of
each of the parties, ICEM and AngloGold.

1.6 International Labour Organisation’s (ILO) Core Labour Standards (CLS)

The ILO is the arm of the United Nations (UN) which was set up for upholding labour standards at the global level. These standards which were set at the minimum level for all workers are legal guideposts made to cover the “universal basic principles” and rights at the work place. As a specialised agency of the UN, ILO is a tripartite body made up of the representatives of the workers (unions), companies and states. This organisation in 1998 came out with the “Declaration of Fundamental Principles and Rights at Work”. Generally, this agency strives to promote opportunities for workers of all gender to get productive and decent work within the world of work in an enabling environment of human dignity, freedom, equity and security. (http://www.ilo.org/global/standards/introduction-to-international-labour-standards/lang-en/index.htm).

The ILO Declaration was made following the decision of the International Labour Conference to make it a “de facto” condition of membership of the ILO when it adopted this declaration. The four principles on the fundamental rights of these eight conventions are “29, 87, 98, 100, 111, 138 and 182” namely:

- “Freedom of association and right to collective bargaining”
- “The elimination of all forms of forced or compulsory labour”
- “The effective abolition of child labour”
- “The elimination of discrimination in respect of employment and occupation” (Bakvis and McCoy, 2008)

Generally these CLS apply to states within the ILO community, whether these states have ratified these standards or not. Bakvis and McCoy (2008) also further explain that organisations which promote labour rights like global union entities have fought for international agreements and agencies to incorporate various measures which promote standards which are in line with the CLS.
1.7 Contribution of the Research

AngloGold and its relations with the unions as a major theme, provided an understanding of how this MNE dealt with its unions and therefore within the larger context of IR complemented earlier IR related studies/books, some funded and/or commissioned by progressive institutions like Friedrich-Ebert-Stiftung (FES), the Cape Town based Labour Research Service (LRS), AGA Africa Continental Shop Stewards’ Council, Labour Research and Policy Institute, Rosa Luxemburg Foundation, Africa Labour Research Network, and the book edited by Geoffrey Wood and Chris Brewster (*Industrial Relations in Africa*). It was expected that this thesis was going to further expand the scope of knowledge in IR activities and practices, union and employer relations, management practices transfer, employment practices, and labour related CSR.

Another modest contribution to IR in Africa and specifically the issue of MNEs and IFAs was the realisation that using specific criteria like signing, implementation, monitoring and education, among several others, the AngloGold and the ICEM/IndustriALL IFA did not exist in letter and spirit in spite of the numerous citations following the ground breaking work undertaken by Papadakis (2008, 2009) and the subsequent ILO publications.

AngloGold was the only IFA signatory in the mining sector in Africa, having signed an original document in 2002, and updated it in 2009. First of all, the commitment of this MNE to such an agreement was revealed by the role of the “progressive” Bobby Godsell, the then highly respected AngloGold CEO, through the initiative of the then ICEM. While there is information about the initial momentum spearheaded by ICEM with the facilitation of Bobby Godsell in 2002 and subsequent updating in 2009, there was no information about an appreciation of the members of the national and local unions of AngloGold of the ILO tenets. This study showed the gap between an important component on an IFA, which was in its implementation and the need to educate the unions about the agreement. The national and local unions did not appear to keep up the pace with IndustriALL (former ICEM). IndustriALL has fervently worked towards engaging with employers and unions to promote “union rights”, “decent working conditions”, even as far as suppliers.
Another issue related to the extent to which this thesis contributes to knowledge was the consideration of how far this effort offered some understanding to one of the major debates in IR which was the significance of IFAs to any research on global labour relations. There has been a long standing question about whether IFAs could be seen as constituting elements of an evolving “global labour relations architecture”, especially within an economic and political framework which was essentially hostile to the rights of trade unions (Gallin, 2008). For the purposes of this debate, this issue had to be examined from two perspectives that is, the global and essentially European context with its built in enabling environment, and the non-European milieu. There was empirical evidence that IFAs have played a significant role in Europe. IFAs are purported to have emerged before the 21st century, as a counter created by the international labour movement, especially the GUFs following the emergence of CSR practices by MNEs (Burkett, 2014). The contribution that this study offers to IR scholarship is that apart from proving that the AngloGold IFA signing on is nothing more than the capturing of the agreement on paper, there is ample evidence to show that MNEs on the whole have not been committed to IFAs.

First of all, at AngloGold, the signing was done because of the then CEO, Robert Michael (Bobby) Godsell (1998-2007). The IFA was never pursued by the company in any form so there was no implementation. AngloGold rather focused on promoting its CCC.

Another example of the role of an individual in a top position personally influencing the situation to the benefit of workers, was the case of the Nestle CEO, Helmut Maucher who over dinner, with a long-time friend, Gunter Doding, IUF President, German Food and Allied Workers’ Union NGG, decided that Nestle could accept the IUF as its international social partner. (Gallin, 2008). The meetings which were held yearly was then even only for Europe, which were then formalised as an EWC. Nestle had however rejected the offer to sign an IFA with the IUF! (Gallin, 2008). Just as AngloGold which has been promoting a corporate code of conduct (CCC), in 1998 Nestle had adopted a “Corporate Business Principle”.

Another case study which involved the first IFA, “Common View point IUF/BSN”, also showed the role of an individual in the promotion of IFAs. Gallin (2008) believes that the personal
beliefs of Antoine Ribaud, the CEO and founder and his son Frank Ribaud who were Catholics with links to the Socialist Party, saw unions as genuine counterparts.

There was also a key debate within the field of IR about what the preference is for MNEs, whether it was for the CCC or IFA. As has been explained, MNEs have been seen by unions as inclining towards “corporate voluntarism and unilateralism” (Burkett, 2014) which were essentially CSR approaches which had evolved because of the inclination of MNEs to exclude unions in any workplace policies and practices discussions. For some unionists, such CSR practices have been strengthened by the inability of national and global authorities to manage globalisation and its effects on societies and companies. Two strong positions emerged among the two protagonists, namely the international unions and MNEs. For the unions, these were building blocks for “international industrial relations”, while for MNEs, IFAs were part of the broad CSR strategy, with no intention of effecting any fundamental changes at the workplace.

Even within this unregulated scheme of things and no legal framework for enforcing their “principles” or “rights, there was an institutional reluctance to enter into such agreements but rather focus on CCCs. It is within this broad discussion that the case of AngloGold with its code of conduct came in. This study was also another addition from the emerging economy context, where it could be proved that an MNE would opt for a CCC as opposed to an IFA. The significant aspect of this discussion was that, this was a multinational which had been projected as the only IFA signatory in the mining sector in Africa.

This thesis effort also offered some insights about unions at the international, national and local levels. The insights into unionism evolved around the activities of the national union, local union, the counterpart in South Africa and the IndustriALL, the GUF. Unions and their international collaborators have not been able to deal with even the very fundamental issue of the IFA, and the opportunities that this offered for ensuring “decent work” and “decent life” for the workers. There were gaps in deploying appropriate tactics for “worker representation” like “high-performance work system” (HPWS), CSR initiatives, international forms of “worker representation” and the partnering with civil society organisations, “worker collectivism” and strategic HRM (SHRM).
This then called for a new paradigm for the unions within nations as they worked towards global unionism. Unions which were ambitious enough to tackle the major aspects of transnational unionism, must change the way they operated at the local front. This will call for a “reflective and experienced” leadership and the individual leaders to meet one another and start solidarity practices, exchange of information, inter-union co-operation and “inter-union coalition building” at the local level (Barton and Fairbrother, 2009).

There was also little or no detailed research on the theme, transfer of management practices of multinationals outside Europe and America especially in the area of CSR, CCC and how this was reflected in the labour policies and practices of affiliates, known in the human resource development (HRD) and international human resource management (IHRM) literature as the “home and host” country principle. Specifically, it ought to be acknowledged that more efforts at providing knowledge on the phenomenon of management practices transfer have concentrated on MNEs which have their head offices in Europe or in the USA. There was also the inclination to see the linkage between the “home and host” nations within the larger framework of economic inequality between a developed and a less developed country. So within this academic debate, it could be argued that the issues related to the IFA were largely a reflection of the concerns and values of the developed countries. This AngloGold case study therefore offered a rare case of an African MNE operating in a sister country and it was expected that any such management transfers would reflect this peculiar phenomenon. It also offered an opportunity to fully examine the connection between the multinational’s country of origin and the extent to which this link influenced the labour standards at the affiliate level.

The examination of management practices transfer also offered some useful insight into the phenomenon of strategic organisational transfer within an MNE. The “merger” arrangement was embarked upon following the winning of the bid because of the belief that AngloGold had superior management practices, especially in deep mining and also had access to capital. It was therefore expected that with this pedigree as a successful global mining giant with a track record of success, the challenges with the Obuasi mine and the allegations of management practices transfer issues like a turnover of managers and corporate governance issues like lack of transparency, evasion of taxes, less “profit”, unfair labour practices like “precarious work”
would not be recorded. Recent events showed that there has not been any “transfer success” in terms of meeting the goals of the mission and vision of AngloGold. The contribution to the literature on management practices transfer was that within an MNE, success cannot be guaranteed. The AngloGold story showed that profits had declined, the biggest mine, Obuasi mine had been closed down for “care and maintenance” and there was a need to engage in a massive retrenchment exercise. Finally, the firm introduced “yearly performance-based renewable contract” HR regime.

The other theme, which examined the performance of AngloGold within the framework of CSR also provided a more comprehensive picture of this multidisciplinary and ethical phenomenon. A more critical examination of CSR and how it was operated showed several gaps, ranging from the basic understanding of this social and organisational practice. CSR has been seen as a normative behaviour differently by the two major stakeholders (shareholders/management and the workers) and the general public. First, the understanding of this, is in the eyes of Colin Crouch (2006) “externalities recognition” or “sustainability” as far as AngloGold was concerned. The general public and the workers saw it as contributions made in the area of corporate social investment (CSI) or corporate philanthropy. Here the company puts up schools, builds hospitals, sets up a sports academy, constructs a Len Clay Sports Stadium and the Obuasi Goldfields Football Club, outside other investments in training, education and apprenticeship for the communities, the workers and other stakeholders.

The more comprehensive response to the imperatives of CSR called for the two major stakeholders seeing CSR as a genuine commitment to meet the prerogative of ILO’s major labour standards, the basic IFA prerequisites and fair labour practices in the areas of “decent work”, avoiding “precarious work”, no discrimination in compensation and remuneration schemes across all the subsidiaries and a commitment to the ethical dictates of corporate governance. The real concern here was the gap in even the understanding of what CSR meant to the workers and their narrow perspective on this ethical practice. The focus on only non-labour related aspects of CSR within the company and the vigorous promotion of “sustainability” to the workers and external stakeholders by the Public Relations and Sustainability wings of the company also reflected how CSR had been positioned to the various targets. There was a poor
appreciation of the critical dimensions of CSR among the general public and the unions. There was evidently a knowledge gap which had to be met by a greater effort at capacity building for unions about what the ethical imperatives are for multinational employers. Some of the more sophisticated positions about CSR as an instrumental tool promoted by MNEs for branding purposes, as a “business strategy” (Rowe, 2005), a means of gaining some “legitimacy” (Edwards et al, 2007), or offer a “license to operate” are difficult to fathom across the whole gamut of respondents. Others are the use of CSR in whatever form, a CCC (management initiative) or an international framework arrangement (“negotiated agreement”) (Edwards et al, 2007). All these more critical perspectives on CSR show how MNEs use this phenomenon. For some MNEs, CSR initiatives are embarked on to prevent demonstrations and other forms of agitations from unions and adversarial NGOs and Third World Countries. These insights are lost upon the local and national GMWU.
CHAPTER TWO: TRADE UNIONS, MANAGEMENT PRACTICES TRANSFER, INTERNATIONAL FRAMEWORK AGREEMENTS AND CORPORATE SOCIAL RESPONSIBILITY

2.1 Introduction

This study which was mainly about AngloGold and its relations with its unions focused on the unions, the GUF, IndustriALL, the national and local unions, the GMWU and NUM. It also discussed the transfer of management practices, IFAs/GFAs and how the two stakeholders (shareholders/management and unions) dealt with CSR and various perspectives on CSR, especially the critical perspective. Also, within the context of IFAs/GFAs, corporate codes were also examined to determine the premium placed on the IFA or the CCC as two options within the MNE’s general management strategy.

This work also examined the role of trade unions in the negotiation and implementation of IFAs, but has thus far been inconclusive regarding the strategic benefits of such agreements. This was, in part, because, while IFAs generally originated from European industrial relations, they applied, in principle, to a huge variety of countries with widely differing industrial relations environments.

There were several studies of IFA, which dealt with the types, the origins and in some cases the consequences of their implementation (Hammer, 2005a, 2005b; Fichter et al, 2011; Taal, 2012; and Williams et al, 2013). The research on management practices transfer was extensive and dealt with transfers within an MNE as a unilateral management strategy mediated by organisational and cultural constraints (Kostova, 1999). The literature on CSR was reviewed in order to explain the major perspective, including the IFA and the CCC while the unions, it was expected, showed how relevant such representations were in any discussions related to IR.

This study explained the extent to which the IFA had influenced management practices transfer in AngloGold. It dealt with issues related to such agreements, the transfer practices, CSR and the role of unions within an emerging economy context. In the course of the review, CCC was
examined specifically, to explain the extent to which management practices transfer could be seen as being driven by an IFA or the internally generated CCC.

2.2 Trade Unions

The very existence of national and global worker unions was underpinned by the notion of solidarity, common action and the linking of an entity’s interests with those of the others. When these national unions were operating within these identified principles they were expected to show an unflinching support for other members within the federation when there was a call for action against any employer. Where a union operated in a rather hostile industrial climate any appeal to the GUF for international support raises the profile of the national union involved, giving it a certain leverage in any subsequent IR situation. The GUFs on their own operate on the principle of “subsidiarity” where the power of these international entities was reposed in regional or local affiliates. The central structure offers a “framework setting, coordinating and monitoring function” (Cotton and Royle, 2014). GUFs “subsidiarity” resembles “solidarism”, a social organisation principle where the individual and collective interests are interrelated and form a “dialectical” linkage (Cotton and Royle, 2014). Subsidiarity offers an “indivisibility” since they are not hinged on any group of interests and can survive far beyond a specific situation (Cotton and Royle, 2014).

Trade Unions have come under a lot of pressure especially in the face of the decline in their numbers and the emergence of new alternatives of worker representation. Some of these challenges have been created by the constantly evolving workplace and employment context. There were also new developments like the need to confront these changed circumstances. Worker representation was expected to challenge the status quo by reforming the tactics they are using for organising and operating at the local level. Unions were expected to have experienced and reflective leaders who would collaborate with their colleagues at the local, national and global levels. They, as worker representatives must engage with one another regularly and undertake other forms of union co-operation and solidarity. For the employers, the growing global competition had undermined the power of worker representation by weakening their control at the labour front. MNEs are now able to play worker representation at different sites.
against one another by creating and exploiting whatever differences there were.

To deal with this situation, several options have been offered. One of the options calls for either a very “systematic” and “structured” union organising of a transnational nature or a more sustained effort to deploy innovative types of networking and the manufacture of a persuasive “radical counter-narrative to that of global capitalist competition” (Lillie and Lucio, 2012). Also, the practical implications are that such worker representation should construct their “international coordinating strategies through a range of democratic and participative approaches” (Lillie and Lucio, 2012). It must be recognised that, whatever the options are for workers to face the challenges of globalisation and competition as drivers of economic progress, the MNEs operate in the global market space while workers, locations/localities and countries strive to catch the eye of such MNEs. It must be noted that a lot of the theories research and case studies have focused on the developed countries, with virtually nothing on emerging economies.

This worker representation and employer narrative has also affected IR scholarly thinking and subsequent directions. From the perspective of theory and research, there are metatheories and middle range theories which have offered explanations and various predictions for the alternative positions which have been captured in the literature. IR which is seen as the study of employment relations, cutting across some social science disciplines, has always positioned unions and the practice of collective bargaining as crucial for the worker voice and power. The influence of unions in the advanced countries and the inability of their counterparts in the developing countries to catch up has posed a big challenge for IR scholarly thinking (Tapia et al, 2015). Here these authors believe that a gap has been created which can be filled if there are new forms of “worker voice, advocacy and representation” (Tapia et al, 2015).

From a “strong problem solving orientation”, Tapia et al (2015) propose an IR meta theory and a few middle range theories to examine their strengths for fully explaining their emergence and predicting new types of worker representation. They call for a “high performance work system” (HPWS); CSR initiatives; “international forms of voice and representation” and CSOs which engage in advocacy for workers. These four forms, are described as “four empirically salient forms” which hold a lot of promise for the unions, under the present circumstances. Their strong
theoretical positioning call for new concepts about “worker identities and interests”; “collective actors” and “agency repertoires”.

To explain meta-theories, the authors use Fox’s “frames of reference”, through which IR can be examined namely: unitary, pluralist and radical. Meta-theories are described as the “ontological and normative underpinnings of research” and in this case (Fox’s) are rooted in the interests of employment relations groupings and the extent of compatibility of such interests. As far as the “employment relationship” is concerned, the three are: unitary (“based on trust and harmony; managed conflict”); pluralist (“divergent interests; need for regulation to solve conflict”) and radical (“underlying structural inequality; struggle for power and control”).

The middle-range theories reveal the aspects determining worker representation and assist in diagnosing a situation, explain the processes and predict their outcomes. Using these types of theories, in the face of the failure of worker representation to grow in developing countries or the decline of unions generally, the authors identified various initiatives, experiments and innovations for innovative worker voice approaches. The two cases of unions in Africa used for this study could be described as “pluralist” (AngloGold, Ghana) and radical (AngloGold, South Africa), due to their “employment relationship” and “form of worker representation”. The more in-depth case study, AngloGold, Ghana, is characterised by this “form of worker representation”: institutional, as seen in the unions and collective bargaining. The South African counterpart can be described as “militant unions; extra-institutional; social movements”, essentially radical, with a social and labour environment showing traces of inequality structurally.

For the purposes of prediction, the issue is whether the conventional IR theories can predict the environment within which these new variants can be appropriate mechanisms for worker representation. So based on these union case studies, we can envisage new institutions and practices for a reasonable “balance of power” among the various groups and also the role of the state for the “pluralist” group. On the other hand, the radical position predicts the rise of “transformational worker organisations” which will gain real control over the world of work under another economic system. The authors, however believe there is room for the “revised” IR framework which will encompass “actor identities and interests”, “collective actors” and “agency
repertoires”. They believe testing new strategies for organising and representing unions would push the boundaries of IR theory which will strengthen the current theoretical and practical IR position.

The following case studies examined various scenarios of union organising successes and highlighted how various methodologies could be deployed to strengthen the hand of unions. The first which dealt with contract workers in Colombia explains the organising successes and was spearheaded by the then ICEM, now IndustriALL, through the utilisation of Wever’s “field-enlarging strategies”, through the educational projects offering various entity points for the largest coal mining union. The basis of this “partnership” were “educational and institutional” with the Sintracarbon executives playing an important role in the GUF’s regional and international executives from the period of affiliation (Cotton and Royle, 2014). This case study which dealt with organising successes was significant because it showed a close collaboration between the then ICEM and the Colombian union. As an integral part of the worldwide push against “contract and agency labour”, the GUF commissioned a study about contract work in Columbia. Subsequently Sintracarbon undertook some political and organisational reforms through a “field-enlarging strategy”, which was dependent on the injustices felt by the contract employees and the community. Also the second reason, the decision to organise contract workers materialised because of the position of Sintracarbon within the international trade union movement and its ICEM connection. ICEM had facilitated the spread of strategies while building Sintracarbon’s confidence that the strategy could offer some leverage with the workers and the employers. The major takeout from this case study is the viability of “field enlarging”, strategies through Sintracarbons international affiliation (Cotton and Royle, 2014). It is our considered position that the serious engagement with Sintracarbon and the linkage with other funding agencies made these “field enlarging strategies” successful.

The Ghana case study shows that, IndustriALL with this track record is capable of ensuring the deployment of the full strategy and the processes to deal with the case of contract workers and any other local labour needs. But more importantly, the GUF should still have the wherewithal to assist in getting different funding agencies to assist in the whole process, ranging from research to educational activities.
Unions can also be examined through the process of seeing them in terms of how they exercise their power at the global level (Brookes, 2013). One example is the scrutiny of their structural institutional and coalitional power (Brookes, 2013). The structural type entails the ability to sabotage an employer’s workplace operations, due to the strategic positioning in the economy. This can be expressed in the form of “marketplace bargaining power”, through the capacity to withdraw from work, in situations where a major disruption can occur. These activities are undertaken in order to achieve the maximum disruptive impact through a tactical and selective strategy of targets or workplace points.

Workers can exercise their powers through the institutional approach which deals with laws, procedures, practices, and rules, whether formal or informal. The institutional power reflects the ability of employers to resort to all the rules (written and unwritten) which structure their interaction. The last coalitional power option shows the capacity to work in conjunction with other stakeholders and/or interest on their links with these “social connections” in times of conflict. There is the position that to ensure success, the power mix and strategy ought to be well targeted within the designated context. The importance of this analysis of worker power in the global world is the explanation of how all the three typologies can work within a transnational labour arrangement.

Transnationalism in the labour sector has emerged in recent times in two case studies, one in three sectors, motor manufacturing, maritime shipping and clothing and textile manufacturing (Anner et al, 2006). The other case study, which involved a “union coalition” was in the “International Transport and Logistic Sector” in Australia (Barton and Fairbrother, 2009). The union coalition in the transport and logistic sector operates on the promise that unions must restrategise on how they deploy their organisational acumen and operations at the local levels. This paper calls for a new type of leader (“reflective and experienced”) and the platform for constant engagement and the use of tactics like “information exchange”, co-operation and solidarity. The notion of “deterritorialisation”, according to the authors, has led to the processes of “production, movement and consumption of goods and service”, being global in nature (Barton and Fairbrother, 2009). It is expected that unions will use innovative and effective means to tackle the challenge of MNEs. Unions need to develop an outlook which is transnational in
order to serve as foundations for global inter-union activities.

Labour transnationalism in the three sectors also show how unions can engage in varied activities to regain control over the workplace because of the increase in global competition which has weakened the powers of the unions. In these three single-industry cases, the labour unions have had to grapple with specific management practices like outsourcing, leading to a big struggle among firms. The response has been a resort to “transnational co-operation” through local and national positioning. Such transnational linkages have evolved around the “European Work Councils (EWC) and World Councils (WWC)” The paper deals with scholarly thinking on “transnational labour competition and cooperation” (Anner et al, 2006). Other issues are the patterns of “labour cooperation, competition and pre-existing transnational regulation” (Anner et al, 2006). Using these sector specific examples, the authors have shown that among the three, only maritime shipping has created industry-level structures for reasserting control over the labour market and the competition. At the moment these structures are supported firmly by the GUF and the International Transport Workers Federation (ITF). The authors believe that GUFs can determine and implement such union strategies at the global level, even though most of them are underfunded.

Also unions, a major player in any discussions on labour practices could be examined from three perspectives: the global, national and the local. Unions play a major role in the production of IFAs since such agreements emanate from negotiations between the global unions and the MNEs. GUFs in such arrangements agree on specific labour rights which are derived from the core standards of ILO for the organisations and their subsidiaries and in some cases the other entities in the supply chain. It is the role of GUFs especially in IFA discussions which have led to the position that IFAs are an important part of the goal of internationalising collective bargaining. The national unions are also expected to play a role through the GUF. For the mining sector, the present GUF is IndustriALL, while at the national levels, the unions are GMWU for Ghana and NUM for South Africa.

There is the need to understand their origins, how they have evolved, the extent to which they represent the interests of their constituents, in terms of radicalism and how often they resort to
strike actions when it comes to labour agitation. As will be explained later, the historical context for the two national unions explains why one is more radical than the other and also how the apartheid system has shaped the mode of operations of the South African unions. There are some similarities however in terms of the benefits for their members but they all suffer from the recent phenomenon of declining memberships. The GWMU is noted for placing more emphasis on social dialogue and negotiations with management.

According to M. Taal (2012), in March, 2011, unionists and shop stewards of AngloGold from seven countries in Africa (Guinea, Mali, Ghana, DRC, Tanzania, Namibia and South Africa) engaged AngloGold under the IndustriALL global union to start an alliance for implementing an IFA which had been signed between AngloGold and ICEM in 2002 and updated in 2009. The initial arrangement was to promote and implement good human and industrial relations (IR). Another area of concern under these agreements, that is, the governance and safety health policy, also revealed that despite the “go beyond zero harm” organisational goal, there were 15 fatalities in 2011, nine in South Africa and three in Ghana. Also under corporate governance, despite the principles AngloGold claims she adhered to, they did not deal with some CLS issues.

As far as management style is concerned, there are clear disparities in the ways management dealt with unions throughout their operations, especially in areas like “freedom of association” and the right to bargain as a collective. One other gap was in the implementation of the IFA. It was expected that the worker should know, not only about the existence of the IFA but what it meant, what they could be used for and how they could be used. There was the need to popularize the agreement so that workers could be the front liners when it came to monitoring for breaches of the IFA. An IFA was also expected to further strengthen the capacity of unions when it came to organizing for the interest of workers. Still within the year 2011, it was recommended that the capacity of the workers had to be strengthened when dealing with issues on the IFA, labour laws, recruitment and organizing for workers and collective bargaining. Meanwhile there was also a call for more education through communication, regular meetings, seminars, exchange visits and sporting activities.
2.2.1 Global Union Federations (GUF) and IndustriALL Global Union

2.2.1.1 Global Union Federations (GUF)

GUFs are global entities whose memberships cut across the globe. As global federations, the members which are national trade unions operate in particular occupational groupings or industrial areas. Some unions have memberships in more than one GUF related sector. Muller et al, (2010) places GUFs in five functional categories: “supranational federation”, “steering body”, “coordination platform”, “forum” or “provider of information services”. While according to these authors, the total memberships range in the tens of millions, their federations range in the hundreds cutting across countries with an average of 100 countries with regional officers. They were formerly described as International Trade Secretariats. They offer a new authority and legitimacy as the champions of the interests of national unions. Due to the poor funding status of some of the members, the overall legitimacy has been undermined in the face of decreased memberships. Some of the funding challenges have emerged from the Africa, Eastern bloc, Asia, Arab world and Central Asia groups (Muller et al, 2010). The general decline in membership of OECD members also mean less support for international trade union activities making them depend on donor support in some cases. Generally such federations engage in negotiations with managements of companies at the federation and enterprise levels. They lobby governments and transnational governance bodies to influence general labour conditions. While there are several federations, IndustriALL Global Union is the federation of national unions which deals with mineworkers.

2.2.1.2 IndustriALL Global Union

IndustriALL was set up after the merging of the International Metalworks Federation (IMF), the International Federation of Chemical, Energy, Mine and General Workers Union (ICEM) and the International Textile Garment and Leather Workers’ Federation (ITGLWF) on June, 19, 2012. It represents 50 million workers in 140 nations in the energy, mining and manufacturing sectors. Essentially they are expected to promote improved union rights and working conditions at the workplace. IndustriALL aims at creating stronger trade unions, increase members, fight for
union rights and also fight against “precarious work” (including contract and agency labour), and strengthen the union against “global capital”. Others are to promote globalisation and social justice, fight for equal rights for women, create safe workplaces and improve inclusiveness and democracy (http://www.industiall-union.org/about-us).

In June, 2002 in Denmark, IndustriALL focused on global framework agreements (GFA), the term used by this GUF, and trade union networks by advancing the listed objectives. These objectives were to strengthen multinational network strategy for information exchange, joint initiatives, create platforms, coordinate collective bargaining at the national level and mobilise against instances of worker rights’ violations by MNEs and their supply chains. Others were to set up regular social dialogue for global level negotiating and create opportunities for competing agreements beyond GFAs and MNEs. The others were objectives like getting employers to recognise World Work Councils (WWC) and networks, push for the recognition and adherence to “union rights” and “decent working conditions” across the suppliers (“Review of Experience and Way Forward for the future”, 2012). By 2012 IndustriALL had GFAs with 40 multinationals including AngloGold and the content was synthesised from ILO conventions on “forced labour”, “freedom of association”, “collective bargaining and worker representation”, “discrimination” and “the minimum wage”. Apart from the ILO based clauses, most agreements contained sections on “trade union rights”, “contract and agency labour”, “wages and overtime” and “health and safety”.

Rights of trade unions is key to GFAs and majority of these agreements based their positions on ILO’s conventions on “freedom of association” and “collective bargaining”. GFAs have also been utilised to deal with the deterioration of the “employer worker relationship”, when it comes to “provisions on contract and agency labour”. Another area of interest is “health and safety” where GFAs commit MNEs to ensuring the highest standards by aiming at “industry best practice”. Other areas are, environment to ensure low impact and “employee development”, “responsible transitions and disclosure of information” and “anti-corruption”. Agreements are expected to be co-signed with the affiliate in the headquarters of the MNE (“Review of Experiences and Way Forward for the Future”, 2012 p 3-7). GFAs also offer opportunities to establish agreed benchmarks on “precarious” employment through negotiations at the global
level. This is expected to establish the appropriate levels for temporary recruitment for the specific need the company faces.

According to the Conference report titled “Review of Experiences and Way Forward for the Future”, (2012), although the GFA was confronted with initial implementation challenges the two parties worked towards making the document work in the Sub Sahara region. In 2005 the document was reviewed and further activities were undertaken to strengthen “implementation, evaluation and monitoring” of this GFA. Meanwhile the company paid for shop steward activities in areas like an NUM delegation to Ghana in May 2007. In the Sub Sahara region there is a coordinating entity called the “AngloGold Africa Continental Shop Stewards Council”. This body is to build solidarity among AngloGold workers in Africa to improve on the conditions and wages of workers, make management very responsive to “social responsibility”, monitor operations and ensure equitable “regional economic integration”. This council is supported by Friedrich Ebert Stiftung (FES) financially and practically with the gathering of data in other African operations.

2.2.2 Ghana Mine Workers Union (GMWU)

This union was set up on June 7, 1944 at Abosso, in the Western Region and was then known as the Gold Coast Mines Employees Union and became affiliated to the then Gold Coast Trade Union Congress in 1946 and also the Miners International Federation in 1952. GMWU has a mission to organize employees in and outside the mining industry into a strong organization to protect and advance the interests of its members. The major functions are: collective bargaining, advocacy, research and planning, training and education, and finally organizing and recruitment. The governance structure shows that the highest body is the Delegates Conference, and under it, the National Executive Council, and then the Management Committee. The last three bodies which follow in a descending order are the Finance Committee, Office of the General Secretary and then the Branch Union.

The constitution among other clauses, has aims and objectives which range from collective bargaining negotiation, worker health and safety, contribution to SR, environmental protection,
to investing in viable ventures and promoting cooperatives. Others are offering (legal) assistance, dispute resolution mechanisms and protection against non-discrimination and exploitation. The branches for the local GMWU are: Obuasi, PMSU; Iduapriem, Tarkwa and Gold House, Accra. The organization has undertaken some initiatives like an Education Endowment Fund, human resource development and GMWU-School Complex at Obuasi.

(The HYPERLINK http://www.gmwu.org/index.php/constitution retrieved on 13th December, 2012)

The ground breaking initiative undertaken in recent times by the union was the establishment of the Golden Pride Savings and Loans Limited which was going to be operational by January 2013, following the acquisition of a provisional license from the central bank, Bank of Ghana before the operational license is granted. They envisage that in the next five years the entity will migrate into universal banking.

Even outside the CBA, unions have provided benefits which are not supported by employers through special levies. One example is the Bisa-McCarthy Educational Fund of GMWU which is funded through the national union and the 2.5 per cent union dues which are kept by the local union. This particular fund offers educational support to the dependants of the members. GMWU also started the Golden Pride to handle the savings and loans scheme for the members.

The GMWU which is one of the prominent unions under the TUC, initialised the “Agenda $500” in 2009 which was incorporated in their CBAs and led to an upward adjustment of the industry’s minimum wage in 2008 from the monthly 180 dollars to about 400 dollars by 2011 with the goal of 500 dollars by 2012. Another cause, to cushion workers from the cedi depreciation was for a salary indexation clause, where the earnings are determined in dollar terms (Osei-Boateng and Torgbe, 2009).

There are benefits unionised workers derive, which range from the Social Security (Pension), leave types (maternity, sick and annual, all paid for), severance pay, work injury and overtime. GMWU enjoys some of the best non-traditional union benefits, covering home loans, paid tuition
for dependants, education structures, subsidised interest loans, strike action income support and funeral grants (Osei-Boateng and Torgbe, 2009).

Kwabena Nyarko Otoo (2012) explains that over 7 per cent of the ILO conventions were ratified within the first ten years of independence with unions having large memberships. The late 20th century, according to this author, witnessed a declining membership due to the rapid growth of “informalisation” and “casualisation” of work. It is said that the IMF/World Bank Structural Adjustment Policies (SAP) and the other policies like the Poverty Reduction Strategies Policies (PRSP), privatisation of state-owned enterprises (SOEs) and the retrenchment of public sector employees were the causes of the reduction in the numbers. Other developments within this epoch, like the inclination of governments under constitutional rule towards the interests of the private sector and the MNE, have seen a further decline in the fortunes of unions and the workers. The Washington Consensus which was made up of market-oriented policies like trade liberalization, privatisation of SOEs, deregulation of both the labour and financial sector including the liberalisation of external payments became the order of the day. The trend towards privatisation which followed, saw SOEs being projected as grossly inefficient businesses calling therefore for their full or partial sale to the private sector, mostly MNEs. By 1995, according to Guseh (2001) Ghana had recorded the sale of 217 SOEs. Meanwhile, despite these downsizing practices, another policy of freezing employment into the public sector was introduced with allowances made for replacing those who left the public service.

The basis of these IMF/World Bank driven policies was the ideological position that market forces are superior in the allocation of resources, accelerating the pace of economic development and improving on the lives of the citizens. The state was seen as the stumbling block to achieving such accelerated growth. Recorded growth had been around 5 per cent from 1997 to 2005 and the modest growth had been due to the exploitation of the natural resources in Sub-Saharan Africa (SSA) (Otoo, 2012). The labour force is essentially in the survivalist economic sector and the informal economic sector and they are largely self-employed. There has been a reduction in the number of formal employment workers and this has been due to such retrenchment exercises and privatisation.
Since the last quarter of the 20th century, the density of unions on the continent, apart from South Africa has recorded a decline, with most sub-Saharan countries showing a density figure of only a quarter of the numbers for the formal sector with Ghana having a figure of 70 per cent of the wage and salary workers (Otoo, 2012).

2.2.3 National Union of Mineworkers (NUM)

Another union which can assist in understanding labour standards and the unions within AngloGold as a global MNE is the National Union of Mine Workers of South Africa. South Africa is a “middle income emerging economy”, just as Ghana which has a present per capita of US $766.05 cents. As a country, South Africa also has natural resources, but in comparison, her per capita is US $5,914 and has a relatively better enhanced energy set-up, stock exchange, financial, infrastructure and well diversified economy. Until 2008, South Africa had had a positive economic growth, with GDP around 3 per cent. The labour market under apartheid showed two types of labour rights across gender, race and economic lines, when white workers could go on strike while Africans started having those rights from the 1970s.

In mining, the black workers then had only a few organizational rights. Monaisa and Tyiso (2012) explain that the 1996 constitution led to new labour laws like the Labour Relations Act, Employment Equity Act, Basic Conditions of Employment Act and Skills Development Act, which created the basic worker rights and assisted in reintegrating the country into the global economy. As far as employment is concerned, the labour sector has been associated with a rise in individuals employed, between the year 2002 and 2008. The employed, in number terms moved from 11,019,806 in 2002 to 12,884,565, in 2009 and a reduction in unemployment at 1.5 per cent. In terms of “contract employment”, the mining and quarrying sector recorded 13.1 per cent. South Africa has three major federations; namely: Congress of South African Trade Unions (COSATU); Federation of Trade Unions of South Africa (FEDUSA); and National Council of Trade Unions (NACTU) all linked to the nation’s history. While COSATU (366,748 members) is a product of the black unions which opened its doors to other races, FEDUSA (2,006,810 members) consists of previous white unions and NACTU emerging from the movement for black
consciousness. Although South Africa is noted for a high unionized membership density, this density has been reducing from 57 per cent (1992) to 34 per cent (2006) and 24 per cent (2008) all for the formal sector.

Formal employment has been on a decline and has been affected by newer employment forms like the more “informal” and “flexible” types. Some of such developments have been recorded in Ghana where AngloGold, after the decision to shut down the Obuasi Mine and the retrenchment of 3,100 employees indicated that it was going to engage mine workers on a “yearly performance-based renewable contract” basis. In South Africa, there has been underemployment within the labour market. Among three major federations, FEDUSA and NACTU, memberships were reduced by over 33 per cent from 2002-2010, with COSATU recording about a five per cent growth, with their membership coming from the more secure public sector. Within the COSATU union federation, most members are covered by either a Bargaining Council or arrangements which are workplace bargaining arrangements, with the public service members coming under the Public Service Coordinating Bargaining Council (PSCBC). By 2010, the NUMA had a Workplace Bargaining arrangement, with 89 per cent coverage NUM offered education for 2000 shop stewards.

According to Monaisa and Tyiso (2012), NUM offers services in the areas of “disciplinary hearing”; “personal grievances”, “dismissal hearing”; “contract negotiations”; “wage negotiations”; “skills/career development” and “service/personnel benefit”. In the areas of services, NUM provides benefits to members and also the public and these services encompass funerals, skills and career development and bursaries. The development of skills is through the J.B. Marks Education Trust, which offers bursaries for NUM staff and members and this has assisted in the tertiary education of people within the range of hundreds. The provident fund has a reserve of one billion rands for members who are retiring.

For the AngloGold unions in Africa, one important landmark was the decision to fight for a better life through the establishment of the AngloGold Africa Continental Shop Stewards Council. It is aimed at ensuring solidarity among AngloGold employees. The major objective is to improve on their working conditions, make the management more inclined towards CSR and
throw the searchlight on the MNE’s activities for creating a more equitable economic integration. Around 2011, unions and shop stewards came together under IndustriALL Global Union to assist in implementing the IFA. Across the MNE, the percentage of workers ranged from 51 per cent (Tanzania) and 52 per cent for Namibia, to the highest, 97 per cent (Mali), followed by 88 per cent (Ghana) and 76 per cent for South Africa.

Around 2009, 4,000 workers embarked on a strike action and the union later intervened to prevent a disciplinary action against the striking mine workers. Another strike, in 2011 involved 100,000 employees where they stayed away from the workplace for five days, before they reached a compromise. There were further unrests in the year due to the deaths of over 150 mine workers. As was explained in the introduction to the section on unions, there are differences in their styles of representing the interests of their members. Even when in Ghana there were agitations over cost of living for workers, the GMWU members used “social dialogue” as an approach to dealing with their grievances.

2.3 Management Practices Transfer

Some relevant management transfer literature from Europe and the USA was examined in order to provide a context for the discussion of management practices transfer. The discussions included labour related issues like labour policies and practices, labour/industrial relations, IHRM, MNEs, unions and the GMWU. AngloGold Ghana, as a case study, provided many scenarios for understanding management practices transfer. Issues related to recruitment, increased use of contractors, “social dialogue”, capacity building and retrenchment among others served as a means of explaining how management practices transfer, works in an emerging economy, especially within the mining sector.

The literature on IHRM often dovetails into the issue of the transfer of (strategic) organisational or management practices. In fact, Kostova (1999) who is interested in both the practical and theoretical dimensions of the success of transfer practices between the “home and host” countries invariably with the home being the advanced country, sees this phenomenon as the extent to which such practices are embedded in the organisational culture of the host through
internalisation and implementation. Based broadly on these factors, Kostova (1999) proposes some elements of transfer success culminating in the “Model of Success of the Transnational Transfer of Organisational Practices” which explains how the social, organisational and relational context determine transfer success at the implementation and internalisation levels. Kostova’s (1999) contribution in discussing “successful transfer of practices” provides two major constructs which are “strategic organisational practices” and “success of practice transfer”. The author sees “strategic organisational practices” as practices which are strategically key to its existence and reflect the major competencies of the firm and provides it with a competitive advantage that sets it aside from the competition. Kostova (1999) believes the success of this type of transfer is hinged on two factors, the spread of such regulations and the “internalising” or “institutionalisation” of this new practice among the recipients at the subsidiary.

Fuller, Edwards and Tempel (2011) on the other hand, provide a different perspective on the transfer of employment practices in MNEs, when they call for the incorporation of power and interests into this transfer phenomenon. They utilised the Lukesian position on power and argue that such transfers entail various types of “power capabilities”. Their analysis incorporate institutional contexts at the “macro level” of the hosting entity and the “micro-level” of the MNE itself. In the process they question the earlier “neoinstitutionalist” frame of global capital, and advocate for a more critical engagement of the issue of cross-national transfers. The authors believe that these “neoinstitutionalist” insights are weak on even “old institutionalist” queries about “power, coalitions, interests and competing value systems” (Ferner et al, 2011). The belief is that an analysis of power can be seamlessly introduced into an understanding of global practice transfer; with a backdrop of seeing MNEs as political actors. Such transfers are complex and have many dimensions like: the extent of adaptation of practices; “internationalisation”; functionality; and directionality. The first one is described as an issue of “degrees of transfer” and can be modified in the process with the practices of the host. The second dimension explains that even at the transfer phase it can be affected by the managers and employees of the hosts. The functionality dimension refers to whether these transfers are seen as functional or dysfunctional by the headquarters actors. Finally directionality shows that transfer can occur between subsidiaries or from the subsidiaries to the “home” country.
The paper is founded on the “Lukesian” perspective which offers three power dimensions and is applied to the business environment by Hardy’s (1996) “power of resources”; “power of processes” and “power of meaning”. Hardy (1996) sees the first as power of scanty resources like “hiring and firing”, “rewards and sanctions”. The second deals with “organisational decision making processes which incorporate a variety of procedures and political routines that can be invoked by dominant groups to influence outcomes by preventing subordinates from participating in decision making”(p.7). The last dimension explains how groups legitimise their needs and “delegitimise” the demands of others through meaning management and the recourse to symbolic actions, which can affect the other party. Here meaning and its control is founded on the original Gramscian notion of “hegemony” (Gramsci, 1971). The control of this “discursive realm” has to be seen in the economic and technological terrains.

They conclude that the Kostovian approach has to be revised in any dimension of practice transfer in MNEs in two major aspects. First, this critical engagement exercise embarked on by the authors, suggests that power potential of these actors have to be considered, especially since power is more susceptible to control by the MNE actors. Second, any analysis of the power phenomenon has to include the “macro-institutional and micro-institutional capabilities” of these MNE actors. The authors however foresee some methodological and conceptual challenge when it comes to operationalisation and measurements of the variables. Challenges envisaged can encompass the assessment of dominance effects and varying circumstances in different business sectors’ measurement of “institutional variants”. There are even more difficult issues in also making the power capabilities amenable for empirical assessment especially as it relates to “resources”, “processes” and “meaning”. They justify the use of in-depth case study methods to assist in any investigation of the transfer process and how such practices are actualised in the host’s industrial environment.

Another case study investigation of HR and IR on the practice of management practice was undertaken by Almond et al (2005). Here the authors argue that employment policy and also practice in MNE’s have to be examined within a framework which takes cognisance of the MNEs “multiple levels of embeddedness” and the multiple “processes of negotiation” in the firm. Although this study focused on an American MNE’s activities in four European nations,
and explained its IR, HR and pay policies, they offer some insights into some IR conceptual positions in this area. First they conceptualised national economies as national business systems, where structures and institutions which are intertwined in different economic activities coalesce into a peculiar way of organising economic activity in a country. Companies can now be judged by the extent of their embeddedness in the social, political and economic structures in the said country.

Through case study research, the authors are able to show how the American business context has affected its management approach and also how it has been reengineered to fit into the business systems of the European “hosts”. The key take-out here is that, national business structures are dynamic and also multi-level in terms of influence in employment relations. In the end employment relations outcomes are not only dependent on “macro-level systemic factors” but are continually negotiated in such settings. In the “institutionalist approaches” to analysing MNE employment relations, the authors identify four influences, namely “country of origin effects”; “dominance effects”; “pressures for international integration”; and “host business systems”. They then call for a “multi-level institutionalist analysis”. The means by which this is undertaken, is through the examination of the following: “HR processes and structure”; IR; “Pay and performance management”. While this study is useful in providing insights into practice transfer, it needs further investigations into more “structural, business strategic and national settings”.

The AngloGold case study from the perspective of labour management practice transfer shows that other factors have to be considered if we are to judge transfer success. There are issues beyond “internalising” or “institutionalisation” as articulated by Kostova (1999). The model fails to take cognisance of major mission and core values imperatives which deal with the “success” parameters like profits, industrial harmony between the parent company and the recipient unit. For instance, the high turnover of managers, the inability to make profits which in addition to other factors like global prices of gold and internal factors in Ghana like the energy crisis and industrial unrests, reflect on “success of practice transfer”. Kostova’s (1999) positions also offer an opportunity to examine the extent to which AngloGold as a multinational has been successful in transferring their labour standards and CSR orientation to their Ghanaian affiliate. And still
within the framework of strategic management practices, the level at which “Code of Business Principles and Ethics” is able to influence workplace policies and practices in AngloGold.

Two groups of authors provide some insight on the practices transfer issue which also offer some perspectives on the labour issues being discussed. Edwards et al (2007), first of all, discuss the market-based and the cross-national comparative approaches. The market based approach offers insights into how HR practices are transferred to other national organisational contexts. This approach explains the need for MNEs to take cognisance of the competition and to leverage their organisational strengths in order to ensure best practices within their global affiliates. The context is both internal and external with imperatives like the labour, financial and product markets, and makes managements more responsive in an effective and timely manner. The other approach, the cross-national comparative dimension provides another scenario for explaining the transfer of the HR practices issue. This is due to the very nature of management or decision-making, a political process determined by power relations, the management representatives concerned and the specific national context from which they are operating. This cultural approach is based on the position that MNEs are essentially home-grown entities with attributes associated with their countries of origin. Any transfer is influenced by both originating and host country prerogatives.

The other group of authors, Lamare, et al (2010) also offer different perspectives on MNEs, the few notable ones being: union recognition and double breasting; and the country-specific context. Union recognition and double breasting deal with situations where companies strategically have unionized and non-unionised worker groups. This is a practice engaged in for cost-minimisation and flexibility purposes. Finally the authors use the country-specific contexts to explain how approaches can differ. Using three countries as case studies, they show that there are differences in behaviour among countries in their multinational linkages with host countries, therefore serving as an intervening effect on how they undertake home-grown policies in their foreign operations. This case study for instance provides an insight into the practice of double breasting in AngloGold where by 2011 the level of unionisation was 88 per cent, only second to Mali which had 97 per cent and the lowest being 52 per cent for Namibia (Taal, 2012). The new management practices envisaged especially after the mine closure, show how the influence of the
unions is going to be diluted with the policy of short term contracts for workers.

Apart from the issue of double-breasting which is explained by Lamare et al (2011) under the broad issue of flexibility, Kinson (1985) also offers further insights into this flexibility matter. Kinson (1985) states that the flexible firm which is hinged on the economic segmentation theory aims at three types of flexibility namely, the functional, numerical and financial with the first two undertaking operational duties and the last one, the means of implementing the first two. Flexibility also calls for a new organisational structure and employment model, which lead to the removal of the orthodox hierarchical structure so that varied employment policies can be utilised for the varying types of work. The issue of flexibility is also identified as an attribute of management transfer practice where at AngloGold now, the issue of using the services of contractors is being further institutionalised. This is a phenomenon which has become more mainstreamed following the period of “Care and Maintenance” when AngloGold was expected to start recruiting new workers who were not going to enjoy all the benefits that a full time worker will enjoy.

Kostova’s (1999) insights are very helpful in explaining the phenomenon of management practices transfer within AngloGold. Although Ghana and South Africa are within the same “middle income” range, there are vast differences between them in terms of the sizes of their economies, how diverse the economies are, extent of technological and managerial development and history. In terms of practices transfer, Ghana is at the receiving end and is susceptible to managerial influence from the South African head office. A lot of the management practices in Ghana therefore can be traced to AngloGold, South Africa.

Several global examples show that management practice transfers do not occur without any tensions. The case in AngloGold confirms this especially when organisational clashes were recorded shortly after the “merger” took place. This development was described by a local HR specialist as depicting the fact that the South African managers were showing an “attitude” in their dealings with their Ghanaian colleagues. Actually while MNEs could be seen as the major global change agent at the workplace, promoting new technologies and ideas in marketing, they were also confronted with challenges. In a study conducted in Pakistan, S. Khilji (2002), used
socio-cultural values and also contextual and organisational variables to show vividly the challenges MNEs have to deal with from the perspectives of convergence and divergence. Pascal and Maguire (1980) explained that within the context of convergence research, as countries liberalised their markets, the institutions and the extent of their technological advancement become better, leading to a quickening of the industrial system which then had an impact on their strategic business behaviour. The entities and the values and also the orientation of the employees then converged within this economy and work ethic. Kerr et al (1960) believe that while convergence was more inclined towards the hyperglobalist, it involved the reification of the state’s role as the source of the infrastructure for the workplace, industrialisation and modern living standards.

On the other hand, Hofstede (1980) and Laurent (1983) who are noted for their perspectives on organisational culture believe that divergence was based on the culture and factors which drive values, beliefs and the attitudes of the managers in the hosting country not economic indices or technological benchmarks. Basically a country follows particular business goals, creating a competitive environment for all these countries. Interestingly, Lundvall and Tomlinson (2000) believe that when it comes to workplace issues like this, these differing cultural contexts become an obstacle for any form of convergence, which creates challenges for accelerated economic growth. While from a descriptive angle, these hosting countries provide very interesting aspects of management at the global level there are obvious weaknesses. The divergence grouping shows that hosting countries can be at a disadvantage because they are not strategically positioned to gain from organisational practices from other countries or MNEs.

Two authors, Gupta and Wang (2004) provide some further dimensions on the issue, when they review Hofstede (1980) and Laurent (1983) by showing how a country’s culture becomes the driver for beliefs, values and attitudes of the top management to explain convergence and divergence at the work place. The last option meets the challenges posed by the other options and then leverages the benefit of convergence and divergence. This position which emerges from the cross-culture course, leads to a new workplace culture of originality, specific to that organisation (Gupta and Wang, 2004). The AngloGold peculiar situation with the cases of an amalgamation of an earlier encounter with Lonrho as a multinational and the management of the
company by a Ghanaian also offer some new perspectives on the management transfer phenomenon. The seeming commitment to CSI projects like the construction of a Len Clay Stadium, an ownership culture which was strengthened under the circumstances and also a certain feeling that it was a Ghanaian company with a Ghanaian CEO, offered various dimensions to the history of the new AngloGold. The clash of managers under the circumstances following the combination agreement further strengthened the position that there was a disconnect in terms of the two sets of managers and each group’s workplace ethos.

The literature on the transfer of management practices which was now inherent in the management standards in MNE was expected to explain how the practices at AngloGold can be framed within global business practices. It was expected that the case studies analysed which were mainly from Europe and America would offer a basis for understanding how this practice could be discerned within an emerging economy context.

2.4 International Framework Agreement (IFA)

The review of related literature on IFAs was aimed at determining what IFAs are, their characteristics, IFA case studies, and the issue of successes and failures, implementation and the effectiveness of such framework agreements. IFAs, for this study, called for some critical engagement, because of what they are and whether AngloGold could be described as an IFA signatory. Niforou (2012) explained that IFA scholarly writing could be placed into two groups, the first which dealt with their potential impact on the management of CLS and IR and the second which focused on the actual impact of these agreements. One of the ways in which these agreements could be scrutinised was to follow their “policy cycles”. Using case studies from two Spanish MNEs, she explained how these agreements were reflected in the local practice of the subsidiaries in Central and South America. The IFA policy cycle were along these phases: “identification of the problem”; “information and adoption”; “process of implementation”; “monitoring of compliance”; and finally “review and evaluation”. She concluded that unions have shown “remarkable inertia” in dealing with IFAs; in dissemination, implementing and monitoring of IFAs.
Another paper which deals with IFAs within the context of the “democratic deficit of global labour governance” (Niforou, 2014) looks at the actors, processes and instruments in contention. In fact IFAs are seen as a response to this deficit, especially created by the emergence of economic globalisation in order to ensure “global labour democratisation” within the scholarly context of “workplace democracy” (Niforou, 2014). Here market governance has facilitative (banking and commercial policies); regulatory (labour law) and compensatory (welfare systems) dimensions. Within these larger contexts, governance deficits generate some social response which could be public (CLS etc.); private (CCCs) or joint responses from public and the private sector (UN Global Compact). The author further analyses IFAs in relation to “four core democratic principles”, which are: “legitimacy, representation, transparency and accountability”. The role of structural (corporate governance etc.); institutional (IR traditions, union legacies etc.) and subjective (culture, interests etc.) influences in determining the strategic choices of actors about the democratic arrangements implementation were also analysed. This analysis was undertaken within the framework of the democratisation potential of IFAs, as originally propounded by Poole et al, (2001), as explained by Niforou (2014).

The four democratic principles were important in any assessment of an IFA (Niforou, 2014). First, representation deals with the need to ensure that real decision making is undertaken by the governed, which in this case will entail the interests of the unions and those in the supply chain which are catered for by the MNE and the GUF. Representation in this situation dovetails into legitimacy where GUFs are now seen as equals by the MNE. Governance becomes legitimate if it is hinged on “shared expectations”. Transparency is also key in this discussion since it is about “openness and disclosure”, where information is accessible, the system is responsive to queries and the fact that unsolicited information is even provided. Invariably transparency becomes a stepping stone towards accounting. Accountability is positioned as consisting of the “market” type (accountable to investors and consumers) and the “reputational” which occurs through negative publicity, like the “naming and shaming” campaigns of NGOs and GUFs (Niforou, 2014).

In a discussion of IFA and CSR in an evolving corporate behaviour at the international workplace, Owen Herrnstadt (2013) discusses what constitutes a successful IFA. He provides the
following characteristics: context, which should include standards; coverage, which must explain
the scope, to incorporate the whole MNE, including “subsidiaries, suppliers and joint ventures”;
implementation, to contain provision for communication and other engagement activities. Finally
a good IFA must include enforcement, where there will be enough deterrence and even remedies
for breaching the tenets of the agreement.

The author uses case studies of IFAs from Siemens AG and IKEA to illustrate the position of the
essential elements of an effective IFA. The paper sees CCCs as “unilaterally developed,
implemented, and enforced by companies with no input or participation by the workers they are
intended to help”. In contrast with IFAs, codes do not specify the specific working group they
are targeting, how such codes will be implemented and how they will be enforced. There are
other criticisms like “ambiguous content” and the inability to change the behaviour of MNEs,
when it comes to measuring CSR (Herrnstadt, 2013). In fact, the author sees the IFA as a
panacea to the shortcomings of CCCs.

Dan Gallin (2008) in reassessing IFAs, distinguishes between IFAs and CCCs, and describes
such codes as mechanisms for deflecting workplace criticism and for reducing the call for
negotiations or “external regulations”. In some cases they are used as a shield against public
opinion or as a means to sidestep calls for unionisation. For instance, he also explains that only
about 40 out of the 182 codes examined mention specifically the ILO conventions on “freedom
of association” and the “right to collective bargaining”. In fact CCCs are more for “union
avoidance”. The anti-union stance is seen in the Caterpillar Code, Sara Lee Kuit Products Code
and DuPont Code. Gallin (2008) also explains that most of these codes do not have a “credible
independent monitoring procedure” or a strengthened enforcement regime and mechanisms for
complaints.

AngloGold as a case study therefore provided the unique opportunity for explaining, whether the
company being an IFA signatory could provide a lot of insights into how seriously multinationals
took such agreements. A more critical review of such agreements showed that IFAs were seen
as the specific response by the international labour unions to the strategy of assuming CSR
posturing on the part of MNEs. For the world of international labour, the voluntary and unilateral
nature of CSR or corporate codes were seen as attempts to side-line unions in any issues concerning labour standards. There was also the position that the emergence of such social responsibility strategies was a symptom of the lack of interest on the part of society to combat the debilitating effects of globalisation. The conclusion was that a gap had been created which was being exploited by management driven labour initiatives for not only marginalising labour but also to prevent any forms of political restrictions. From a long term perspective, GUFs saw IFAs as a transnational mechanism for international industrial relations and bargaining collectively. For the global unions especially, IFAs meant that GUFs were now recognised as strategic players in the global labour environment. Employers however, saw IFAs as tools for their larger CSR programmes. The few who entered into such arrangements perceived such framework agreements as another form of CSR.

IFAs, for some MNEs, were expected to reduce the pressure from (ethical) investors who had been viewing the activities of multinationals within the broader framework of environmental or social impacts. Some of them saw IFAs as instruments for managing risk so that the headquarters could manage and communicate and control the standards in a more effective manner at the subsidiary level. IFAs for some of them, could assist in monitoring and for surveillance purposes so that the appropriate correctional methods could be taken at the lower levels. These uses notwithstanding, MNEs did not see such global agreements as the solution to these challenges at the global industrial relations level.

It was even more significant because of the fact that the study was focusing on South Africa and Ghana which were in the emerging economy range. In AngloGold, CSR related activities whether under corporate social investments (CSI) or corporate philanthropy, were seen as coming under “Sustainability” which was the term used within the company. As global agreements, they were expected to influence management practices. The first signatory for an international framework agreement was the then BSN, a French MNE, now Danone and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF) in August 1988. In that agreement the two parties decided to promote among other objectives, schemes which improve skills training to reduce the impact of “corporate restructuring”; share information within the operations on social and economic issues;
ensure gender equality and implement the ILO convention on “freedom of association”, “collective bargaining” and unions. It must be noted that such agreements which have variants like the Transnational Framework Agreements (TFA) and the European Framework Agreements (EFA), offer an understanding of labour standards in multinationals. Such IFAs are also expected to deal with issues like corporate governance. As facilitators of collective bargaining, effective union activities and also social dialogue, they serve as a bridge between such multinationals and the unions and are expected to offer benefits and other opportunities outside the traditional CCC. IFAs have a voluntary status and do not incorporate the forced type of mediation despite the fact that they are expected to assist in worker and union rights. Due to the involvement of a GUF the hands of the local unions are expected to be strengthened in order to make the entity more committed to the ILO’s CLS.

One study which provided some useful perspectives on IFAs especially as they relate to sub-contracting and labour standards was undertaken in South Africa (Williams et al, 2013). The relevance to this study was due to it being conducted in South Africa, and although in the construction industry, it offers some insights into how an IFA can be connected to the strategy of the company and the labour unions. This thesis which explored the issues of the influence of IFAs on the transfer of management practices at AngloGold in that sense, may be seen as being outside the focus of that study. The real link, is in the role of the unions in the operations of an IFA signatory. IFAs are expected to have an impact on how unions intervene within the workplace. Williams et al, (2013) believe that IFAs commit MNCs to ILO’s CLS, but since enforcement relies on national jurisdiction, the effectiveness of the IFA may be questionable in cases where the country has not ratified the appropriate ILO conventions. As Williams et al (2013) and Telljohann et al, (2009), among other authors have noted, these agreements serve as a precursor to the globalisation of collective bargaining.

In the ideal situation, the positioning of such rights at the workplace as “universal human rights” make them “stateless” (Siedman, 2007) with the potential for extending their labour standards to the supply chain. One other observation is the issue of the strengths of the unions especially where there is no enabling national labour law for such labour-related rules. This position resonates with the Ghanaian labour market where enforcement of rules and regulations which
will tilt towards worker interests, may be seen as a no-go area for the country. This goes beyond the observation that the existence of a more regulated labour market can lead to better industrial relations. Another important observation which is the existence of a “viable conflict resolution mechanism” as a means of determining how successful an IFA related practice transfer, may not fully explain the situation at AngloGold.

As will be explained, in Ghana, AngloGold produced an Amended Programme of Mining Operations (APMO), which was in compliance with the Mining and Mineral law but it was essentially management driven, even if it claimed it was continuously engaging with the workers, GMWU, the communities and government. It must be noted that, subsequently AngloGold started organising Stakeholder Forums which became platforms for communicating AngloGold’s message. Lafarge on the other hand, is a global giant in the cement industry and other aspects of the construction industry and became an IFA signatory in 2005, but just as AngloGold, the IFA was not reflected in their operations, neither was it mentioned in their documents or website (Williams et al, 2013).

The Lafarge case study, concluded that the focus on freedom to organise and also for representation was a marked distinction between IFAs and the CCC and that IFAs had the potential for strengthening the capacity of the labour unions on a sustainable basis. Generally, the study provided a profile of South Africa as a nation with labour laws which were “progressive”, a conducive environment for industrial relations and a politically and industrially strong union sector (Williams et al, 2013). As with the case of the Ghana study, despite the huge expectations of such global agreements, there were no real “concrete outcomes” and therefore more work needed to be done to meet the potential of these agreements.

Another group of authors ascribe CSR posturing motivations to the signing of IFAs. For instance, Fichter et al (2011a) believe that IFAs are now a way of showcasing MNEs as CSR compliant and for evolving and sustaining a favourable corporate brand especially for instrumental purposes. Their position is that such instrumental activities can be discerned by the fervent attempts made by such organizations to prevent the emergence and/or escalating campaigns by adversarial NGOs or reduce the capabilities of the organization to access capital
markets or in some cases, prevent consumer boycott of their goods and services.

Williams and Aguilera (2006) on the other hand explain that CSR is responsive to globalisation and the spread of multinationals all over the globe. This has led to the diluting of the control of countries over such companies. These authors used comparative legal analysis and comparative institutionalised analysis to examine the CSR approaches in Anglo-American and Continental European corporate governance systems. IFAs are seen as “voluntary regulatory mechanisms” which assist in facilitating collective bargaining, unionisation and social dialogue between MNCs and unions at the global and national levels unlike the CCC which are unilateral and paternalistic (Thomas, 2011), without including training, labour rights education and monitoring. They do not have the legal authority of collective agreements. While they assist in resolving issues jointly when it comes to implementation and compliance, such processes do not incorporate compulsory types of mediation. IFAs are therefore more of mechanisms within global industrial relations which recognise social partnerships at the national level. An argument can therefore be made that the attention given to such framework agreements shows the absence of viable options for upholding labour policies and practices within a globalised economy.

Papadakis (2008) describes IFAs as “soft accountability mechanisms” under the banner of CSR associated with three factors: “coercive”, “anticipatory” and “civil pressure”. They are seen as producing an opportunity for global industrial relations by showing GUFs as bargaining partners who go beyond the CCC. Basically, IFAs set basic benchmarks and get multinationals to be responsible for labour rights, to the level of supply chains. They are recognised as having the capacity to promote the unions as strategic stakeholders on a sustainable level for the purposes of implementation and also monitoring. These agreements commit multinationals to ILO’s 1998 CLS and make global unions key partners in bargaining and in the whole voluntary enforcement regimes as far as such multinationals are concerned.

From the perspective of labour practices, Thomas (2011) offers another dimension on the IFA and its CLS origins. The position is that, GUFs now negotiate IFAs rather than CCCs and he identifies four types of IFA practices aimed at promoting employee engagement in labour rights. The four are: information dissemination; workplace monitoring; disputes resolution; and worker
representation. Fichter et al, (2011) on the other hand believe that for managements, the justification for negotiating IFAs is to show key stakeholders the commitment of their organisations to CSR; the need to standardise their HR policies; and in some cases a means of binding unions to a risk management contract. They state that companies believe that IFAs are one of the tools for promoting their CSR policy with the goal of, creating and sustaining a favourable corporate image to avoid financially damaging campaigns and to be able to access the capital market.

In the case of Hammer (2005), a line is drawn between bargaining agreements (procedures related to labour-management meetings, beyond the main labour standards) and rights agreements (context for setting up key labour principles especially the standards of the ILO). In the process, he identifies six issues for an IFA: global nature; ILO linkage; should influence suppliers; GUF should be signatories; unions should be involved in implementation; and finally encouragement to file complaints. Telljohann et al (2009) identify three aspects of IFAs which are: scope of application, implementation, and union rights, although they further explain that there are differences. Very often a scope of this nature involves the workers and the subsidiaries. Thomas (2011) again provides a portrait of the industrial relations at the global level with an examination of IFAs as a means of promoting labour rights for workers in MNEs. He juxtaposes IFAs with CCC and also calls for a greater engagement of IFAs, GUFs and local unions; especially in the face of the pressures of globalisation. There are now calls for new paradigms from trade unions and civil society organisations (CSO) for new international regulations which will be grounded in local labour laws, through social clauses in international agreements, the setting up of international labour rights advocacy networks covering non-governmental organizations and CCC. As far as Thomas (2011) is concerned, IFAs are largely promoted by GUFs to cover the deficiencies of the CCC which are essentially individual MNE-driven. He examines the labour rights positions which form the basis of such agreements; how they are implemented and also enforced; and finally the opportunities for empowering the workers in the arrangements. One key factor in relating the codes of conduct with IFAs is the use of the codes as components of the larger CSR programmes in order to legitimise a company’s CSR posturing.
Stevis (2010) described IFAs as a new type of transnational social dialogue and explains their European origin and euro-centredness, but explains that there are variants. Telljohann et al (2009) in a project which deals with codes of conduct and framework agreements and CSR broadly and specifically European and IFAs, examine the increase in the number of transnational framework agreements (TFA) at both the global and European levels. This report scrutinises TFA tactics used by employers and unions and looks at TFAs’ contribution to globalisation of the IR. Basically IFAs are more global while the European Framework Agreements (EFAs) deal with the regional dimension and are handled by the European Industry Federations (EIFs) and/or unions at the national level and management. Most of the IFAs focus on the basic social rights/CLS in the ILO’s 1998 “Declaration on the Fundamental Principles and Rights at Work”. The EFAs deal with more issues in terms of their subject matter and the procedure than the IFAs, covering restructuring, social dialogue, health and safety, human resource management and data protection.

Burkett (2014) believes that the future of IFAs appears to be a major focus point in discussions on international industrial relations. IFAs are seen by the labour movement as a means by which definite dispute resolutions and implementing structures in such agreements can be ensured. This it is expected will be a stepping stone to an improved industrial relations system at the global level. For some GUFs, new agreements should assist in the process of unionisation. It is believed that some of these expectations have led to the decline in the numbers for new IFAs. There is the conclusion that the tactics of the two protagonists, the MNE and the union will not be reconciled. Another issue which raises some eyebrows are first the linkage with the participants within the supply chain or third parties. There are various positions on this and it is believed that only a few ensure that the applications of the principles embodied in the document cover the whole supply chain of the multinational.

Burkett (2014) explains that IFAs now incorporate monitoring and enforcement structures and also insist on the dissemination of the tenets of such agreements across an MNE’s operations, and that committees should be set up consisting of the two stakeholders to oversee how the framework agreement is implemented. This has led to the creation of stronger mechanisms for implementing the agreement. In recent times IFAs have produced “World Works Council”, a
combined platform for engagement across the global operation on issues related to workplace issues and for monitoring and the working of the agreement. Another trend is the practice of mediation to handle any disagreements emanating from the implementation of the IFA, and particularly a requirement that a meeting be organised at least two times annually to dilate on any discordant positions related to the framework agreement. A recent development is also the practice of IFAs facilitating the organising by unions rather than just tolerating them. All these are gradually emerging within the IFA global sphere.

It is also important to mention the fact that these IFAs are mainly located in Germany, France, Netherlands and Sweden, while outside Western Europe, the following are the headquarters of such multinationals South Africa, Malaysia, Indonesia, UK, Brazil, Russia, New Zealand, Australia, Japan, Canada and the United States of America. For the long term, the sustainability of these agreements will be based on the increase in numbers for IFAs for multinationals outside Europe, which it is expected can motivate MNEs generally to sign up to such agreements, and also facilitate the development of national or even international policy initiatives to avoid any major gap in international labour relations. AngloGold as a case study, offers some insight into the rationale for signing such an agreement. First of all, there was the role of the then CEO, Bobby Godsell and his relatively “progressive” positions on labour and corporate governance and second the need to promote the good links with NUM and to acknowledge the then GUF, ICEM as a global partner (Papadakis, 2009). The new face of the IFA can be discerned from a specific development which is related to the supply chain, the Bangladesh Accord, which is the “Accord on Fire and Safety in Bangladesh”, following a tragic incident in April 2013 at the Rana Plaza garment manufacturing facility in Bangladesh.

This is an accord between the companies and UNI Global Union and IndustriALL which expected signatories to strive to implement and also maintain safety standards in the workplace of the suppliers in Bangladesh. This covers inspections, reporting and actions related to “remediation and training” to ensure adherence to acceptable safety standards.

As an MNE, AngloGold has a governance structure with the headquarters in South Africa and a holding entity of many affiliates in South Africa and three other regions (Continental Africa,
Australasia and the Americas). Some of the non-South African subsidiaries are controlled by the off-shore AngloGold Ashanti Holdings PLC, in Isle of Man. Every region has an Executive Vice President with a local mine management team for local operations. Governance in this MNE is determined by internal policies and external regulations, rules and laws and best practice guidelines. Corporate Governance is explained under Corporate Governance and Policies (www.anglogoldashanti.com/sustainability)

The discussions and review of related literature on IFAs dovetailed into an examination of CCCs because of how MNEs look at these two, the IFA and the CCC. As explained earlier, MNEs are often inclined towards CCCs even though IFAs are voluntary and the clauses are essentially not enforceable. The AngloGold case study showed how an MNE which had signed this agreement twice (2002 and 2009) virtually set it aside and went for a management-initiated CCC. It was obvious that most MNEs and AngloGold in particular are not committed to meeting the relatively soft demands of IFAs. It paid only a lip service to the two agreements. The various authors offered a conceptual basis for this MNE posturing, when it came to such global agreements.

According to Rhys Jenkins (2002), the CCC became fashionable among American and European MNEs in the 1990s when CSR became an ethical and business imperative due to the fact that there was then a shift in the economic role of the state towards MNEs and Foreign Direct Investment (FDI). They also focus on the impact of the activities of such corporations in the areas of social conditions and the environment, involving, in the process, stakeholders like global unions and international NGOs when it comes to the elaboration of these codes for their activities. The position is further strengthened by the observation that MNEs can play a more progressive role when it comes to the global value chains in terms of their working conditions and the environmental impacts of their outputs. The author identifies five main types of codes: company, trade association, multi-stakeholder, model and the intergovernmental. Based on the categorisation provided by this author, the AngloGold’s “Code of Business Principles and Ethics”, could be put under the company code section. The AngloGold code which is a 22 page document with 22 sections covers a broad spectrum of issues which broadly deal with the core values, safety issues, employment issues, confidentiality issues and matters related to corporate
governance.

James Rowe (2005) provides another dimension on the CCC, its origins and the motivations for their emergence on the global corporate scene. His approach is more critical, but offers a very different and deeper understanding of the CCC. The origins of the OECD guidelines is in the 1972 CCC adopted by the International Chamber of Commerce (ICC) and though 1972 was the year of inception, 1976 saw their emergence in terms of these guidelines as a “salient political force” (Rowe, 2005). The introductory part of the code indicates that the objective is to ensure an environment of “mutual confidence” and the expectation is that it will be useful to the United Nations (UN) and others as they strive to ensure “constructive discussions” of the issue (Pijl, 1993: 50).

His position is far more compelling in terms of offering a more complete appreciation of such conduct. He goes beyond the perspectives provided by Jenkins (2002) and Thomas (2011) who sees the CCC as “unilateral and paternalistic”. The strengths in Rowe’s (2005) argument are the effort to place the CCC within the wider CSR debate and to prove that it is essentially a “business strategy” and that these codes emerged as a means of neutralising any possibility of agitations by various global civil society entities.

2.5 Corporate Social Responsibility (CSR)

CSR as a multinational and a multidisciplinary social phenomenon within the industrial work space offers various perspectives to an understanding of industrial/labour relations. Apart from the complicated issue of definitions, CSR has been seen and used differently by various actors whether within academia, at the workplace or as a specific tool for the employer or the union. The theoretical positions are many. McWilliams and Siegal (2001) identify a few. They mention Friedman’s (1970) position that CSR is either an agency issue or a conflict between the needs of management and the shareholders since managements utilise CSR to promote their self-serving agendas. Another theory, McWilliams and Siegel (2001) touch on is the stakeholder theory propagated by Freeman (1984) which states that companies have linkages with many “publics” who affect and are also affected by the performance of the firm, a theory which has emerged as a
leading theoretical position on CSR. Others have seen CSR as a “differentiation strategy” as far as the company’s products or services are concerned. McWillaims and Siegel (2001) see this in terms of resources or input (labour) and the attendant additional inputs like more wages and benefits to ensure better social performance, which will come under “progressive” human resource management practices and staff to implement CSR policies. Here, within the input of labour there will be CSR-related resources in the HR practice, which will be at an extra cost to the company in terms of better salaries and conditions of service.

One of the ways in which the issue of CSR can be understood generally, and from the perspective of the corporate world, is to examine the local adaptation of the International Standard, ISO 26000: 2010 Guidance on Social Responsibility. The Ghana document is the local standard, described as the Ghana Standard (GS ISO 26000: 2010), as the benchmark for social responsibility and offering the important guideposts on social responsibility (SR). The Ghana Standards Authority (GSA) is the statutory institution for the development and promulgation of all standards in the country. It must be noted that organizations at the global level and all their stakeholders are becoming more aware of the imperatives of a socially responsible performance. An entity’s behaviour within a social context and the impact on stakeholders and the environment has now become a key aspect of a general performance measurement. This facilitates the continuous effective operations of an organization which then assists such an entity to play a part in sustainable development.

Taking its principles from the International Standard GS ISO 26000, the Ghana document offers a pathway for the appreciation, implementation and continuous improvement of the SR of the identified organization. It is within this international framework that the Guidance on Social Responsibility (2011) offers some understanding on how to examine AngloGold’s activities. Taking its antecedents from ILO instruments, the document offers a lot of insights into how to juxtapose AngloGold’s labour standards with all the subsections of the document.

SR principles are more inclined towards the ethical position of CSR, with some elements of “social integration” as far as rights are concerned. This document explains the “principles of social responsibility” which are seven: “accountability”, “transparency”, “ethical behaviour”,

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“respect for stakeholder interests”, “respect for the rule of law”, “respect for international norms of behaviour” and last, “the respect for human rights”. Apart from these principles, there are guidelines on social responsibility “core subjects”. The core subjects which are also seven in number deal with the following: “organisational governance”, “human rights”, “labour practices”, “the environment”, “fair operating practices”, “consumer issues” and “community involvement and development”. The combination of the principles which underpin the SR position differ from the “instrumental” or economic prerogatives associated with some CSR related position like “Corporate Financial Performance” or upholding shareholder/management interests at the expense of the interests of the worker.

The paper by Edwards et al (2007) although on CSR in MNEs, whether CSR should be seen as “management initiatives” or “negotiated agreements” provides some useful insights on union employer-relations, management practices, IFAs, transfer and CSR. This quantitative study used data from interviews with executives of MNEs in the UK and assessed cases of CSR and whether they were the outcomes of engagement with global unions federations (GUF) or European Work Councils; or whether these CSR related codes are management initiated with unions not having much say.

The resonance with this thesis is that, this study concentrates on “CSR codes”, how widespread they are especially among MNEs, and the types of MNEs that are associated with such codes and why such MNEs are associated with such codes. Apart from these factors enumerated, the study provides useful perspectives on the influence of CSR on management practices transfer, a key factor in this thesis, especially when one considers aspects like “management on HR issues” or “corporate-wide policies that impact on employment practices”. This study also throws some light on the contested issues of whether CSR promotes capitalism in its “enlightened” form which desists from “exploitation “ or whether this essentially ethical phenomenon has the power to influence working conditions. Other dimensions of the “CSR code” which have an impact on business entities are whether the imperatives of the code are only advisory or mandatory or even a combination of the two. These also incorporate structures for monitoring the implementation. The other important aspect of this study, and this is where the unions come in, is whether the code is management driven or the outcome of negotiations with the unions. The authors observe
that the greater involvement of the union often ensures a greater premium placed on labour policies and practices in terms of their depth and extensiveness. Another conclusion they arrive at is that in “negotiated agreements”, the managers are expected to be monitored by the unions to ensure an adherence to the provisions of the codes in practice.

Although the study being reviewed is a survey conducted in the UK, it provides a further understanding of “CSR codes” in terms of their “structural characteristics” like the particular industrial sector, size of the company, origins of the organisation and the major attributes of the human resources schedule. Another illuminating aspect of the study is the extent to which it deals with labour issues like “workplace issues” and “labour issues/worker rights”. All these attributes which identify the structural dimensions or how far they go to deal with labour issues, all assist in appreciating the key themes of the study. In this case, as explained earlier, the contested issue is whether the focus is on IFA or CCC, a distinction which is key for the study, since AngloGold is a signatory to this IFA and also has its own CCC. The authors distinguish between the varied types of CSR, what they call the “internal” factor, where the “CSR code” is for the staff of the MNE and the “external” which is for those in the supply chain or even a combination of the two. These three groupings also offer some further understanding of “CSR codes” because of the first group, which is the internal, which shows how MNEs handle the CSR related issues as far as labour standards are concerned at the headquarters and across all operations.

One other important matter that this study focused on were two out of the four major theoretical considerations (economic, ethical, social integration and politics), namely the “ethical” or “economic”, without incorporating the other two “social integration and politics” (Garriga and Mele, 2004). For the “economic” position, they used Crouch’s (2006) argument about CSR as a pathway “by firms that voluntarily take account of the externalities produced by their market behaviour”. Another important dimension to this argument was the assumed justification for adopting a “code of conduct” which is CSR related. For instance Aaroson and Reeves (2002), and Diller (1999) portrayed CSR codes as mechanisms developed to assist MNEs to gain some legitimacy and attain a predetermined degree of “consistency” for the MNEs and their affiliates and other stakeholders.
The document, *ILO MNEs Declaration: What is in it for Workers* (2011) expects that the state and the employers must recognise that enterprises have to behave in a very responsible manner when it comes to labour standards. This obligation is seen as an important guidepost for pushing for acceptable socially responsible activities, even in the face of the strategic need to satisfy the needs of their shareholders and their customers/consumers. The key pre-requisite here is to bring their obligations to their workers to the limelight, especially since they relate to the requirements of global labour standards.

It is expected that AngloGold will therefore be judged using some of the criteria identified in the “Declaration” in terms of employment, training, conditions of work and life, occupational safety and health, industrial relations; collective bargaining; consultations, examination of grievances and settlement of disputes. Just as other documents, these criteria can be used to measure the extent to which the MNE is abiding by the dictates of the labour dimensions of CSR. The union action covers expected action at the global, national and enterprise levels. This toolkit, as a matrix has been divided into areas of action and it points at the area for union action. The assessment section which provides simple yes and no boxes, within the checklist makes the document very user friendly. AngloGold as a case study, has some aspects of labour policies and practices in their internal code which try to deal with some of the sections identified in this Declaration. As a document, apart from the simplified sections, and the specific lists of instruments which are used in the Declaration, there are some sections under the tripartite declaration for the general policies, employment, conditions of work and life and industrial relations. The Declaration throws some further light on how AngloGold’s labour-related policies and practices can be put in the specific sections which most labour standards deal with, especially where they deal with CSR related matters.

Rowe (2005) as earlier explained, had some considered positions on CSR. He sees CSR as “business strategy”. This strategy, in his view, was adopted by the International Chamber of Commerce (ICC) in response to the serious challenges public regulation posed to the interests of the international business community. His position is that CSR has developed around milestones when private business has been subjected to a lot of public scrutiny. Specifically two periods are
identified, first of all, when emerging economies, in association with trade unions from the west were advocating for the ‘New International Economic Order’ to ensure higher regulations of the activities of multinationals (1960 – 1976). Second, when from around 1998 there were mass agitations against globalisation, and also the scandals involving some large corporations which therefore led to more calls for public regulations against businesses.

Another compelling argument about how CSR has become an important tool in the arsenal of MNEs is the need to dilute the negative impacts of the activities of such multinationals. CSR is now used as a response to the threats to the profitability of the modern firm, especially since the issues of criticism and agitations of MNEs became prominent at the global level. Naomi Klein (2000) explains that for ten years, the leading codes were produced by PR companies when the media initiated investigations into the activities of the multinationals. She gave examples of codes produced after supply chain scandals involving Wal Mart, Disney and Levi. Rowe (2005) explains that leading MNEs now have such codes or show their commitment to CSR on their website and shareholder material. A trade unionist of the International Confederation of Free Trade Unions observes how CSR seamlessly migrated from the concept level into an industry, with its attendant consultancies offering services like “social auditing and reporting” and “risk assessment services” (Justice, 2002: 99). He also adds the fact that they engaged in “assisting business in redefining the expectations of society instead of responding to them” (Justice, 2002: 99).

Garriga and Mele (2004) after explaining that there is a terrain of theoretical positions and approaches, provide a map for CSR, broken into economics, social integration, politics and ethics. The economics group described as instrumental theories sees the only social responsibility for the company as an instrument for creating wealth. The political theories deal with the linkages between the society and the business sector and also the power of business and its responsibility through corporate constitutionalism and corporate citizenship. The third is the integrative social contract theory, here the integrative theories explore how the business sector integrates the demands for purposes of prestige and legitimacy. Business should deal with such demands in a way that it is seen as operating within the confines of the society’s values. Finally the ethical theories as a group deal with the ethical prerequisites which underpin the relations
between the business sector and the society.

In examining the wide field of approaches and theories due to the multi-disciplinary nature of CSR, Secchi (2007) who builds on the positions of Garriga and Mele (2004) selected different approaches by examining the part that theorists assign to the business entity and then offer the utilitarian, managerial and relational positions. Essentially, the utilitarian perspective sees the business as a centre where social cost and externalities emanate from, while for the managerial, which is internal, responsibility matters are analysed. In the relational perspective the linkages between the entity and the environment are considered.

The issue of the enlightened self-interest which emerged as one of the positions under the evolution of the theory of CSR around the 1950s and 1960s saw the idea of the social responsibilities of businessmen coming to the academic domain. Other epochs within this movement are the Corporate Social Performance Model of the 80s, Strategic Management (1990s) and the eventual tighter coupling phenomenon. This was the time when CSR was projected within the world of business and especially management scholarly thinking. The moral argument was now forced to give way to an entity’s profitability. CSR is now a strategic tool for boosting a company’s bottom line. The thinking is even buttressed by adversaries of the corporate world who also reiterate this position that a socially desirable positioning leads to good financial returns.

The relevance of the discussion of the various mapping up of the theories is the extent to which it throws some light on the issue of IFAs and management practices transfer within the AngloGold global network. As Garriga and Mele (2004) note in their “mapping the theory” paper, the first set of theories sees the corporate entity as an instrument for creating wealth, and therefore the approach is how to maximise the values of the shareholders. Generally, AngloGold utilises these principles as a strategic weapon to meet her financial goals and in the end “shareholder value maximisation” in all its decisions, especially during the period of economic stress. Even before the major retrenchment started, smaller numbers of workers were affected by their policy of “rightsizing” all in a bid to uphold the interests of their shareholders. The various speeches delivered by management were all directed at conceding that they were upholding the interests of
their shareholders in order to maximise profits.

The section on CSR examines all the dimensions of the phenomenon from the theories to how CSR is practised. For the purposes of this study, CSR is the broader framework from which the major problem, the role of IFAs in the management practices of AngloGold, IFAs, and in some cases CCCs are seen. The IFA has been described by some authors as one of the major vehicles for CSR branding of companies. CSR which is described as “Sustainability” within AngloGold provides the big picture and the key issue of how the imperatives of IFAs are met within this MNE. While CSR deals with issues related to sustainability, corporate philanthropy, corporate governance and labour standards, one other theoretical area is the stakeholder theory which is important for this study because of the workers/unions. The significance of the unions/workers also has to be examined alongside the other major stakeholder, the shareholder. It must be noted that one of the contested issues within the organization is the extent to which key management decisions are geared more towards meeting the needs of the shareholders invariably at the expense of the workers/unions. Some examples are seen in the case study where “shutdowns” and also retrenchment exercises are undertaken, while new labour practices like “flexible employment” are further embarked upon at the AngloGold affiliate.
CHAPTER THREE: METHODOLOGY

3.1 Introduction

This case study is a research activity which profiled AngloGold and its unions. It offered a very holistic and realistic approach to acquiring knowledge on issues like transfer of management practices, IFAs and CSR in the organisational context. The IFA angle was also expected to assist in throwing some light on whether such an agreement could be seen as showing how CSR compliant such labour policies and practices could be. This social context therefore made the case study the obvious option. From the position of procedure, various data gathering methods and theoretical approaches assisted in collecting and analysing the data. The study was both exploratory and descriptive through the single case study and the method was qualitative. The issue of management practices transfer between MNEs and their affiliates was also a preoccupation of this study. It was about the extent to which the affiliate’s labour standards and management practices could be traced to the MNE. The study also offered an opportunity for understanding how ethically compliant in terms of CSR and especially through the influence of an IFA and/or “Code of Business Principles and Ethics”, AngloGold was.

3.2 Method

Almond et al (2005) maintain that a focus on a case study could be subject to some amount of criticism because of the challenges of replication and generalizability. However such instances could expose practices and patterns which hitherto had not been documented, but which could be widespread. Also, it must be acknowledged that such studies make room for resources to be concentrated in a particular corporate entity. This then extends the depth of the designated analysis and facilitates a greater spectrum of examples which could then be subsequently expanded. A single case study could be a “critical case” since it offered very conducive conditions for examining a phenomenon (Edwards, Belanger and Haiven, 1994:9). Also, a case study could be positioned as “critical” if the organisation showed a distinct management approach associated with the country of origin and then exported to its operations in various different national IR jurisdictions.
The research design for this case study involved a secondary research component, through a review of data from all the key stakeholders. This path offered an explanation of how the structure, processes and components about the data were gathered. The design also showed persons who fell within the sample, and the reasons for their being chosen, their attributes and their various groupings. This study sought to provide some insights and an understanding and the interpretation of the data gathered. The desk research which involved secondary data covered internal documents from the Chamber of Mines, the Research Department of the TUC, corporate data from AngloGold websites and press cuttings. In essence, the study involved document analysis and interviews. The first phase dealt with a review of material related to the problem, as they explained aspects of the study like the definitions and characteristics of the various issues dealt with. The interviews component on the other hand, involved the choice of the research design, the specific approach for gathering the data, the data gathering instrument and the issues which guided the whole interview process and the use of the unstructured instrument for eliciting responses from the identified respondents. Specifically this component dealt with the groupings, the basis for their choice, their characteristics as individuals and the sampling frame and the numbers used. The specific method chosen for this study was the interpretive social research approach.

The approach as explained earlier involved desk and field components. The fieldwork phase of this study covered a period of over two years which was from 2013 to the first quarter of 2015. While the desk component entailed activities which started with the whole thesis process, the field component involved some more detailed components and activities, all backed by a review of the related literature. After the choice of this approach, the problem for the whole study was broken down into manageable proportions so that they could serve as guideposts at the interview phase during the fieldwork phase.
3.3 Philosophy of Social Science

The study was undertaken within the context of philosophy of social science. Broadly issues related to ontology and epistemology were examined. From the perspective of ontology, AngloGold and the unions offered the appropriate milieu for understanding the IR issues. The first ontological consideration was the extent to which this firm must be seen as objective with a reality outside the appreciation of their adherence to the MNE and its unions, management practices transfer and IFAs/GFAs within the broad framework of CSR. On the other hand, the alternative ontological perspective, constructionism provided a reality of a continuous production of meaning. Here these policies and practices within the world of labour, became a social construction, depending on the actor(s) involved, not a separate entity but a phenomenon whose understanding was created in the course of social intercourse. As Bryman (2008) has noted, social ontology deals with social entities and whether such entities should be seen as objective, with a reality outside the social actors or whether they should be seen as social constructions created through the perceptions and activities of social actors.

The measurement issues dovetailed into the next major philosophy of social science consideration, which was epistemology. Epistemology deals with what is acceptable and valid knowledge in any knowledge seeking endeavour. The basic issues which laid the path for the debates in the study of social reality, in this case, were whether this phenomenon should be examined, using identical processes, principles and the world view of the physical sciences or not. This introduced the argument as to whether this natural science approach, positivism, was the most appropriate one and thus constituted what is valid knowledge. Positivism has attributes like data which must produce hypothesis for testing, and can be ascertained by our senses and are value free.

The other end of the epistemological continuum is interpretism which has the position that is opposed to natural science. The interpretive tradition explains that reality is a multi-faceted phenomenon which is constructed at the social level by social beings in their routine expressive behaviours. Any attempt at acquiring any knowledge within this context should lead to a deep understanding of the motives of those involved, their feelings and their actions. Here there is less
emphasis on the conventional data gathering instrument and rather the researcher becomes the instrument, with a reflective means of collecting the information. In any research context, the investigator must show the motivations and subjective experiences of the research subjects.

Chaney (2000) offered the following as attributes of the interpretive tradition. Realities are simultaneous, several and localised and they are constructed socially by social beings in their expressive activities. Any knowledge seeking endeavour within this tradition should lead to an in-depth understanding of the actions, feelings and motives of the humans involved. The researcher focuses less on the conventional data gathering instrument and becomes the instrument and due to this approach, the results become partial and therefore the researcher should aim at being reflective, and knowledge claims must depict the motivations and experiences of the social actors in their performances in a subjective manner.

From a philosophy of science perspective, the truth should not be solely hinged on empiricism. This position therefore frowns on an attempt at universalizing and generalizing conclusions and concentrates on individualizing such conclusions, so that where there is any generalizing it would be relative and bounded. Most of the positions are more inclined towards the interpretive option than the positivist one. The mode of analysing here was an in-depth explanation of a specific social phenomenon, a situation which could be understood within the framework of spatial and temporal demarcations, providing a picture of the ethos of this particular social system.

3.4 The Case Study

This study which examined how MNEs relate to their unions, used the case study approach to examine how important such relationships were and how they were affected by management practices transfer, IFAs/GFAs and CSR. The case study was unique because first of all, AngloGold is an IFA signatory and the study also involved an MNE which is in an emerging economy grouping involving two countries namely South Africa and Ghana. AngloGold was also peculiar because it won the bid for the “business arrangements” involving Ashanti Goldfields Company (AGC) and AngloGold, South Africa therefore offering another dimension
to the case study approach.

Within the field of IR generally, the case study method has been used for comparing three industrial sectors (motor manufacturing, clothing and textile manufacturing and maritime shipping) in an article on types of labour transnationalism (Anner et al, 2006). Another case study, which entailed organising at the transnational level, was on the organising success in Sintracarbon, the biggest coal mining trade union in Colombia (Cotton and Royle, 2014). The case study approach was also utilised in an IR study of three IFAs in the apparel, energy and telecommunications sectors (Niforou, 2012; 2014).

In the areas of CSR, IFA and the changing corporate behaviour, two IFAs involving Siemens International and IKEA, another case study methodology was used (Herrnstadt, 2013). A study on HR which examined an American MNE as a “home” and four countries in Europe also used an in-depth case study” to analyse the HR, IR and pay policies (Almond et al, 2005). Ferner et al, called for an important role for “in-depth case studies” which makes room for deeper investigation of the process of transfer of employment practices as actualised in a subsidiary (2011). The last case study was a study on union coalition building within the international logistics and transport sector which covered three unions in Victoria, Australia (Barton and Fairbrother, 2009).

Case studies are either explanatory examinations of phenomena or organisations. They endeavour to discover the causation elements in a study to determine the underlining principles through varied research methods over a period. As a way of understanding a situation or a phenomenon, a case study can be seen as a research strategy and may be hinged on particular theoretical positions which have already been discovered from a major research strategic perspective. A case study can use a mixed approach or one approach, a quantitative or qualitative option. The case study within the qualitative method tradition as a research design, offers an opportunity for understanding a complex phenomenon within its context. This can lead to the development of a theory. A case study can be flexible and yet rigorous and assists in explaining an issue or entity within its own context through the use of several data sources showing all the sides of the phenomenon in question.
Baxter and Jack (2008) have indicated that there are two major ways of understanding a case study research activity which have been identified with Robert Stake (1995) and Robert Yin (2003). They all agree that the issue or organisation has to be explored fully and the entity well examined. The two use the constructionist paradigm from the perspective of philosophy of social science which basically means that knowledge or truth is relative and is hinged on an individual’s perspective. While emphasising the subjective nature of meaning, it also makes provision for some level of objectivity, more in terms of the pluralist path. Constructionism is derived from the theory of social construction of reality (Berger and Luckmann, 1966). Within this approach, there is some relationship between the researcher and the subject which makes it possible for the subject to tell his/her story. Therefore the subjects through such stories are able to indicate their positions of the reality making the researcher appreciate their perspectives (Lather, 1992).

Another aspect of the case study approach is offered by Yin (2003) where he explains that this approach should be used where a research effort deals first with how and why issues; second, it is difficult to control the actions of the subjects; third, where there is the need to look at the context due to its relevance and finally where the borders, are not that clear between the entity and the context.

Miles and Huberman (1994) believe that a case can be seen as a phenomenon of some sort occurring in a bounded context. Here the case becomes the unit for the purposes of analysis of the issue or organisation in question. The next phase after developing the case is to then deal with the main research themes. Normally the case study becomes the unit for any analysis, since it explains the issue within its boundaries. Baxter and Jack (2008) explain that in a case study, binding the case is crucial so that the endeavour will be within clear boundaries, in terms of breadth and depth. For every situation, there is the need to determine the type of case study. They offer three types: describing a case; exploring a case; or comparing cases. For this study, the first option was utilised, because we were interested in explaining fully AngloGold Ghana, as an affiliate of this global gold producing giant. Still on the typologies, Yin (2003) sees case studies as exploratory or descriptive and distinguishes between a single case with embedded units, holistic or multiple types of case studies. Stake (1995) on the other hand talks about the intrinsic,
instrumental or the collective.

Also this study followed the intrinsic case study type (Stake, 1995) where there is the need to understand better a particular phenomenon, which is not, to understand any abstract issue or a generic issue, neither is it necessarily aimed at developing a theory. The case study approach is dependent on propositions which assist in placing some limits on the scope of the research endeavour to show the demarcations of the study. Any specific propositions assist in limiting the boundaries. These propositions are based on verifiable data. The propositions assist in focusing the data collection process, show the direction and scope and later form the basis of a conceptual structure/framework (Stake, 1995). Propositions within the qualitative tradition are expected to be put at the same pedestal with hypotheses in order to provide an educated guess about the potential results of the study. While Yin (1995) uses propositions to guide the process, Stake (1995) says issues are not simple and clear, but intricately wired to political, social, historical and especially personal contexts. All these meanings are important in studying cases (p.17).

A case study is not only a theoretical or conceptual position but also an approach for acquiring knowledge. It has three attributes which are: explanatory, prospective and retrospective. It offers a frame which is analytical, offering an opportunity for illuminating the issues at stake. Still within the realm of research methods, a case study can be seen as a research strategy where it becomes an empirical investigation which examines an organisation within its normal context. It can range from a single case like this AngloGold Ghana case study or multiple ones and can have evidence which will be captured through quantitative or qualitative means.

The study from the theoretical perspective is based on organisational theories and to some extent, social theories. While the organisational theories are basically related to organisational practices transfer and labour standards and factors related to organisational structure and functions, the social theories evolve around the clash of cultures or the subsuming of social cultures and business practices after the merger in 2004.
3.5 Interpretive Research

The interpretive approach was used for this study because of the well-known strengths of this method. An interpretive approach which is within the qualitative strategic option is noted for flexibility even though it is conducted within a very systematic, rigorous and clear context. One important imperative is the need for a critical self-scrutiny and results which must have a broad resonance outside the research endeavour.

This approach looks at social data and finds out whether the method is applicable. Ontology also shows the interpretive and institutional viewpoints because structures and also meanings are part of social entities in a social world. This standpoint leads to the creation of the structure ranging from a classification for societal or organisational comparisons with the person in there as the investigation unit. Here the behaviour and thoughts of the person become the social structure.

Mason (2007: 38) believes that although this approach is tagged explicitly anti-positivist, anti-realist or anti-modernist it is through these methodological foundations that the yardstick for measurement and explanations have surfaced. Due to these developments, positivist measures like validity, and reliability and also representativeness for assessing scientific criteriology were disregarded, bringing up their own challenges. Validity was key since it could ascertain the designated intent in any measurement platform. Meanwhile it also raised the issue of reliability which aims at the production of data by standardising the research instrument, while also looking at the quest for a representative sample. A rigorous research in this tradition, from the design phase identifies key points and questions which can be described as positivist. There is the need for convincing arguments, perspective construction, interpretation and analysis since qualitative researchers explain social reality (Mason, 2007). This design was based on a well-planned, rigorous and systematic process and also data generation using clear sources, methods and approaches. The offering depicted a broad social world with an in-depth picture, the experience of a strategic sample to provide data which offered insights and some resemblance to the population beyond this strategic sample.
3.6 Rationale for Choice

The selection of the method for dealing with the substantive problem was hinged on two issues, namely whether to use a single or mixed method approach; while the other was related to a choice between any of the three main approaches to sociological investigations (scientific, interpretive or critical).

The justification for choosing either a single method or mixed methods approach could be seen in the broad issues at stake and also some epistemic and ontological characteristics of the phenomenon under investigation. How adequate the approach chosen was, was very important in dealing with the problem. One major factor was the nature of the knowledge being sought and the best approach to gathering that knowledge. This was further explained by the fact that the research strategy had implications beyond epistemology and ontology. The nature of the problem and the specialised knowledge associated with it implied that utilising natural science principles associated with positivism, in terms of sample size and others like reliability, validity, replicability and representativeness made the scientific or the mixed methods approach rather superfluous for this study. The interpretive approach was the best approach because of the fact that it was a case study and dealt with an issue which was of a specialised nature. Employer-union relations, management practices transfer, IFAs, labour standards and CSR are labour market issues which could be explained only by a small number of workers, unions and other respondents.

3.7 Critical Social Research

This study also avoided the use of the critical social science methodology even though it has the ability to combine elements of a number of methods like survey, individual in-depth interviews, case studies, ethnography, among others (Haralambos and Holborn, 2004). The process nature of this type of research showed that a quest for knowledge was always an on-going activity due to the dynamic nature of society. This type of research captures all the methods in social science which strive to be critical of the social world as a precursor to social change. For this method, the underpinning line of thinking was that the whole notion of a critique was an inherent part of the
knowledge search activity, and this approach also rejects the position that knowledge or its search is objective.

This basic philosophy behind such an approach implied then that from an epistemic perspective, and specifically within the realm of research strategy, the dual quantitative and qualitative could not encapsulate all the elements the search was aiming at. The presence of inequality in society and the hegemony of dominant thinking meant that factors beyond the ordinary had to be explored. This became more imperative since knowledge on the whole is always tied to some social values making it difficult for researchers not to be influenced by their own and also the values of the wider social world.

The world of critical social research has as a major preoccupation the need to expose structures which are oppressive in order to lead to emancipation or a sociological investigation which is emancipatory. This calls for the type of investigation which is going to lead to positioning the quest for knowledge within the broader social structures and also historical analysis. The workplace which has some of the major distinctions like employers, employees, the state, the communities and other stakeholders may not always offer a platform for a critical analysis of the unions and management practices transfer, the IFA and whether they are responsive to the needs of employees within the world of corporate social responsibility. For the purposes of this study, the use of IFA/GFA principles and management practices transfer thinking in the area of international human resource, was juxtaposed with the national, worker and community imperatives, all framed within the social reality of CSR.

There were some reservations about the critical social research approach which needed to be examined. The first was where critical theory has emerged from. The research based theory starts from an induction process and the relationship between qualitative and quantitative research and theory is reciprocal. In fact for those who believe in this approach, the appropriate theory will be the type which offers a very accurate description of reality, first, the best explanations of why certain scenarios emerge, and finally the type which offers a logical prediction which is verifiable through a systematic and unbiased observation (DeFleur, 2010). The position is that scientific epistemology acknowledges the proposition that the most valid approach to gaining
reliable knowledge is through gathering and analysing empirical evidence on the phenomena being investigated.

3.8 Scientific Research

It must be noted that the aim of social research is to use suitable processes within designated philosophical traditions to get to the truth. In this quest for knowledge, individual or social options are crucial and this is the justification for reliability and also validity in any quantitative research. The two quantitative options, are empirical and positivist where the empirical alternative entails control, manipulating, depicting and presenting-large chunks of data, utilising the computer to undertake a reliable processing of large data into more user friendly formats by categorising and recognising the patterns. This practice does not include the analysis of data which show links between data in a format which is statistical. Despite their similarities, Miller et al (2002:31-32) explain that the two differ in terms of discovery logics. Normally a hypothesised link found or not confirmed by the results shows the positivist mode of analysis. Bryman (2008:14-15) believes that the key criteria for quantitative research are reliability, validity and replication where reliability is about the results’ consistency in relation to measures for the concepts in use; while replicability is the capacity to utilise the same processes used originally. Validity deals with the integrity of whatever conclusions have emerged from the research.

Positivism as an epistemological alternative and its link to qualitative research has been criticised by various thinkers. Outhwaite (2008) explains that Jurgen Habermas stated that this approach abandoned philosophical reflection which could be seen as methodology from a rather narrow perspective. To Habermas, positivism has restricted our understanding of both the natural and social worlds. Habermas’ conclusion is that these phenomena can be merged complementarily and still complemented by greater reflection on how our understanding of social reality is continuously influenced by relations of power and exploitation. Another critique of positivism can be undertaken through the scientific revolution and the interpretive critiques. The operationalising cycles, hypothesis testing against set data and their utilisation to either confirm or disconfirm a theory as opposed to rejecting the theory, among others raise several questions.
Here the lack of content in rejecting theory is because of how complex social science research is because it is hard to get a similar level of control of a rather natural and social context. Under such circumstances a result which is difficult can lead to the data and also the analysis being questioned as opposed to theory testing. Such issues which can emerge when rejecting an existing theory have methodological and political implications.

3.9 Ethical Considerations

Ethical issues were an intrinsic part of this thesis effort and this ran through all the phases of the research endeavour ranging from the planning and design, negotiating access at every opportunity and upholding appropriately the principle of confidentiality. The two other phases which started with document analysis and identifying appropriate organisations and persons were the fieldwork phase, and finally the data analysis, writing and storage phase. The research activity was also guided by the following ethical principles, namely that research was essentially about the conscientious endeavour to uncover truth, advance knowledge and increase the understanding of issues.

The primary ethical issue was the need to adequately represent the views of all interests without any group being marginalised in terms of the weight of their opinion. The use of the interpretive approach through the examination of the ontological and epistemological considerations offered the first justification for equal weights for the various groups within the sample. This consideration was suitable due to the conflict reality that employer-union relations and management practices transfer generated from the perspective of the world of labour. Bryman (2008) identifies four principles as far as ethical practice in research is concerned through the positions of Diener and Crandall (1978), relating to desisting from harming respondents/participants, ensuring that consent is formally sought, avoiding any semblance of compromising the privacy of respondents and deception in the whole research endeavour. It is important to add that these principles are upheld at the individual, group and institutional level.

This inquiry was also dependent on the principle that any information seeking endeavour involving individuals should be hinged on a deliberate effort at getting the consent of every
participant and where applicable, the institution or situation concerned for an informed consent. All respondents were informed unequivocally that the consent was voluntary and that as interviewees they had the right to refuse to continue with the interview at any point. They were also given a general idea about the approximate length of the interview and the specific areas to be covered, the need to write every answer, and that answers were expected to be detailed, and that the approach for the interview made room for probes of answers, to seek further clarification or more detailed understanding. The informed consent form also included a participant information sheet where the following were outlined: voluntary nature of the engagement; liberty to refuse to offer responses to any/some questions; liberty to discontinue at any point and the recording/writing in detail the responses which could be listened to by my supervisor(s). The information sheet included brief information on the study and the issues to be raised. The third and fourth principles relating to privacy and deception were taken care of through the preceding two, especially the issue of informed consent. The research protocols involving the form and the sheet automatically handled all concerns related to the latter two principles due to the nature of the problem being investigated.

Two other principles which guided this data gathering phase were the issue of quality and politics. The former was a prerequisite for any endeavour and this was fully explained in the methodology section where the case was made for the use of the specific ontological and epistemological approaches and then the interpretive approach. The politics of research however created some challenges. The issue of subjectivity and empathy were important in this research process because of the contested nature of MNEs and unions, management practices transfer, IFAs and CSR. We protected the integrity of the effort in the face of confronting the interest of the powerful business entity like the multinational mining company, AngloGold. Another issue which emerged was the employment of this approach especially where there was always the likelihood that there was going to be a greater divergence in terms of the interests of some of the key stakeholders such as management and labour unions.
CHAPTER FOUR: ANGLOGOLD AND THE UNIONS

As a case study, it was expected that a comprehensive and in-depth review of the company’s operations within the qualitative tradition in terms of research design would be undertaken. In the process, AngloGold became the unit of analysis from exploratory and descriptive perspectives because of the issues involved. This study in essence entailed a review of AngloGold and the Unions, and the transfer of management practices, IFA and their connectedness to CSR. The study was also based on propositions which showed its boundaries and focused the data collection, indicating the pathway and scope and also assisting in creating the conceptual framework (Stake, 1995). These propositions offered perspectives which could be described as identical to the hypotheses.

The choice of AngloGold offered an opportunity for the respondents to offer their understanding on most of the issues. Although there were only a few issues which the selected respondents were conversant with, industry insiders apparently had more information about this mining concern even if detailed knowledge of specific areas like the unions, management practices transfer, AngloGold’s CCC, IFA and labour standards were not exhibited. The embeddedness of AngloGold within the mining industry, the economy and her contribution to national revenue and employment, all justified the choice of AngloGold as a case study.

It was the considered position that the choice of AngloGold within the Ghanaian and global multinational context was going to offer an opportunity to understand MNEs and union in detail, the phenomenon of management practices transfer, IFAs and CSR standards in an emerging economy. This case study which was used as a means of understanding the issues under investigation was not only explanatory but was prospective and included elements of retrospection. The particular choice offered an explanation about what AngloGold is and what it was (AGC and AngloGold).

The sampling distribution covered groupings from the labour and mining sectors. The approach used was the non-probability technique, through a purposive sampling of the respondents after identifying the organisation and the group to be used, convenience sampling was then used to
interview the respondents. This approach meant that accessibility and willingness to be interviewed were the major criteria used to undertake the interview. The groupings from which the samples were selected were: the GMWU, local union; GMWU national union; AngloGold staff (both senior and junior); professionals (lawyers, journalists, public relations (PR) practitioners); civil/public servants from the relevant ministries, departments and agencies (MDAs), namely Ministry of Employment and Labour Relations, Ministry of Lands and Natural Resources, Minerals Commission (MC), Ghana Standards Authority(GSA); Ghana Chamber of Mines (GCM); academics and researchers, and NGOs/Activists. In all, the sample size for the study for interviews which were completed was 46.

<table>
<thead>
<tr>
<th>No</th>
<th>Group</th>
<th>Sample Size</th>
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<tr>
<td>1.</td>
<td>GMWU, National</td>
<td>3</td>
</tr>
<tr>
<td>2.</td>
<td>Union Activists and Union Executives</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>AngloGold Staff (Senior and Junior)</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>GMWU, Local</td>
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<tr>
<td>5.</td>
<td>Ghana Chamber of Mines</td>
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</tr>
<tr>
<td>6.</td>
<td>Civil/Public Servants from MDAs</td>
<td>6</td>
</tr>
<tr>
<td>7.</td>
<td>Academics and Researchers</td>
<td>7</td>
</tr>
<tr>
<td>8.</td>
<td>Mining-related NGOs Activists</td>
<td>5</td>
</tr>
<tr>
<td>9.</td>
<td>Professionals (Lawyers, Journalists, Public Relations Practitioners, HR Executives and Mining Specialists)</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>46</strong></td>
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The challenges encountered during the fieldwork phase were: getting designated interviews; interviewees being able to make appointments at scheduled times; and finally getting the utmost cooperation from such interviewees over the stipulated interview period. These challenges led to the fieldwork phase stretching over a two year period in order to get the minimum numbers from the various groupings. There were other difficulties like the very poor or no understanding of some of the labour related issues, ranging from concepts to international agreements and associations. The majority of the interviewees appeared to have only a fair idea about CSR,
especially corporate philanthropy. On the other hand the core issues like the labour management practices, or the transfer of such practices and IFAs were not issues they were acquainted with.

The fieldwork was preceded by a pre-testing activity which involved the use of the data-gathering instrument on the field among a subset of the sample, after which some amendments were made. In the subsequent field interviews, still using a wider subset of the sample, the instrument was further improved upon, the number of issues reduced, leading to a marked reduction in the size and structure of the data gathering instrument before the final instrument was produced. The instrument assisted in exploring and getting the full picture and a portrayal of the experiences of the respondents as they related to these specific employer-union, management practices transfer, IFAs and CSR issues, where applicable. The interviews component was undertaken through in-depth, semi-structured or loosely structured forms of interviewing (Mason, 2007). Lindlof and Taylor (2002) explain that interviews serve different purposes, appreciate respondents’ perspective and experience; obtain information about what is difficult to get by other methods; and finally explain or validate data gathered from other means.

There was an attempt to discover the meanings, how the respondents interpreted situations they were involved in, and their perspectives. The research instrument was an interview guide which was not only discovery-oriented but also open-ended. To achieve the goals of reflectiveness, a lot of probing was done in order to gain a deeper sense of the positions of the selected interviewees. Some of the sessions had to be followed up by further discussions in order to get the complete picture of the issues discussed. After fieldwork an analysis was undertaken in order to find out if the data gathered informed our understanding of the research themes.

The raw data became rough materials which then served as the foundation for the analysis. The data emerged from all the observations, reflections and the individual experiences and positions, which had been derived from these loosely structured interviews. The results presented were distilled from three activities which were first, reducing the data, second, categorizing them and finally identifying coherent positions.
The process entailed a lot of in-depth understanding of employer-union relations, the phenomenon of transfer of management practices, IFAs and CSR. While the respondents could all be put under the broad stakeholder category, the varieties of individual stakeholders were examples of relative inequality and dominance.

The data gathering approach used entailed a combined analysis of the two main methods for the general methodology. The interview data was combined with the secondary data in order to offer the appropriate balance and also ensure reliability and validity. As a case study which was examined within the interpretist tradition, elements of reliability and validity had to be considered. The analysis process entailed the juxtaposition of these two methods in order to provide a complete and accurate analysis of the data at the results/findings stage. This served as a precursor for the subsequent interpretations, discussion and the conclusions for the study. It must be noted that there were instances where there were gaps in terms of the expectations from the secondary data when it came to the findings from the raw data. These instances further threw some more light on these specific issues. Finally, all the two IFA texts and the internal CCCs were examined and a comparison undertaken with the field data in order to identify any possible deficits between policies and practices. The basic secondary data including the related literature were also utilised to contextualise the field interview data.

The labour sector which was the specific industry this study dealt with, offered an opportunity to analyse the performance of multiple stakeholders who were not at par when it came to the social power hierarchy. An emerging economy context also offered a good platform for showing how time or various epochs influenced sectors and national economies. Labour was very often one of the primary casualties when global prices fell, leading to a downsizing of labour as a factor of production. The timing of the fieldwork therefore meant that the interviews were conducted at the time of a global and national economic crisis when the major mining companies including AngloGold retrenched some of their workers.

Any investigation of union activity had to take cognisance of the present multinational nature of their activities, especially where MNEs were involved. Whether at the international (GUF), national (GMWU) or local (GMWU, local) they were expected to uphold worker interests in
several ways, cutting across many issues. These concerns went beyond firming up on CBAs. In their routine work, unions must be ready for and mobilise their resources for such situations even where they are in the process of negotiating. This study showed the wide range of powers of unions, the options available for tackling the effects of globalisation on the workplace and the workforce.

The GMWU case study showed that, the national and local union utilise only a limited amount of tactics. In Ghana the unions rarely leverage on their powers (structural, institutional or coalitional) as strategies for tackling their challenges. As Marissa Brookes (2013) explains, in any transnational labour campaigns, unions can exercise these powers when they are dealing with MNEs. They do not also have the capacity to utilise alternative options in handling worker representation grievances. Even in IR theory, the unions have not been able to utilise “high-performance work systems”, CSR, “internationalisation of worker representation” and CSOs (Tapia et al, 2015). Generally the “coalition building” approach, either involving local union and union actors or activities involving external union and/or non-union actors at the international level have also not been embarked on.

Worker unions at AngloGold have faced major challenges with the issue of “precarious work” being an important example. Solidarity is therefore called for in several ways, sometimes through “transnational solidarity”. The Ghana union is at a disadvantage because of their inability to meet the imperatives of “globalising labour markets”, while the MNE coordinates its IR strategies (Anner et al, 2006). It is obvious that any form of cooperation will depend on the GUF and the extent to which cooperation has been institutionalised and how much power and wherewithal the GMWU can muster. While IndustriALL has strived to assist in some ways (Precarious Work Project; World Day for Decent Work), they are capable of doing far more than they are doing now. There is the track record of this GUF’s facilitation of “organising experiences” for the Columbian union, Sintracarbon, where “field enlarging” strategies were used. The close working relationship with the then ICEM’s educational projects and campaigns is also noteworthy.
The Ghana case study showed that the Ghana unions would have to re-engineer their organisational and operational approaches. As Barton and Fairbrother (2009) advocate for unions on the whole, AngloGold’s situation would need a “reflective and experienced leadership”, meetings of activists on a constant basis; co-operation among GMWU unions and finally solidarity actions. Other approaches could be the exploration of the opportunities which could be found in the varieties of power for workers ranging from the structural, institutional to coalitions. They are options like the propensity to disrupt the operations of the mine, use legal/regulatory institutions or be part of coalitions to fight the cause of their members. These can be the “context-appropriate power strategies” (Brookes, 2013) for dealing with IR challenges in the mining sector, because of how crucial power is in any conflict.

A more comprehensive approach to the challenges AngloGold workers face, could factor dimensions which were described as a revised IR framework (Tapia, 2015). The authors go beyond the traditional IR issues which cover the actor identities and their concerns, the “collective actors” and the “agency repertoires”. Here for the unions, capital ownership, value creation and education were expanded to incorporate gender and ethical/race. For AngloGold unions, the “collective actors” which went beyond the “tripartite” of IR, could encompass “worker networks”, CSOs and virtual networks involving various stakeholders. Still within Tapia et al’s (2015) revised framework, the “agency repertoires” could cover not only the traditional IR “repertoires” like industrial actions, collective bargaining and legal enactment but could include these. Here they call for “awareness campaigns”, “ad hoc mobilisation” and viral virtual shaming of employers. These strategies as enumerated would call for a more radical, educated and dynamic leadership which will partner union and non-union partners, and engage in “field-enlarging” strategies. The progressive developments in the field of IR can be achieved by hard work and forcing employers to grant concessions through legitimate means.

This study which aimed at reviewing all the factors which underpin the relationship between an MNE and its unions covered the three types of unions. The influential player, the GUF was expected to spearhead the position of the unions from the national to the local union. GUFs are international federations of various national unions within a specific industrial grouping. They offer leadership when it comes to signing up to such global framework arrangements. For the
mining sector, the IndustriALL Global Union represents its national members in fighting for better workplace conditions and general trade union rights. Some key roles are to challenge the immense powers of MNEs, represent the interest of individual and group national unions and resist the emerging HR practice of “precarious work”. The issue of the role of trade unions as far as AngloGold and its Ghana affiliate were concerned, was also a very important component of this study. It must be noted that matters related to labour policies and practices incorporated the interest of the key stakeholders which were management/shareholders and the workers/unions.

As has been observed earlier, there was the need for a comparison of the two unions, the GMWU and NUM. Though there were some similarities there were still very striking differences related to the history and the economies of these two middle income emerging economies. The GMWU was a more conservative union which always embarked on the strategy of engagement with management as opposed to their South African counterparts who were relatively radical in character and had embarked on a few strike actions. Although this study focused on GMWU as a case study, the two unions were compared to determine what similarities and differences there were. The GMWU as a national union had neither gone on any strike action nor threatened to go on one. As one national union executive stated, they were against “contract labour” which they believed was a strategy which had been described for public consumption as “rationalization of labour”. In recent times, the General Secretary of the national union had also complained about discrimination in relation to differential treatment of their expatriate counterparts from the head office even when they had the same skills as their Ghanaian colleagues. As a union it maintained the position that it was in its interest to avoid strike actions.

The limited success of the 2002 IFA could also be discerned by the attitudes of the three parties, AngloGold, NUM and ICEM. Papadakis (2009) noted that five years on, after the 2002 IFA adoption, the NUM took a more critical position about the IFA’s effectiveness, from the perspective of the union. They even projected it as a “good instrument for AngloGold to attract investors”, while calling it an ICEM facility with no NUM ownership. NUM saw the IFA as AngloGold’s acknowledgment that ICEM was a “global social partner” and the need to get a “social license to operate abroad and attract investors”, especially at a time when investors, global institutions like the International Finance Corporation (IFC) were associating “access to
capital market” with “minimum social and environmental requirements” (Papadakis, 2009).

On the other hand, at the national level, GMWU was expected to represent the interests of the local mining unions in Ghana, while NUM represented the South Africa unions. The GUFs are expected to lobby governments and transnational governance institutions. National unions, as products of their national systems are affected by historical, political, economic and cultural factors, thus leading to differences in tactics when it came to how GMWU and NUM dealt with industrial issues in their individual countries. At least, for comparison purposes, South Africa had “relatively strong unions and progressive labour legislation”, with the employment laws in consonance with conventions of ILO, and industrial relations (Williams et al, 2013). Specifically, collective bargaining was in the “1995 Labour Relations Act (LRA)”, where the position of “Bargaining Councils” were set out (Williams et al, 2013). These councils were bodies which have authority to undertake and also enforce such agreements, based on the number of members. There were provisions in law for protecting the organising of unions (Williams et al, 2013).

The IndustriALL Global Union assists the national unions through various activities it embarks upon. In the conference report titled “Review of Experiences and Way Forward for the Future” (2012), it was explained that there was a need to make the global framework agreement (GFA) work, even if there were implementation challenges. There was also a call for efforts to make the document operate in the Sub-Saharan Africa (SSA) region. Around 2005, the document was reviewed and moves initiated to improve on “implementation, evaluation and monitoring”. Specifically IndustriALL funded shop steward activities like an NUM delegation to Ghana in May 2007. With the support of Friedrich Ebert Stiftung (FES), an “AngloGold Africa Continental Shop Stewards Council” was created to build solidarity among Africa AngloGold workers for improved working conditions, among other issues, more responsiveness to “social responsibility” and monitor operations. In June, 2012 in Denmark, IndustriALL, resolved to focus on GFAs to strengthen “multinational network strategy for information exchange”; coordinate collective bargaining at the national level and mobilise against worker rights violations by MNEs, and adhere to “union rights” and “decent working conditions”.
In November, 2012, the SSA wing of the IndustriALL’s Precarious Work Project held its regional seminar in Ghana where unions in the region called for the adoption of laws related to “precarious work”. This led to Senegal promulgating a Presidential Decree on private employment companies in 2010. With the coming into force of the bill, the union has been working with labour inspectors to ensure compliance on the part of employers. Identical laws have also been passed in Nigeria and Guinea.

http://www.industriall-union.org/industriall-affiliates-in-sub-saharan-africa-acting-against-precarious-work

Around October, 2014 about 150 union leaders met in South Africa where they were presented with reports on IndustriALL’s work in the region. The participants called for capacity enhancement for the unions to demand industrial policies education, joint programmes and the need to work towards an “Africa Industrialisation Day” on November 20th. There were also specific concerns about the “level of precarious work” especially at MNEs that were not being held accountable for poor labour practices. There were concerns about sub-standard health and safety practices and low wages, in some cases below poverty levels.

http://www.industriall-union.org/building-strong-union-remains-industriall-focus-in-africa

Another activity that IndustriALL undertook was the “Day of Action to STOP Precarious Work” in August 2014 where this GUF asked the affiliates to “STOP Precarious Work” in combination with the “World Day for Decent Work” in October. The action was in response to the threat to “regular, permanent and direct employment” by MNEs which promote “precarious work”. The affiliates were strongly encouraged to condemn “precarious employment” and the “insecurity” it led to, a factor which was seen as becoming common for an increasing number of workers globally.

http://www.industriall-launches-new-day-of-action-to-stop-precarious-work

As recent as April 15, 2015, at a press conference in Ghana, the General Secretary, IndustriALL Global Union, Mr. Jyrki Rana called on the Ghana government to come up with laws to outlaw or streamline the outsourcing of some aspects of work for the public and private sectors. The
General Secretary who was holding talks with government and affiliate unions was seeking to promote worker welfare. He called for the creation of “permanent jobs” to ensure equal remuneration and other “social benefits”. He stated that “what Ghana needs are permanent jobs not precarious work”. He also indicated that his GUF was going to take up the issue of the huge salary differentials between Ghanaian and their expatriate counterparts. The capability of IndustriALL was depicted in its mobilisation strategies through rallies, marches, providing campaign materials at workplaces, “thematic workshops and conferences”, “calls on government”, flash mobs, public hearing and direct protects against companies. None of these strengths were utilised to assist the GMWU or even NUM to fight for the actualisation of the IFA/GFA.

Within the AngloGold workplace, one could discern a certain working relationship between the management and the GMWU, both at the national and local level. The practice here was to use the fulltime employees and contract employees/staff who work for their designated contractors. At the local GMWU level, the union was strong and it engaged with management regularly because it was their position that it was in their interest to avoid strikes and that is why AngloGold Ghana, as opposed to their counterparts, in South Africa never embarked on strike actions. There was freedom of association and the remuneration was indexed to the dollar. Once in a while however, contested issues emerged like whether inflation should be pegged at 13.8 per cent for the local currency or at 2 per cent for the dollar. As compared to other workers in the country, AngloGold employees were a privileged group within the labour market because in dire periods they were given a 13th month cheque and hampers, 25 kilogrammes of rice, ten tins of corned beef, ten tins of ‘Obaapa’ tomato paste and ten tins of mackerel and sardines for Christmas.

In the beginning, there were initial tensions which developed following the transition from AGC to AngloGold. Some of these were reflected in certain practices which the GMWU kicked against. Some of these practices entailed the marginalisation of the Ghanaian workers. There was a gap when it came to harmonising all the skills and this became a big problem. Although the local professionals knew the mines very well, they were side lined when it came to the crunch. It took some time for the two parties to come to an amicable solution. The issues were eventually
resolved, leading to a more peaceful co-existence. Another challenge which the union faced was the fact that the ILO Convention 176 had not been ratified. Despite some protests from GMWU the practice of contract labour was still prevalent. Sometimes when it came to challenges, the hands of the local union were only strengthened when the national GMWU became involved.

A more senior labour executive explained the linkage with international agreements/associations further.

“We have ILO Convention 176 which deals with health and safety. The government has not ratified this for the past years. We belong to the TUC and TUC is part of GUF so some activities are useful. ICEM, now IALL are helping. They have been developing projects like HIV projects in the communities which is a positive thing. Education and training are part of the package for developing capacity”.

(Interview: Labour Activist, # 20)

There were a few critical positions taken by a very high ranking national GMWU executive.

“We, as Ghana Mine Workers Union are against contract labour. They use this device under the guise of rationalization of labour. The issue of labour policies and CSR is not very clear. Two years ago we had discussions with the Ghana Chamber of Mines and called for a blue print which can serve as a road map but this has not materialised. The mining companies work individually so the impact is not felt very much. They engage in all kinds of activities like even grasscutter rearing. We would rather they engaged in activities which will have a long lasting impact”.

(Interview: GMWU, National Executive, # 21)

Another unionist also explained that there was also the perennial issue of shareholder expectations since they wanted capital appreciation and dividends growth at the expense of the workers quest for more than fair wages. (Interview: GMWU Local Executive, # 22)
One of the calls for a change in policy was advocated for by the General Secretary, GMWU for the review of “expatriate” recruitment, skills shortage and income in the mining industry. This issue in his estimation had to be dealt with by all the players including the Minerals Commission and the Ghana Chamber of Mines. The bone of contention was salary disparities between the local staff and their head office colleagues even when they had the same skills and experience.

“There is a problem with equity and indeed the ratios are ugly to the extent that we have top management expatriates, that is, those who are put in charge of the operations of the companies in Ghana who are earning between $450,000 to $1,000,000 a year. This excludes the option that they pay them as part of their relocation model as against what they pay their Ghanaian counterparts. When it comes to skills, it appears the mining industry is paying for colour and not for skills and these are issues that need to be challenged, going forward. The issue about income is very important and nobody at the turn of this century should ever think that the logic for paying for colour and not skills should be entertained. I think that we should shift from the era that expatriates rule the world, that belongs to history. We have nationals here who have also gone out because they were not getting their value here and we think that pattern must change.”

(Interview: GMWU, National Unionist, # 23)

A study of this nature which had to contend with one of the major stakeholders (the worker) needed to examine the two unions which the study evolved around. The GMWU for Ghana and NUM, the union for South Africa, have some striking similarities and differences. The main point of comparison was the fact that they were “middle income” emerging economies. While the South African economy had been within that league for a long while, with a per capita of US $5,914, the Ghana economy is in the lower “middle income” group after a rebasing of the economy with a per capita income of US $766.05 cents.

The South African economy is more diversified, although it depended a lot on the extractive industries and was more technologically advanced. Before the end of the 20th century the unions in South Africa became more democratic and militant in the new post-apartheid era as they moved towards “economic liberalisation” (Webster and Adler, 1999). The trend which was made
up of class-wide/community emancipation and bargaining at the workplace led to the phenomenon in the global labour movement called “social movement unionism” (Von Holdt, 2003). In 2008 the world’s largest security firm, G4S and UNI Global Union (UNI) negotiated an IFA which covered all G4S countries worldwide including the South African affiliate. The agreement covered four major conventions of ILO namely anti-child labour provisions, provisions against forced labour, discrimination in any employment and regard for freedom of association. This agreement also prevented G4S from campaigning against unions or against efforts at unionization.

In concluding, it can be stated that there were some similarities and differences between the two unions. Some of the differences could be discerned from the historical records of the two countries. As explained earlier, South African unions are more radical, being products of the apartheid system and allies of the major political party, ANC. The case of Ghana’s trade union history also showed their earlier confrontational positions. However, in recent times the South African unions have been noted for radicalism with strike actions while their Ghanaian counterparts focus on negotiations and social dialogue. In fact, in Ghana’s case, there was no attempt to join in strike actions, even during the period of general industrial unrests in the country. Not even the decisions of the AngloGold to undertake a mass retrenchment exercise, in anyway, served as a catalyst for a strike action by the local union.
CHAPTER FIVE: ANGLOGOLD AND MANAGEMENT PRACTICES TRANSFER

The concept of the transfer of management practices was not known to the majority of the respondents. However there were some substantive views from mining/labour experts. Some of the conclusions arrived at from the responses on this management concept showed that a number of these practices have not been successful. Apart from the difference in the area of organizational culture there were also historical factors which made the desired change virtually hard to attain within the Ghanaian subsidiary. This called to question the second phase of the “strategic organizational practices” culture as far as the “recipient unit” was concerned. Some industry experts believe that no “successes” had been recorded. The cases of the dip in profits and the decision to embark on a “Care and Maintenance” regime were seen as the indicators of failure.

The decline in the fortunes of AngloGold was shown by the decision to shut down its Obuasi mine from the middle of November, 2014. The company was going to reduce its staff from 6,000 to 700 and out of this 700, 600 were to operate at the mining department while 100 were to be maintained at the Obuasi Hospital. The company was going to focus on “Care and Maintenance” which was going to entail drilling, a feasibility study on the redundancy exercise and on the drills to know the exact quantum of gold that could be explored by the company on its return. Although there was the expectation that the return was fixed for the subsequent two years, any return was going to be hinged on how early the feasibility was completed and on the counsel of experts. Management could engage up to 90 workers for a year depending on the needs of the company.

“As has been the practice among mining companies across the world, AngloGold would no longer employ workers over a long period as was the case in the past. Rather in future, people would be engaged on yearly performance-based renewable contract basis. This means that only those who would be able to meet targets set by management would be re-engaged on the expiration of their first engagement”.

(Interview: AngloGold Manager, # 8)
This provided a background to the retrenchment exercise when this MNE explained that it had been forced to retrench the workers because of overhead cost increases, dip in the gold price at the world market and other factors which made it uneconomic to maintain a huge workforce. Finally, the second phase of this new operation was going to be capital intensive as opposed to it being labour intensive.

Apart from stating categorically that it was not sacking 5,300 employees, the company also denied that it was shutting down the mine.

“In compliance with the Mining and Mineral Law, AngloGold early this year, submitted to the government and regulatory agencies its Amended Programme of Mining Operations (APMO) which seeks to address key challenges facing the Obuasi mine and provide a road map to ensure its future viability… AngloGold has to date shared the challenges of the Obuasi mine and the critical need for its transformation, with all its key stakeholders. AngloGold is also engaging in continued dialogue with workers, the Ghana Mine Workers Union and the community to ensure that actions taken have their input, and are in the best interest of the Obuasi mine and all concerned”.

(Interview: AngloGold Manager, # 9)

The company subsequently organised a stakeholder forum at the nation’s capital, Accra and also produced a news release titled “AngloGold Ashanti gives update on Obuasi”, on 18th November, 2014. This forum which was steered by the Executive Vice President, Sustainability, had three other top AngloGold executives, the Chief Executive Officer (CEO) of the Ghana Chamber of Mines (GCM) with the General Secretary, Ghana Mines Workers Union (GMWU) at the high table. This stakeholder platform also had participants from the local union, some chiefs within the municipality, radio, television and print media journalists, investment companies managing the pension funds of AngloGold workers, among others. The Executive President explained that, the mine had to fully deal with rising costs, poor mining flexibility and a deteriorating infrastructure for the purpose of ensuring long term sustainability. AngloGold, it was explained had over the decade, paid over $577 million in taxes (corporate and employee), royalties, dividends and customs duties. From the perspective of AngloGold, the 117 year old mine had
performed below its potential and therefore this called for a change in order to offer a sustainable contribution to all the stakeholders and the country. The company was now placing the mine on limited activities, while a study was going to be completed by 2015 to turn the mine into a new, highly productive mechanised, operation that could properly develop the high-grade reserves of about 7 million ounces and resource of about 20 million ounces. He further explained that, AngloGold in collaboration with the GMWU and in compliance with the relevant national laws, had undertaken a phased retrenchment programme in which about 3,100 employees had been given severance packages and that as at November 18, 2014 there were a total of 1,300 full time workers and 1,100 third party contract workers at the mine. The company praised the government, the municipality, GMWU and other major stakeholders for their support during the process.

These two separate events/reports epitomised the situation of this global mining giant and its management transfer practices as it dealt with issues related to retrenchment and shareholder interests in terms of profits for the strategic stakeholder, the shareholder. As explained earlier, certain key strategic organisational practices like whether or not a company should pursue labour practices which were highly mechanised or not, had to be examined. The second phase of the new operation was going to be more capital intensive than labour intensive with the inevitable ramifications for labour and recruitment in the Obuasi municipality and its environs. Another practice, the use of contractors who employed workers on a contract basis was also a matter of contention. It was obvious that modern IHRM practices especially in the mining sector were going to be vigorously prosecuted with the interest of the shareholder being the major prerogative. The company also made a meal out of the unprecedented “golden handshake” and efforts it made to sponsor platforms for capacity building and post retrenchment employment opportunities to show its CSR credentials and its belief in sustainability at the environmental and employee levels.

While using this specific retrenchment exercise as a peg for explaining the particular context within which specific management transfer practices could be discerned in the country, it must be noted that various happenings in the mining sector, the global commodity markets especially in the prices of gold, the labour scene in Ghana and the slow development of the national
economy were also significant. It was important to note that since 2013, the mining sector had faced its own overwhelming challenges. One of the forecasts of the World Bank in the latter part of 2013 was the fact that the country’s currency was going to come under immense pressure due to the expected decline in the gold and cocoa prices at the world commodity markets. This had affected the strength of the currency which depreciated at 14.5%. The more direct dire prediction for the sector was the then Minerals Commission’s Chief Executive Officer’s position that there could be a possible complete shutdown of gold mining if the prices went further down. He explained that the decline in prices in 2013 had led to a dip in government revenues, large layoffs and a temporary shutdown of some mines. In his estimation, the industry was in crisis with these developments.

“..... the mines will adjust to mine only what is profitable to them and nothing more than that so there is the concept of the cut-off grade below which you will not make losses. So if it gets to a point where the price is too low to mine in the short term they might continue to mine just to continue to take care of cost but over the longer term, they will suspend operations and possibly shut down”.

(Interview: Mining Industry Expert, # 10)

The global fall in the price of gold and its effect on the local mining industry was further reiterated by the then Chief Executive of the Ghana Chamber of Mines (GCM). He predicted that about 4,000 mine employees were going to be retrenched because of the higher production costs, declining gold prices, higher costs of cyanide, fuel, heavy duty truck tyres, labour and soaring taxes. The issues raised by both the CEOs of the Minerals Commission and the Chamber of Mines provided the justification for the subsequent downsizing/retrenchment of workers in the sector, especially for our purposes, AngloGold Ashanti. In fact, AngloGold CEO, Srinivasan Venkatakrishan told journalists that 43 workers at the Obuasi Mines had to lose their jobs so that the company could cut costs.

Meanwhile, AngloGold said that the company had engaged with Organised Labour over the issue and expected to make $50 million by the end of 2013. These brighter prospects were due to improvement in the third quarter earnings through increased profit and lowered production costs.
In January, 2014, the GCM assured the mining workers that there was going to be a generous compensation for those who lost their jobs and that the package was the best in the West Africa sub-region. It was expected that between 2,000 and 4,000 workers were to be laid off. He added that the exercise was being undertaken with various social partners, including labour and in line with the labour law. The declining production levels were expected to affect national revenues since large-scale mining contributed 27 per cent of state revenue. He explained that the absence of any serious conflict in the sector, for over a decade was due to GCM’s good working relationship with the workers.

The implications of AngloGold’s economic stress also continued into the year 2015. By February, 2015, specific activities had been undertaken in the Ghana operations, like the recruitment of 650 “contractors” on a temporary basis. These new recruits were described as specialised staff who were engaged on a “one year renewable” contract. They were expected to start the layout and building of the new amenities at the new sites, south of the Obuasi concession. This move was seen as “strictly following the road map and giving hope to the mining sector”. The “contractors” were expected to undertake the drilling of a minimum 1,500 m vertical deep during the “Care and Maintenance” phase which was expected to incorporate a full feasibility study for the major take-off. (Interview: AngloGold Manager, # 11)

This case study was aimed at explaining fully the labour policies and practices of AngloGold, apart from the other labour issue which was the international human resource management (IHRM) issue of management practices transfer. The practices which could come under the management transfer practices covered areas like employment; management style; repatriation of earnings; greater use of technology; industrial relations; corporate governance; safety and health policy, collective bargaining; and education and skills training. The general policies could be discerned from the 22 page “Code of Business Principles and Ethics”. This generally emanated from their values and also general business strategy.

The role of mining MNEs also offered an insight into how management practices could be understood. At a national “policy dialogue on the economy organised by an NGO”, the Third World Network Africa, titled “Wide Consequences of Ghana Dependence on Minerals”, the
Chairman of the Parliamentary Select Committee for Mining and Energy called for laws to regulate mining which would prevent the repatriation of virtually all earnings with only a fraction being paid to the state. He questioned why oil and gas prospecting could take place only after Parliament had rectified the application while mining companies could mine without parliamentary approval (Daily Graphic, March 15, 2014 (p44).

The increased practice of the use of contractors therefore meant that there was going to be a greater inclination towards the utilization of casual employees. Also these categories of employees (contractors) ranged from cleaners to suppliers. For example, Atlas Copco supplied heavy duty equipment for underground operations and also employed “master mechanics” who were polytechnic or university graduates. Other contractors dealt with technical services, exploration and mining services and security services. By 2014, about 85 per cent of the workers were unionised. The emerging global labour practice now, was the employment practice of increasing the number of workers who would no longer function over long periods but to be recruited on “yearly performance-based renewable contract basis”. This recruitment tactic meant that continuous engagement would be tied to meeting productivity targets which were set by the management. These short-term arrangements would be continued only after such agreements had expired and the workers had met their set targets. This practice was to fit into a new strategy of a greater investment in capital and modern technology, with a decrease in the dependence on labour.

The management systems and culture showed various dimensions of AngloGold’s management transfer standards. The management systems overview covered the policies, processes and also the procedures. These management practices encompassed among others, stakeholder engagement, social investment and local economic development, incident reporting, community complaints and grievances, cultural heritage and sacred sites, among others. The cultural review component examined the organisation’s values, especially in relation to its IFA and CSR and also how they were depicted in the systems, attitudes and behaviours.
The transfer of management practices especially in the area of organisational culture involved several issues like business priorities, focus on production and cost minimisation. The new culture introduced was fixated on production maximisation even under hard financial conditions leading to little or no vision of long term investments. This focus on the financial bottom line therefore meant that outside core mining, other activities, departments and support services were seen as cost centres. Community Relations (CR) was seen as a fire fighting-function and also related to Social Investment (SI) and public relations (PR). The unit was generally seen as the unit for disbursing funds, offering other forms of assistance, providing amenities and for ensuring goodwill among the external stakeholders.

A Senior Manager, AngloGold who described AngloGold as a truly global company explained that there was a strong commitment to AngloGold stakeholders because of their diverse geography and also the diverse interests. The strategy and the strategic objectives which could be discerned from this explanation saw the phenomenon from their corporate perspective:

“It is all about centralisation with local diversity. Every year, we congregate at South Africa or Brazil and rethink our strategy and get the broad guidelines from that meeting. When we come back we craft the tactical responses to our challenges for our local business units, like AngloGold, head office with the Obuasi and Iduapriem mines offering their own approaches.

(Interview: AngloGold Manager, # 12)

While there was a single source of information for management standards, the practice varied at the country level. But whatever the situation, there was always a linkage. AngloGold saw these standards as covering workers, non-workers and even beyond.

There were however, different perspectives on the management practices transfer at the mine. On the new practices transferred and the issue of mismanagement, a former General Manager of Human Resource at the mine who had worked at Obuasi for 25 years, blamed the challenges the mine was facing on mismanagement, a poor appreciation of the Obuasi culture, flawed strategy and also poor decision making. In elaborating further on the issue of mismanagement he...
explained that since the “Business Combination” in 2004, the mine had turned profits in only three years. He explained that before this new combination, the mine was doing well till 1999 when there were problems with hedging and gold prices.

“Obuasi was doing fine; then the AngloGold team came in with their South African lifestyle and it didn’t suit the Obuasi situation ... You don’t go to a place and all of a sudden, change things overnight. You have to study the situation, if you don’t understand the culture, take time to understand it. Obuasi has a very unique working culture and you can’t just change it. You need the chiefs, wives and even the school children to be able to get to where you want to go ... In a matter of 10 years that they (AngloGold) had been there, they had used eight to nine managers. Which organisation can survive like that, every year or two you change management, how do you expect to have continuity?”

(Interview: Mining Industry Expert # 13)

This case study also showed “AGC’s antecedents” which had been imbued with both indigenous and foreign organisational cultures. This company also offered a special picture of how the issue of management transfer happened. This to some extent coincided with what Edward et al (2007) described as “symbiotic”, a phenomenon showing another dimension of the transfer of HR practices and organisational cultures. This showed the symbiotic nature of the relationship with the MNE, influencing the host and in the process being influenced too, although to a lesser extent in this case. The policy of AngloGold encouraged the host to determine the tactics, while the broad strategy, within the company’s mission and vision were pushed at meetings where AngloGold and the subsidiaries met for briefing on the general strategy.

Kostova’s (1999) position on the transfer of management practices within MNEs that several factors could affect this practice, appeared to hold within the AngloGold context. While in theory, such transfers were seen as serving the interests of synergy and efficiency and to show the core competencies and better management practices, there existed some barriers. These barriers were historical, and also related to cultural and organisational characteristics. The cases of clashes between the expatriate managers and their local colleagues was one clear evidence of the challenges of such transfers. From the perspective of organisational behaviour, the peculiar
situation in terms of country, organisation and individual (Kostova, 1999), could to some extent explain the AngloGold situation.

Obviously the AngloGold situation dealt with “strategic organisational” practices reflecting the core values and competencies. Some of them were undocumented practices like the policy of subcontracting which had virtually become the practice at the mine, with contracting companies whose obligations were to the company handling all the services needed by the MNE. It was such practices which attracted the attention of authors like Williams et al, (2013). Even though they dealt with the construction industry, there were some similarities, especially in the area of the IFA. Such new labour practices were not framed within the context of the CLS of ILO.

This position was also well articulated by Lamare et al (2010) when they depicted national business systems as essentially institutional variations within the large business system of the multinational. Further, apart from this varieties of capitalism approach, they also explained the distinctions between the various structures and institutions which constituted liberal market economies (Hall and Soskice, 2001). Another dimension was the institutional mediation which was associated with the host’s industrial relations practices. The third institutional effects also showed how the multinational could exploit the institutional distance, through the practice of not meeting all their obligations, even where agreements had been written to that effect.

Another matter for consideration within the discussion on management practices transfer was the issue of economic dominance effects (Pudelko and Harzing, 2007) where AngloGold as an entity capitalised on such dominance effects because of their superior power in terms of their financial standing and their global legitimacy. They mainstreamed such management practices in their subsidiaries. Just as Pudelko and Harzing (2007) put it, when it came to American transnationals, everything involved management practices commonly perceived as representing best practices.

Still on the issue of management practices transfer, organisational, political and strategic aspects could be seen within these broad areas of structure and contingency; organisational policy and the “global production network”. For AngloGold, attributes of the mining sector and the size of this company, played a role in understanding the conditions under which the corporate entity operated. On the other hand, organisational policy dealt with the company as a political system.
with power relations issues, conflicts and even conflict of interests. It must be explained that some of these issues had been dealt with in the AngloGold documents meant for public consumption.

It was within this broad area of transfer of management practices that one examined some aspects of the organisational culture of AngloGold. The various models evolved around these corporate culture elements: values; leadership; “structure and resourcing”; “incentives and disincentives”; decision making; communication and handling challenges and finally “cross organisational consistency”. The AngloGold story had been influenced by history, business principles, community relations and the attitude of AngloGold as a corporate entity and AngloGold, Ghana.

The transfer of strategic organisational practices (Kostova, 1999) was always seen as an MNE phenomenon due to their recognised superior organisational practices (Williams et al, 2013; Bartlett and Ghoshal, 1997; Kostova, 1991 and Kogut, 1991). In fact Kostova (1991) further explained this transnational transfer of such practices as the type which was a pre-requisite for meeting a corporate entity’s mission and vision. These were standards which could be associated with the multinational’s organisational and national business culture. This case study also provided some information on how AngloGold had dealt with the issue at the internal level and how it had affected all their hosting countries.

One other issue which ran through this whole study was corporate governance. This important modern management phenomenon had been discussed across all the major sections of this study. The discussion of management practices or workplace activities called for a workplace environment which could be seen as meeting the prerequisites of modern management. Whether this phenomenon was seen as standing on its own or under the broader CSR phenomenon, corporate governance imperatives were now important management practice indicators for assessing companies.
One concern raised by the NCOM was that:

“Over the period also there have been concerns about payment of taxes by AGA. According to reports by the Extractive Industry Transparency Initiative (EITI), the Obuasi Mine did not pay any corporate tax to the government of Ghana between 2004 and 2009. It is also uncertain if the Obuasi Mine has made any payment to the government of Ghana as corporate taxes beyond 2008 or not. Last year, the Ghana Revenue Authority submitted tax assessments to AngloGold for a number of years following audits they undertook for the 2006 to 2008… tax years. In these assessments, AngloGold was accused of not paying indirect taxes amounting to tens of millions of dollars over the assessment periods. AngloGold claims that the assessments were not properly conducted”.

(Interview: NGO Representative, # 14)

Another perspective on corporate governance was provided by a mining coalition. According to a two-page advertisement published in the Daily Graphic (Wednesday, October 2014, p 61 – 62), the National Coalition on Mining (NCOM) Ghana, at their 7th Annual National Mining Forum, offered some insights into some of the corporate governance practices of AngloGold. NCOM, whose forum had the theme “Life After Mining; Avoiding a Repeat of ‘Prestea’ ” which was based on the decision by AngloGold to have a “two year closure” for the purposes of “Care and Maintenance” is noted for organizing annual forums for mining communities. These forums provide an opportunity for communities to air their positions on the impact of mining on them and to create opportunities for calls for change to ensure changes in the sector for “sustainable and inclusive development”. The NCOM questioned the supposed “superior operational experience in deep level mining” which was one of the reasons for AngloGold winning the bid for the “business combination” agreement in the face of the decline of the mine. Gold prices climbed up in 2011 and production fell from about 500,000 ounces to 200,000 ounces in 2013.

The statement further alleged that the tax office had earlier reported cases of non-payment of taxes and tax evasions with virtually no information about whether these taxes were later
collected or not. It was explained that the 2011 budget sent to parliament showed that for some years the state had been losing $36 million annually through “illicit financial transactions” in the mining sector with no attempts to collect these taxes or even prosecute any offenders. Another issue of contention was the setting up of the Community Trust Fund to support communities and diversify the Obuasi economy which was delayed for eight years even after the inception of the “stability agreements” in 2004. These funds were set up in 2012 after the government announced it was going to renegotiate mining contracts including AngloGold’s “Stability Agreement”. The company was said to have set aside amounts with interest since the agreement was signed without showing the amount for each fund. The Bibiani Mine Fund which was managed by AngloGold for two and a half years before its sale to Central African Gold, appeared to have been left out.

The findings and discussions on management practices transfer provided a picture of various aspects of AngloGold’s labour policies and practices. However, there were contestations about AngloGold’s real commitment to principles like corporate governance or some other aspects of CSR as an ethical prerogative. The results showed that there was some transfer as far as such practices were concerned, as to how they could all be seen as furthering the ethical goal of CSR, and to meet the full needs of the workers, was another issue altogether.

The issue of high production costs which was often affected by both internal and external factors came to the forefront especially during the period of that economic stress. While organizations found ways of reducing costs in order to enhance shareholders’ interests, two areas which affected the critical stakeholders, the workers and the unions, were the inclination to upgrade the technological status in terms of practices and equipment and then to also “rightsize” the labour strength of the company. Apart from such retrenchment strategies, organizations also used international human resource management (IHRM) practices like “flexible forms of employment” and also “double breasting”. Some of such practices could be seen in strategies like reducing union densities. The practice of “double breasting” where companies dealt with workers at two levels, unionised and non-unionised, had been on the increase. Ghana had seen a decline in the numbers for the unions due to the increase in “informalisation” and “casualisation” of work. Some of these practices emanated from International Monetary Fund/World Bank
Structural Adjustment Policies (SAP), poverty reduction policies and the privatisation of SOEs and the retrenchment of public sector employees. The GMWU stated that they were against “contract labour” which they saw as being implemented under the guise of “rationalization of labour”. However despite this avowed position of GMWU, there was an increase in the use of “contractors”, a new expression used to describe workers who were employed by the company’s contractors. Sometimes they were called “contract employees” or “contract staff”. The “Care and Maintenance” period even offered a larger opportunity for the company to expand the scope of this policy.

As one AngloGold executive explained, the company was going to stick to the practice of not recruiting workers over long periods. Workers were going to be employed on a “yearly performance based renewable contract basis” so that re-engagement would be dependent solely on the ability of the worker to meet set targets. These new labour policies and practices had gradually been mainstreamed into the labour standards of mining companies all over the world. (Interview: AngloGold Manager, # 25). The implication was that the company was not going to employ workers over long periods as had been the practice in the past. This move towards greater employment insecurity and “casualization” increased the difficulties facing trade unions attempting to organise in the sector, and this, in turn, raised questions about the implementation and effectiveness of the IFA itself.

From a labour perspective, the tendency to shift towards new forms of labour employment like “casualisation”, short term contracts and to create a new labour workplace context where the basic document for labour, the CBA, was gradually losing its place, showed a greater inclination towards meeting the needs of the shareholders as opposed to the needs of the workers/unions. Workers, who were now “contractors”, had lost the bulk of their entitlements and security of tenure. The basic entitlements like health care, education, among others were removed under the new labour regime. The massive retrenchment which AngloGold claimed affected 3,100 workers was also another action which was aimed at serving the sole needs of shareholders.

While some of the issues could be seen as core concepts/theories, the others provided a broader framework for understanding management transfer practices in an emerging economy and the
circumstances which largely influenced such standards. The first issue, the case study, was in itself noteworthy due to the strategic importance of the MNE chosen for this study. AngloGold, a product of a “business combination” or “merger” was unique in several ways. Apart from the major historical issues associated with the Obuasi Mine under the then AGC, there were also other important factors like ownership, cultural identification and the long history of CSI and the eventual impact of management practices transfer. There were clashes which occurred at the organisational level, among the two management groups (Ghanaian managers and their colleagues from South Africa). However, these clashes at the managerial level notwithstanding, there had not been any industrial unrest, unlike other AngloGold mining operations.

Within this theoretical perspective there was the cultural dimension in terms of attitudes and values. In fact the AngloGold “business combination” showed how important the cultural perspective was. The earlier corporate culture under the then AGC and the organizational clashes after AngloGold won the bid for the “merger”, show how cultural factors as identified by Hofstede (1980) also explained this “home and host” country position during the process of management practices transfer. The AngloGold management policy of centralization with local direction also provided another dimension to the “home and host” debate, especially since AngloGold was dealing with various affiliates with their different national and corporate cultures. This AngloGold affiliate with its original MNE culture could be described as an organizational entity which had been influenced by a certain wider Ghanaian institutional context.

The study was expected to offer an opportunity for examining the labour policies and practices, the aspects which were influenced by management practices transfer, and how the present policies and practices could be seen as CSR compliant. As was explained, the beginning of the AGC mining concern and the particular epoch which saw the introduction of paternalistic business practices, and the emphasis on CSI, especially under a Ghanaian CEO, offered a good basis for understanding the historical factors and the organizational culture of the company. It is our position that despite some concerns about low productivity, high production costs, challenges with hedging, the basic foundations were laid for the present day industrial harmony. Public relations, professionally managed corporate communication strategies and techniques, were used
effectively in combination with major CSI-oriented contributions to the Obuasi municipality and the nation at large. AngloGold had also maintained a high profile corporate image in the eyes of the government and the citizens.
CHAPTER SIX: ANGLOGOLD, THE UNIONS AND THE INTERNATIONAL FRAMEWORK AGREEMENT

The in-depth investigation of AngloGold, the unions and the IFA provided fresh insights into the feasibility of IFAs outside Europe, especially in Africa. From the empirical perspective, this study endeavoured to explain the major components of the updated ICEM-AngloGold GFA document by examining the “Fundamental Principles and Values” and the monitoring of the “Implementation” phase. The data gathering instrument had been divided into three sections, namely the understanding of the key concepts, AngloGold and the various concepts, agreements, and so on; and finally the two synthesised sections of the GFA. The result from the fieldwork did not portray a picture of targets who understood the issue of an IFA. Among the interviewees whose opinions were captured, there was virtually no respondent who was aware or had any understanding of such agreements. Some of these observations resonate with the views of some “key informants” and the unions in the study on “subcontracting and labour standards” which was conducted in the South Africa Lafarge operations (Williams, et al, 2013). Their framework agreement was described as “invisible” in the South Africa affiliates annual report website of the parent or South Africa subsidiary.

The AngloGold case study exposed this challenge of awareness and understanding of an IFA, more so since IFAs were expected to have clauses which dealt with implementation. There is also an implementation committee which placed a lot of premium on “information”, “education/skills sharing” and “communication/information sharing”. This implementation imperative meant that there must be a strong awareness about the document’s existence, an understanding of it, their uses in terms of what they could be utilised for and how they could be utilised. The protocols therefore called for “practice notes” produced for shop stewards for the purposes of disseminating its content to the workers.

Apart from the implementation and knowledge aspect of the IFA, IFAs were expected to deal with other key industrial relations issues like the handling of labour unrests, “governance and safety & health policy”. These were expected to be seen in labour practices like “expansion”, “employment” “management style”, “collective bargaining“, in the area of “wage gap and wage
differentials” and “health and safety”. While the interviewees could not relate to this from the IFA perspective, some “key informants” among the interviewees, offered very important insights into some of the areas within the AngloGold workplace, which could be improved on.

The IFA notwithstanding, and also the seeming adherence to all manner of codes, certain challenges emerged as far as the unions were concerned. There have always been issues about the general conditions of service and also the terms of employment. Some of these matters showed the need for improving on the general corporate strategies. There were challenges about the strengths and structure of the union, especially to make them more democratic and autonomous. Some of these challenges emerged in the face of retrenchment, where now workers realized that they had lost a lot in the area of conditions of service.

From a historical perspective, the analysis dealt with how historical contexts affected the mining company, the communities and the nation at large. Also, from this perspective, AngloGold could be analysed from two main epochs: the evolution of mining and the increased shareholding initiated by particular governments, and the epoch marked by the merger and its aftermath.

IFAs were intended to create a very harmonious industrial climate based on the well-known ILO provisions as earlier explained. AngloGold through her activities and her publications and social platforms with their various stakeholders showed that there were specific activities which could be seen as complying with the spirit of the IFA tenets. The evidence of a real commitment was however a contested issue. Apart from these specific activities identified, its CCC displayed a posturing which could be seen as CSR related. The non-mention of this IFA in their documents however ought to be noted, especially for a company which was the first signatory to this framework agreement in Africa. It was not surprising that some authors are a bit sceptical about IFAs (Williams et al, 2013; Hammer, 2005a, 2005b; Fichter et al, 2011a). This position is fully endorsed by this author.

IFAs have not had any real success in the African labour environment in terms of spread whether in the mining sector nor in other industrial sectors. Whatever gains were made at AngloGold could be ascribed to the “enlightened leader”, Bobby Godsell’s personal efforts. The challenges
and other obstacles put in his way were from both some of the subsidiaries (Australia and Latin America) and also from the Chamber of Mines (Goldfields and DeBeers). As Papadakis (2009) explained, while Godsell presented the IFA “as a code of good governance” their counterparts in other operations saw this agreement as a “real collective agreement” outside the law for such states, with a potential for creating some problems for such foreign subsidiaries.

IFAs were therefore seen as a stumbling block for the MNEs because across their global operations the subsidiaries ought to be managed in the same way, while the employer also picked up the costs for exchange programmes and cost for the activities and travels of global committees and world work councils. Other concerns were the fear of the transfer of the “militancy” of the South African unions to other global operations and the tendency to compare the working conditions of the workers across all the operations. There was also the fear of the looming danger of “sympathy strike actions” in all the subsidiaries. As managements, the MNEs believed that enough strides in the area of industrial relations had been made through the production of “unilateral codes” and meeting the dictates of the Global Compact, the Global Reporting Initiative (GRI) and the International Council on Mining and Metals (ICMM).

While these issues identified could be seen as hindrances in the quest for a harmonious industrial relations climate, AngloGold for strategic reasons promoted the IFA in 2009. Through the efforts of the Public Relations and Human Resources departments they created a harmonious relationship with the NUM and projected ICEM as a global partner. AngloGold was keen on promoting this image of “social dialogue” to show its good links with this GUF.

McCallum (2011) believed that such global agreements did not often promote the interests of the workers neither did they revitalize the unions in such “social partnerships”. He explained that some scholars saw such “new relationships” as just a “regular environment” where the status quo in terms of power relations had been largely maintained. It was not surprising that Lerner (2007) had called for the abandoning of such agreements because the general principles which underpinned them were weak. McCullum (2011) believed that some scholars saw IFAs as a “stand-alone strategy” from two perspectives as a new direction in global industrial relations and HRM or an evolving global governance instrument invariably offering no promises and also
proclaiming rights with no apparatus for either implementing them or enforcing them. These critiques notwithstanding, IFAs could facilitate the ability of an organization to unionise more workers by preventing a company from engaging in anti-union campaigns. In this case, unionism at the global level has a great impact on the entity, a situation which had come about because of work councils, “transnational mergers” and the sharing of information. IFAs have the capacity to facilitate collaboration across countries and unions.

The Implementation phase as far as this other important component of the GFA was concerned also showed a vacuum. It followed that where respondents were generally unable to explain the requirements of the “Fundamental Principles and Values”, they were not likely to appreciate the component on “Implementation” and its significance. The major imperative of meeting annually to discuss the terms of the agreement, sharing information and dealing with the administration of the agreement was lost on the respondents. The IFA signed on by AngloGold Ashanti might have been done largely with the interests of the workers at heart, but the policies and practices of the company under this “negotiated agreements” regime showed clearly that the company was more committed to “management initiatives”, in this case the CCC as shown in their publications and in the designated sections of its website. The very actions of this entity depicted an inclination to focusing more on promoting the interests of the shareholders.

The in-depth investigation of AngloGold and the IFA provided fresh insight into the feasibility of IFAs outside Europe especially in Africa. In IR literature and IFA discourse in particular, some of the most famous non-European IFAs have included South Africa (Papadakis, 2009; Burkett, 2014), where the signatory always identified is AngloGold Ashanti. Papadakis (2009) had explained that AngloGold and the two other companies, Lukoil and Takashimaya, of Russia and Japan respectively, had dealt with these agreements to further particular IR objectives. He had also explained that for AngloGold, the push factor had been the then CEO, Bobby Godsell who railroaded the decision due to his progressive vies about IR and corporate governance. Another motivation was the desire to be seen as exhibiting the cordial relationship that the AngloGold had with the NUM and to showcase the then ICEM as the international union partner. Essentially, the IFA was strategic for the company as a way of replicating good” domestic labour relations” at the international corporate level (Burkett, 2014). An examination of other case
studies has shown that such agreements in some cases have been driven by particular personalities with “liberal and “progressive” orientation.

Even before IFAs became institutionalised, international capital had been very sceptical about engaging international unions. Nestle in 1970s had refused to engage with the unions and its relations became frosty with the IUF with the situation improving in 1989 when the then President, for both the IUF and the German Food and Allied Workers Union NGG, Gunter Doding met Helmut Mancher, the CEO Nestle over dinner and agreed that Nestle would accept the IUF as an international social partner. The deal was struck because Gunter Doding had known the Nestle, Germany director! This led to the resumption of annual meetings between the newly constituted IUF Nestle Council and Nestle management, only at the European level (Gallin, 2008). Despite these developments, at least by 2008 Nestle had refused to sign an IFA with the IUF! In 1998, Nestle had adopted “Corporate Business Principles”. As Gallin (2008) noted there were no IFAs in the 1960s and 1970s and the few like BAT Philips and Nestle which decided to meet with international union delegation to discuss IR issues withdrew when they realised that these global unions expected more in terms of binding commitments and drastic changes in management practice.

The IUF/Danone agreement which was the first signed in 1988 called “Common Viewpoint IUF/BSN”, including the subsidiary agreements has been described as “the most far-reaching IFA to this day, and has set the pattern for further IUF agreements with TNCs” (Gallen, 2008). As was the case with AngloGold and Nestle, progressive actions for unions have always been recorded when persons of a certain calibre and orientation have been at key positions in MNEs. In the case of the present day Danone, the agreement to a very progressive IFA was because of the personal views of Antoine Riboud and his son Frank Riboud (Gallen, 2008). There was the belief that Antoine Riboud, the founder and also the company’s CEO was a “progressive Catholic with links to the Socialist Party and viewed trade unions as legitimate counterparts at all levels”.

Apart from the individual roles these CEOs played when it came to the issue of IFAs and the upholding of worker interests by only these few persons, there is another event which showed the
reluctance of AngloGold to implement the IFA within its set up even after the first and second agreements had been signed.

Michelle Taal’s (2012) report for the AngloGold Ashanti Africa Continental Shop Steward Alliance, “All that glitters is not gold” offered a lot of insights into the IFA conundrum as far as the mining unions were concerned. The goals of the AGA Africa Continental Shop Stewards’ Council were lofty. They were committed to the “spaces” provided by the GFA to organise the employers for “decent work” (Taal, 2012). Although the entities IndustriALL, FES and the Labour Research Service which collaborated on this task were very powerful and knowledgeable they did not appear to be committed to using their combined resources to encourage AngloGold to implement the “GFA”. The study in the end became a base for the negotiations with the company to improve the terms and conditions of employment for the workers of the company (Taal, 2012). The practical implications of the study, which was under the section “Implementing the Global Framework Agreement” called for very pragmatic steps to be taken ranging from making the GFA and a “toolkit” or “practice notes” available to the shop stewards for dissemination among the workers. The network and IndustriALL were to come in to support the unions in this direction, and where this failed these two groups were to utilise the GFA to engage AngloGold’s management to deal with the issues. It appears all the other items under “Way Forward” which were key for the implementation process were never followed. Issues Information; Education/Skill sharing; Communication/Information sharing which were all to be spearheaded by the GUF and the Council never materialised (Taal, 2012).

The earlier mentioned challenges associated with IFAs which could be discerned from the role of individuals, and in the case of AngloGold particularly, the lack of commitment to the progressive position of Bobby Godsell indicate clearly that IFAs pose a very difficult option for MNEs. The following case of Endesa further reiterates the difficulties in agreeing, signing on, implementation, sharing information and the monitoring of the process. Endesa which operates in gas, electricity and the renewable energy sector incorporated the Global Compact in 2002 and the objective was to start a dialogue with global unions. It was not successful in implementing the IFA, making the framework agreement non-operationable since the year 2003 (Niforou, 2014). The challenges emanated from some disagreements on the “appropriate language” on core
ILO conventions like the need to incorporate “child labour” in the text. Also there were issues about the potential of “transnational collective bargaining”. The text eventually excluded “wages and working time”, CLS including “compulsory and child labour”. There were “implementation” issues, the setting up of an “international joint committee”, annual meetings for information exchange on company activities and local IFA practice. Apart from these issues there were other issues like some non-affiliated unions to the then ICEM, and the inclusion of some public sector organisations (Niforou, 2014). Eventually, the IFA was inactive for one year until it expired in 2003. It was explained that for “global headquarters” the involvement of the local unions during the negotiations would have prevented the representation challenges identified. It did not also cover the supply chain, suppliers and contractors.

A further critical engagement of the IFA phenomenon also entailed the examination of some case studies. Taking IFAs and IR governance as they relate to “global rhetoric versus local realities”, Niforou (2012) examined two Spanish MNEs with a strong presence in Latin America, namely Telefonica and Endesa. While Telefonica’s IFA was described as one of the first in the telecommunications sector it was seen as a genuine IFA according to the “model agreements” of GUFs, and fell in the “middle of the IFA spectrum”. Endesa, on the other hand, which was in the energy sector had an IFA which was described as the “failure” or “deviant” example (Niforou, 2012). The author explained that it was the only agreement which was cancelled a year after it came to force but in union websites and academic literature around the world it was described as an existing IFA!

Using these case studies, the authors offered the “IFA policy cycle” which consisted of the following: “Identification of the problems”; formulation and adoption”; “process of implementation”; “monitoring of compliance”; and “review and evaluation”. The observations made offered guideposts for analysing IFAs at the global level. For instance, despite the important roles of local unions in such engagements, such unions have been ineffective in spreading, implementing and monitoring such agreements.

Another IFA study which threw some light on such agreements was the “Corporate Social Responsibility, International Framework Agreements and Changing Corporate Behaviour in the
Global Workplace” (Herrnstradt, 2013). The author stated that such agreements call for strong home country unions with good working relationships with the MNE, and also a global network or GUF. Finally it should involve MNEs which were interested in engaging with designated labour organisations. This explained why, in his opinion, most IFAs are based in Europe. Following these observations he offered the four essential elements of a successful agreement. The elements were: “content (including standards)”; “coverage”; “implementation”; and enforcement.

For the author, IFAs could make a difference in “corporate behaviour” only when these elements were incorporated in the agreement. The two agreements he used were first of all the IFA between Siemens AG, the Central Works Council of Siemens AG, IG Metall and IndustriALL GUF in 2002. The second one was the IFA between IKEA and the Building Woodworkers International (BWI) in 1998, now the International Federation of Building and Woodworkers (Herrnstadt, 2013).

Management of AngloGold’s lack of commitment to the IFA they had signed twice, the lack of enthusiasm of the GUF, IndustriALL to play a more forceful role in seeing to the implementation of the agreement at the level of the subsidiaries all compounded the issue. The few efforts at organising various press conference on “precarious work”; “World Day for Decent Work”, among other activities only displayed some concern. However for AngloGold, the issue of the IFA and its lack of implementation, has not been resolved and may never be resolved.
CHAPTER SEVEN: ANGLOGOLD, THE UNIONS AND CORPORATE SOCIAL RESPONSIBILITY

CSR as a concept elicited lots of responses from the respondents. All the respondents had views on what it meant and provided examples of practices which they saw as CSR related. On the whole, the views expressed tended to concentrate on corporate social investment. AGC’s earlier investments in this area when the company was associated with several activities like funding hospitals, schools, community development activities and capacity building for their workers had been understood fully by the respondents. Most of these practices, some of them under the “Sustainability” activities of AngloGold, further strengthened the perceptions of the citizenry about the commitment of the company to what they saw as CSR.

These observations and also the responses from all the interviewees across the various groupings showed that the understanding of the population was limited to only certain aspects of what the concept meant. The more critical dimensions which dealt with the commitment of the company to meeting the core tenets of labour standards were not known. CSR was seen in the eyes of the respondents as a tool for “externalities recognition” (Crouch, 2006), or in some cases as a “risk management strategy” or for the purpose of a “license to operate”. There were other perceptions like the need to position the companies well for “ethical investors” which were all concepts these interviewees were unable to fathom. The normative and instrumental perspectives of CSR as a tool for management were also lost on the interviewees.

A senior employee of AngloGold also offered some perspectives on AngloGold’s labour standards especially in relation to corporate social investment.

“We have a strong training and development policy. Our Apprenticeship Training School is tilted towards the technical area, and we admit qualified persons from the local universities. We have big facilities and qualified engineers who provide practical training for a year or two and offer them full employment, with paid accommodation and clothing with about 6 per cent coming from the community. There are other training opportunities such as management training for workers. This started in 2005, where technical guys are
given training at the University of Cape Town at the post-graduate level and others at GIMPA. This training incorporates staff from Mali and Guinea for graduate and post-graduate diploma in management. The French speaking participants get a certificate or diploma because of the English language handicap. Six hundred AngloGold staff have benefitted from this opportunity. Others go to Australia, Canada, Norway or Sweden for attachments. This is especially for senior management staff”.

(Interview: AngloGold Manager, # 16)

This other staff member provided information on accommodation and recreational facilities:

“We have provided two to three bedroom accommodation for about 8 per cent of the workers. The junior staff have two bedroom, semi-detached houses and the seniors have three bedroom houses in a gated community. The junior worker pays two Ghana cedis for water, electricity and rent while the senior workers pay five Ghana cedis. There are club houses for both senior officers and junior officers. The facility for the senior officers, Obuasi Sports Club has a swimming pool, while the juniors have the Anyinam Club House”.

(Interview: AngloGold Manager, # 17)

An AngloGold worker offered some views on the company’s contributions in the area of CSI, as it related to the supply chain:

“We do have some communities where we no longer import uniforms for the miners but we give this contract to the Obuasi Cooperative Tailors and this is about 8 million cedis annually. All imports are transported to the mines by private contractors. We also hire pick-ups from local businesses”.

(Interview: AngloGold Manager, # 18)

Another employee of AngloGold used the opportunity to expatiate on the Roll Back Malaria Award which the company received:
“Our record is clear, whether it is about our workplace or community. Our slogan has always been making communities in which we operate better off for our being there and that is why we received an award from Roll Back Malaria, the West African Regional Network for Malaria Control Programme. This, as you may know, has brought down drastically the cases of this disease condition in and also around communities of operation in Ghana. This intervention which combines case management, larviciding, indoor residual spraying and a well-targeted distribution of treated mosquito nets, has reduced the burden on the workplace and the areas since it started in 2005. The cost for this activity has been in the millions of dollars. Malaria cases among our workers and their families have dwindled from an average of about 700 cases in 2005 in every month, to less than 12 in 2012. The costs for AngloGold Obuasi mine have also dropped by 90% while the state too has reduced its cost for malaria treatment. Apart from saving lives, reducing absenteeism in schools, the markets and the workplace, the township has gained from the creation of 128 job opportunities”.

(Interview: AngloGold Manager, # 19)

CSR as a modern business phenomenon has become a global imperative making it an inevitable strategic option for the multinational entity. Companies are now faced with this scenario of increasing expectations from all the stakeholders (including shareholders). Despite the attempts by various authors to explain this phenomenon, the concept still remained largely eclectic without any boundaries and multidisciplinary in nature. For this study specifically, these components have been examined, namely the HR dimensions, stakeholder relations, corporate social investments (CSI), community relations and corporate branding. Whether it was coming under the guise of sustainability as AngloGold described it or through corporate communications or what Crouch (2006) saw as “corporate externality recognition”, its utilisation within the organisational workplace of AngloGold was largely instrumental, because of its use as a means to an end (Garriga and Mele, 2004).

Haigh and Jones (n.d.) in examining the drivers of this phenomenon, indicated that CSR was largely driven by intra-organisational investors, end-consumers, government regulators and non-governmental organizations. Their position converged with the AngloGold situation, in terms of
intra-organisational factors, institutional investors and NGOs and to a lesser extent, government regulators. The AngloGold case study had its own dynamics where the major opponents were the communities, some adversarial NGOs and to some extent the staff of the company. Due to the (political) power of the mining sector, the Ghana Chamber of Mines and also the closeness of some of the stakeholders like Chiefs, opinion leaders in the community, the AngloGold story was largely sold to the citizenry because of the influence of the PR and lobbying expertise and clout of this mining giant. Any discordant note came only from critical NGOs (local and international) or community based organizations (CBOs) and a few academics. The media had also become a major ally in this situation. Internally, AngloGold’s strategy had been to see CSR as meeting the internal and competitive pressure for this, with an emphasis on market efficiency and risk management. In real terms, social investments assisted in assuaging the opposition, offering a license to operate or in some cases, this became a corporate branding approach. Here NCOM and WACAM were some of the front liners in exposing some aspects of AngloGold’s activities which they would rather keep from the public eye.

The AngloGold’s elaborate CCC related documents offered an in-depth and comprehensive insight into how the company wanted to be seen by all stakeholders. The code became the means by which AngloGold sought to attain a level of consistency across all their operations and to also ensure some amount of legitimacy within the external environment. Broadly the AngloGold code offered some insights into how the company expected to influence employee behaviour (Bondy et al 2004) and also affect employment relations (Frenkel, 2001).

The most visible activity within the general framework of CSR was community relations. It was now basically handled from three perspectives: “fire fighting”, social investment and public relations. This corporate culture showed that there was only a little acknowledgement of the ability of the relations with the community to address strategically any negative impact of mining activities, the business generally or even improving on the business performance of AngloGold. While the community relations professionals saw themselves as engaging in “firefighting” ("mining and processing call us after they had messed up", CR department person), at the level of social investment, the department was seen as disbursers of cash and engineers of community goodwill.
There was a belief that community relations should be all about the company’s image:

“... the company does a lot... beneficiaries do not even see the benefits... maybe we are not blowing our horn enough, Newmont is always in the news”.
(Criste, J. 2009)

The publicizing of all support programmes was seen as necessary for boosting their image. Community impacts which were not covered by the media therefore made the mine vulnerable to NGOs like WACAM, which was seen as an adversarial NGO against mining by MNEs and always portrayed AngloGold in negative terms.

This excerpt of the speech by the then Chief Executive explained fully how CSR was perceived by the company:

“......before 1994, Ashanti was a private Company owned 55 per cent by the Ghanaian Government and 45 per cent by Lonrho, now Lonmin. It was a very cosy relationship and with Ghana’s huge shareholding held on behalf of all of us by a revolutionary Government, it was not that essential to have a comprehensive Public Relations strategy. Conflict on the labour front, agitations from the local communities and other pressure groups could easily resemble an attempt to take on the government itself. Under these circumstances, our Public Relations strategies were similar to that of a typical autocratic government anywhere in the world. Accountability and transparency were simply not fashionable [After 1994] we had to relate to increasingly vocal and active local communities and environmental activists, who had considerable influence not just on governments and local communities but also on our banks and our shareholders”.
(Speech by Sam Jonah, Chief Executive, Ashanti Goldfields, 2001).

CSR as explained earlier from an instrumental position dealt with the option of choosing between total profits for the shareholders or committing some funds to take care of the interests of the other stakeholders including the environment. The historical factors also came to play
here. The last epoch before the “merger” had seen a strong integration into the social fabric of Obuasi as a mining municipality. Several CSR related projects had been undertaken, like the hospital, 250 housing units, employment opportunities for local citizens and small scale industry artisans among others. There was also a Community Trust Fund, Anti-Malaria and Ebola Response programmes. Some of the disengagement activities now covered income generating skills for the wives of the miners. As was explained earlier, this retrenchment exercise from the perspective of management practices transfer and CSR had a $220 million budget to meet the cost of the programme for those who were losing their jobs.

Basically some authors have seen CSR as incorporating CCCs or even IFAs because of the issues they represent. The situation which Crouch (2006) portrayed as the method by firms that voluntarily take account of the externalities produced by their market behaviour although not directly mentioned, within AngloGold, offer guideposts for both management and worker behaviour. Apart from the general sustainability attributes promoted by AngloGold, there were also the historical factors which explained how the core values have reflected deep connectedness with meeting CSI needs of both the workers and the communities/municipalities. These were pursued to some extent to attain some legitimacy among the internal and external stakeholders. AngloGold’s CSR activities were a continuation of the earlier practices which they inherited before the “business combination”. There was the expectation that for the purpose of dealing with shareholders’ concerns, these activities were going to be scaled down. One of the major means of dealing with the CSR baggage especially in the context of labour was to outsource and therefore remove the burden from the company. Utilizing modern communication tactics, CSR become a major differentiation strategy (McWilliams and Siegel, 2001) in order that AngloGold as a case could create an image of a good corporate citizen, essentially for branding purposes.

The subsection on CSR is an important part of this study because of the role that this CSR phenomenon plays in the study. The employer-union relations, management practices transfer, IFA, and the CCC and all have CSR dimensions. It is the aspect of the study which received greater responses from the interviewees. The general understanding of CSR in the eyes of the public was essentially about corporate philanthropy or for companies, corporate social
investment (CSI). For the average citizen, some amount of exposure to the traditional media and the new media offered a good understanding of the contributions of AngloGold to the communities, to the state, and to sports. These were examples which resonated with them because they were “meanings” which had been socially constructed by the corporate communications department of the company and promoted over and over again. AngloGold also had a track record in other areas like health, education and support to their communities. But while these externalities could be discerned by the general public, various concerns were raised about AngloGold’s commitment to maintaining high ethical standards. Some of these critical issues were captured by NGOs which had highlighted the company’s negative record when it came to labour practices and standards, especially in the area of corporate governance. The case of discrimination in wages, tax evasion or avoidance and non-disclosures and the inability to commit to clauses in the “Stability Agreement” she signed during the “merger”, casts some doubts about the company’s corporate governance credentials. The major issue of focusing solely on the internally generated CCC at the expense of the IFA AngloGold had signed up to, is also noteworthy.

The issue of corporate governance as has been noted and reiterated for this study incorporated matters related to organisational governance, transparency, rule of law, accountability and generally upholding and promoting the interests of all the stakeholders. These principles had in diverse ways been expressed by the Guidance on Social Responsibility (2011) and the UN Global Compact to mention a few and are an integral part of the normative culture of an ethically upright MNE and guide its internal performance. The more modern approach was to go beyond the interests of the shareholders and to include the wider stakeholder groups.

Although Edwards et al (2007) failed to distinguish between, what they saw as the two aspects of CSR, namely the “negotiated agreements” (IFA) and “management initiatives” (CCC), their study highlighted the challenges of such “CSR codes”. They saw the drawbacks as their voluntary nature, but emphasised the fact that where it was a “negotiated agreement”, then the unions would have a greater say in labour standards and also ensure a monitoring of the implementation of the code. The contribution which this study undertaken by Edwards et al (2007) made, was the fact that CSR codes were useful as instruments for helping multinationals
to gain some legitimacy and attain some level of “consistency”.

Rowe’s (2005) articulation of CSR as essentially “business strategy” provided a historical justification for how the CCC and the UN Global Compact ought to be seen. After explaining the rationale for his position, he questioned the real commitment of MNEs to the issue of CSR. His position was that the multinationals through the ICC and the UN used these two initiatives, the CCC and the UN Global Compact to quell any potential demonstrations and agitations against MNEs. It is our position that even as a “management initiative” (Edwards et al, 2007), the CCC appears to be more of a PR and branding tool for AngloGold. Also, Rowe’s (2005) position that CSR is a “business strategy” can be ascribed to how AngloGold handled issues related to their CCC and CSI programmes during the AGC period and also after the “merger”.

The well-written governance component of the AngloGold Sustainability/CSR was not fully reflected in some of the perspectives expressed by individuals or groups about AngloGold, Ghana. First of all, the Ghana office of the Extractive Industry Transparency Institute (EITI), said that they were working towards a new law to force mining entities to reveal the terms of their contract to the society for transparency purposes in the distribution and management of mineral resources.

As the Co-ordinator for the Ghana office (GHEITI) explained:

“Most of the companies are always not willing to disclose the information and this delays our reports. To overcome this challenge, we decided to come out with a legislation that will force them to open up to us”.

(Interview, Local NGO representative # 15)

The Deputy Minister of Finance and Economic Planning explained that Ghana was committed to transparency and called EITI and other NGOs to assist in the fight against non-disclosures.

Finally, AngloGold at the global level was associated with various international standards, agreements, stock exchanges, GRI guidelines, ICMM principles and sustainability among others.
The company projected the image of a CSR and corporate governance committed company through sections of their “Code of Business Principles and Ethics” which dealt with complying with the law, “communication and disclosure”, fraud and corruption among others. However, there were corporate governance issues which were identified by various groups like NCOM, EITI and the nation’s tax authorities, the GRA. It is our position that there is a gap between AngloGold’s avowed commitment to the letter and spirit of her practices. The company falls short when their performance is subject to some scrutiny in the areas of their key statutory obligations or abiding by agreements or commitments they have made. Questions have been raised about issues related to transparency and disclosures, avoiding taxes like corporate taxes and indirect taxes. These serious corporate governance issues call to question to some extent the CSR credentials of this multinational and whether it should be seen as a good corporate citizen in the country.
CHAPTER EIGHT: CONCLUSIONS

8.1 Concluding Discussions

The concluding thoughts about MNEs and the unions evolved essentially around the analysis of power and how this was controlled within the global space. MNEs as powerful global actors have always been the mighty driving force of globalisation. They are now complex business entities whose powers influence business decisions with implications for their workers, the sectors they operate in, and the wider society, as a whole. Also across the minor themes like management practices transfer, IFA and CSR, one underpinning conceptual position has been the issue of power. The issue of power cuts across unions and employers, in terms of management practices transfer. Management decisions within AngloGold, Ghana, from the “neo-institutionalist” (Kostova, 1999) perspective has been dictated by “power” factors.

Power could also be seen from another conceptual position, where the MNEs are able to “construct” aspects of the institutional context, along two types of capabilities, which are the “macro-institutional” and “micro-institutional” (Ferner et al, 2011). Still within the realm of power blocs, MNEs construct “competitive breakages” among unions, suppliers, communities, and sometimes their subsidiaries to ensure “corporate control” (Lillie and Lucio, 2012). It is within the framework of power analysis that one can discern the practice which has been driven essentially by the MNE in this case study. This observation also encompassed issues related to the actual implementation of the IFA, even though it had been signed twice! Even here, as was observed, success (Kostova, 1999) was not guaranteed despite the fact that the enabling context, like tax incentives and other favourable clauses had been provided with little or no serious oversight over the signatory by the regulatory agencies of the sector generally or this MNE specifically.

CSR, the only minor theme which all the stakeholder could display awareness and knowledge on was also socially constructed by the MNE, with “meaning” driven by the large PR/Sustainability units. Hardy’s (1996) Lukesian model where applied to a business environment provides some highlights on the actualisation of power. The first dimension which is the “power of resources”
explains the notion of power which emanates from the control of the scanty resources available which are related to IR and HR. These are reflected in the potential for employing and dismissing; rewarding employees or imposing sanctions and invariably superior expertise, some of which are reflected in management practices and their transfer in host countries. The second dimension of power which deals with the “processes” can be found in decision making processes which include various procedures and “political routines” which can always be used by the dominating grouping to influence outcomes in a predetermined fashion by blocking the “inferiors” from the decision making. The last dimension is the most complex, the “power of meaning”. Here the “superiors” engage in the “legitimating” of their demands and “delegitimate” those of the subordinates, through the management of “meaning”.

All these three dimensions play a role in the management of the relations with the unions, the deployment of management practices, IFA/GFA and what was projected as CSR. This conclusion was important in any scrutiny of the fundamental relationship with the workers. The last dimension, which could even be discerned in the use of symbolic activities on the part of the MNE actors. As has been explained earlier, the issue of control in the realm of “meaning” or the “discursive realm” explains power relations in economic, social and technological contexts. The notion of the “power of meaning” which resonates with the concept of hegemony (Gramsci, 1971) is founded on the “power of resources” which emanates from the basic economic activities of the MNE. Such “meaning” is crucial because of its subliminal nature.

It is within this power framework that the GUFs were expected to offer assistance. While such global unions were able to assist in partially meeting the needs of unions, their efforts have been circumscribed by the inherent difficulties within the “emerging economy” context. While a lot of feats have been chalked at the global level in any assessment of issues related to worker welfare, IFAs, these have not been translated into any successes outside Europe. IFAs have been more of a “passing European phenomenon” than an “emerging international regulatory approach” (Burkett, 2014), a position which we share. Even issues of some of the successes essentially driven by GUFs like “labour transnationalism”; “union coalitions”, “field-enlarging strategies”; “network-based cooperation”; “principle of solidarity”; “educational project activity” have not been recorded in Africa.
As Lillie and Lucio (2012) have noted, global capital through their control of international business practices and the narrative have been able to play unions in varied places, against one another through the “construction and exploitation” of differences. They had expressed fears about the inadequacies of the “global network unionism” which had evolved in response to the power of the MNE. Their call for either a “more systematic and structured union organisations of transnational scope” or another option, “a more concerted attempt at new forms of networking and a construction of a convincing radical counter-narrative to that of global capitalist competition” only offers a glimmer of hope for unions. It must be conceded that Lillie and Lucio (2012) had acknowledged the fact that their prescriptions were more Eurocentric, since their examples were basically European. This case study has shown that whatever “meanings” have been disseminated to the citizenry, the unions and the workers have been socially constructed by MNEs. Whether it is on CSR or the unions, or the total ignorance when it came to the IFA, the discourse has been the outcome of the “power of meaning” dictated by AngloGold.

The strategic transfer of organisational practices can be achieved from the perspective of its “success”, especially through the “internationalising” or the “institutionalisation” of these new practices (Kostova, 1999). Kostova (1999) who had focused on “successful transfer of practices” concluded that success was dependent on the deliberate promotion of such management practices and the “internalising” of such among the staff of the subsidiary. While Kostova (1999) saw such transfer as determined by “success”, Ferner et al (2011) saw it more as the extent of the adaptation of such practices. For AngloGold, transfer success is important for the discussion. Apart from the high expectations from the then AGC and the government and people of Ghana there were specific clauses in the “Business Combination” of 2004 with the then AngloGold (South Africa). AngloGold had won against Rangold (UK) because of its track record in deep level mining and good balance sheet. Within a period of ten years, the profile had declined, the Obuasi mine had to be shut down for “care and maintenance” and the introduction of a major retrenchment exercise from 6,000 to 700 workers. AngloGold then started their “yearly performance-based renewable contract” HR policy. Here only those who met the management-determined targets were going to be engaged when their contract expired. Meanwhile the next phase was going to be more capital intensive, with the continued use of “contractors”.

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There are emerging approaches to analysing management practices transfer. This “neo-institutionalist” approach however fails to capture the phenomenon of “power, coalitions interest and competing values systems” (Ferner et al, 2011). The paper is founded on Hardy’s notion of power encompassing “resources”, “processes” and “meaning”. As explained earlier the control is significant in terms of “meaning” which is constructed by the MNE. This is reflected in every aspect of the activities determined the “consensual paradigm”, whether it is related to flexible labour practices, “precarious work”, the use of a CCC as opposed to an IFA, which to all intents and purposes did not exist. The corporate branding and corporate identity practices here have been even more successful when it comes to CSR. The nation, the business sector and the mining sector have all been operating under the influence of the narrative of the MNE in their sole use of “corporate philanthropy” as their CSR.

The role of IFAs for this study was related to the profile of AngloGold as the only mining sector signatory to the IFA. This thesis reviewed various positions on IFAs, case studies, successes and failure in implementation. Despite the fact that AngloGold had signed on to this agreement in 2002 and 2009, there was no attempt on the part of the management to see to its actualisation and implementation. As explained in earlier chapters, the role of the then CEO, Bobby Godsell, was the driving force for the signing. After some time the AngloGold management abandoned this agreement, at least as far as the publicising, implementation and monitoring were concerned. For them these were serious obstacles to the interest of the firm. It was rather ironic, when one took into consideration the very essence of the joint press statement by the then ICEM and AngloGold in 2002. They had positioned the occasion as epoch making, and for the “promotion and implementation of good human and industrial relations in AngloGold operations world wide”, and the first global agreement in the sector and in the “developing world” (Torres and Gunnes, 2003). Specifically the NUM General Secretary also saw it as a “breakthrough” in guaranteeing that the sector respects and follows international best practices. While there were a few non-European case studies, this study concluded that AngloGold could not be described as having a working framework agreement. Whether they are described in terms of policy cycles (Niforou, 2012) or from Herrnstadt’s (2013) perspective, context, implementation and enforcement, the Ghana case study showed that AngloGold was not a “working” signatory to the IFA.
AngloGold’s corporate commitment to a CCC showed the HR strategy it adopted after signing two framework agreements. The IFA is not mentioned in the operations, not known to the internal and external stakeholders, and does not exist on any corporate material and the website.

AngloGold’s code of conduct covered many issues, and focused on core values, safety, employment confidentiality and corporate governance issues. CCCs, described as “unilateral and paternalistic” (Thomas, 2011) were meant to prevent the potential for agitation by global NGOs in the eyes of MNEs while the GUFs saw it as a means of advancing the interests of the workers. Rowe (2005) had challenged the usefulness of the code because it was voluntary and was unable to deal with the “externalities” of globalisation in a “sustained” way. Also he thought that the global business community’s support for the corporate code of conduct was essentially for instrumental purposes. Here it was to avoid agitation against the powers of the MNEs and the implication of any such discontent.

Naomi Klein (2000) had explained that for a decade the known codes were produced by PR companies when the media started investigative pieces into MNE business practices. There were cases like codes produced after the supply chain scandal involving Wal Mart, Levi and Disney. These codes had shareholder material. The codes which were then positioned as CSR compliant, then moved from concept to an industry level with consultancies offering “social auditing and reporting” and “risk assessment services”.

CCCs then started “assisting business in redefining the expectations of society instead of responding to them” (Justice, 2002). Dan Gallin (2008) in re-examining framework agreements distinguished between IFAs and such codes, and described these corporate codes as instruments for countering labour critics and for bringing to the minimum any suggestions for “external regulations” or negotiations. These codes in certain instances were utilised as an armour against public opinion or to prevent any agitation for unionisation. A review of 182 codes showed that only 40 identified ILO conventions on “freedom of association” and the “right to collective bargaining” and such codes were more for “union avoidance” (Gallin, 2008).
CCCs from the perspective of MNE’s, became the softer option for IR and was utilised very much by MNEs (Gallin, 2008). The anti-union agenda was seen in some codes (Caterpillar, DuPont etc.). In 2005, this document was reviewed with moves undertaken to work on “implementation, evaluation and monitoring”. In 2007, IndustriALL also provided funding for shop steward activities for NUM’s delegation to Ghana. Meanwhile FES in collaboration with the GUF created the “AngloGold Africa Continental Shop Stewards Council” for solidarity among the continent’s AngloGold workers for better workplace conditions and also monitor operations. In 2012 in Denmark IndustriALL decided to focus on GFA for the purposes of upholding several forms of workers rights. Although IndustriALL engaged in a lot of activities especially in the area of “precarious work”, there was no fervent attempt made in seeing to the implementation of the IFA/GFA. There had been some attempts by IndustriALL to facilitate the process, but these were not far reaching enough. The 2012 conference report titled “Review of Experiences and Way Forward for the Future” had stated that despite the challenges at the implementation level, the GFA had to work. Also there was a call for activities to make it work in the SSA.

James Rowe (2005) described CSR as “business strategy” when there emerged the threat of public regulation against the interests of global capital and also the way of ensuring “legitimacy” (Edwards et al 2007), or an opportunity for getting a “license to operate”. This is also reflected in the two ways, a CCC (“management initiative”) or an IFA (“negotiated agreement”) (Edwards et al, 2007). The critical engagement of CSR provides a more comprehensive picture of CSR, especially among the two major stakeholders, beyond the “externality recognition” (Colin Crouch, 2006) or “sustainability” perspective. In the area of awareness and knowledge, CSR as a phenomenon as explained earlier was the issue which attracted responses from all the respondents. Whether such individuals were in mining or labour related sectors they offered very comprehensive answers to the issue when that aspect of the instrument was raised. These responses saw CSR as the contributions which had been publicised in the media on AngloGold’s corporate philanthropy. This ranged from offerings in education, health, infrastructure, sports and also to some extent capacity building. There was a deliberate strategy to use CSR as a “differentiation strategy” for instance, outside the numerous theories mentioned earlier. Here in the eyes of McWilliams and Siegal (2001) labour inputs and extra inputs like wages and benefits
for enhancing social performance, will come under the grouping of “progressive” HR practices and the employees to actualise these CSR related policies. But on the other hand, the more ethical leaning of CSR was articulated by the principles of “social responsibility” as promoted by the International Standard GS ISO 26000 (Ghana) (See 2.5 Corporate Social Responsibility (CSR). CSR is also a larger framework for these options which were seen as building blocks for global industrial relations by the unions while for the MNEs, IFA and CCCs were an integral aspect of the CSR strategy. For the unions, IFA were part of the broad CSR strategy without any sincere concern for ensuring reforms in the global world of work. CSR as normative behaviour.

For the purpose of an objective examination of CSR as far as the two stakeholders are concerned the major benchmark will be the way these key groups see CSR. Do they all and as individual groupings see CSR as a real commitment to meeting ILO’s major standards as a prerequisite in any comprehensive examination of the interests of ILO, IFA prerogative and fair labour policies and practices? How related are their positions to collective bargaining, “decent work”, “precarious work” and an absence of discrimination in any compensation and remuneration schemes? These benchmarks should encompass the firms, subsidiaries and the supply chain. Meanwhile the construction of “labour reality” should not be hinged on the narrative of one of them, especially the more powerful, which is the MNE employer. This narrative should not be the sole prerogative of what the PR and Sustainability units churn out when it comes to the activities of the MNE which it vigorously pursues. The other side or the counter narrative should be offered not only by the few critical NGOs, academics, researchers and labour activities, but also by the worker groups. This will call for more capacity building activities.

Finally it can be concluded that global capital has always had the upper hand by controlling workplace practices and narratives, through the concept of competition. Economic progress has now been linked to this notion of globalisation. MNEs operate in such global markets, while the unions, nations, and in some cases communities strive for patronage from such multinationals. In the process, unions have been at the losing end, because they do not have the requisite strategies to regulate the activities of these powerful MNEs within their countries, or outside their borders. Under such circumstances, labour laws and unions’ efforts have become localised and embedded in institutionalised relations to the national and regional labour spaces through state institutions.
of “class compromise” (Crouch, 1993). While MNEs have maintained a strategy of flexibility and expansiveness, union tactics have remained national and static in character. The essence of globalisation is competition which is founded on national and local peculiarities which make unions more focused on the local than the loyalties dependent on class, since global capital ensures competition and exacts concessions by feeding on such cracks (Lillie and Lucio, 2012).

8.2 Limitations

The major limitation of this study was the fact that this thesis dealt with three major areas in IR, in an emerging economy context. While there is a dearth of articles on MNEs and unions, this effort could have offered a fine opportunity for an in-depth examination of any of these specific IR areas: management practices transfer, IFA, and CSR, using an MNE and the unions. While the IR analytical field has made some contribution to the social sciences at the global scholarly level, like the “Sage Handbook of Industrial Relations” edited by Paul Blyton, Nicholas Bacon, Jack Fiorito and Edmond Heerg (2008), moving from the union-employer relationships and bargaining at the collective level to all forms of employment relations, the African continent has not seen much in IR and trade unions research beyond “Industrial Relationship in Africa”, (2007) edited by Geoffrey Wood and Chris Brewster. It must be noted, as the editors explain that Africa receives only 1 percent of global foreign direct investment (FDI) translating into very low levels of research in IR, labour market, employment practices.

Scholarly thinking it must be acknowledged within the IR context has gained from the wider field rather than the narrow emphasis on the union and employer’s relationship and collective bargaining to a fuller examination of the employment relationship. One other challenge was the issue of the role of the state in IR, especially in emerging economies, where the state has a major role in managing and regulating employment relations as both a regulator and a player. The role of the state and the issue of the political environment as they determine the institutional context is also very relevant to IR scholarship.

There were other challenges which were theoretical/conceptual, and methodology related. The notable lacuna created by little or no research in IR research, means that not much theoretical
and conceptual underpinning will be discerned in the few works undertaken in Africa. IR scholarship at the global level is underpinned by empiricism and also the case study methodology and is explained by the systems theory. There is also a dearth of literature in management practices transfer and transnational labour movement. Specifically within the labour movement, especially in the area of transnational companies, there are issues of power as a basic principle in conflict contexts: “structural, institutional and coalitional” (Brookes, 2013), and other areas of study like labour geography, “comparative institutional analysis” and “sociological and industrial relations literature on union revitalisation” (Brookes, 2013). Most of such studies should be conducted within the political contexts determined by each country’s particular history. At the moment research effort have been dependent on case studies from European, USA, Australia, and Latin America with only a few in Africa. The African cases were more narrative in nature, without any strong academic analysis and theorising in most cases focusing on select countries. Even here, apart from the number within the English speaking tradition, there was little coverage of the Maghreb and French speaking countries (Wood and Brewster, 2007).

Other issues which arose as far as this study was concerned, showed that there were other limitations. First, taking the significance of AngloGold as the sole signatory of the IFA in the mining sector, some more in-depth research could have been undertaken, at least at the Headquarters level, involving the South Africa unions. Perhaps an investigation of at least one other emerging economy subsidiary would have been appropriate, to further “unravel home and host country effects”, (Almond et al, 2005). Other issues could have been matters relating to the relationship with the unions and how CSR was positioned.

This thesis effort would have been enhanced tremendously if the original intention to compare two MNEs, AngloGold Ashanti, Ghana and Newmont Ghana Gold materialised. The IR literature would have been immensely strengthened with the in-depth investigation of these two mining giants, who were then described by the Chamber of Mines Chief Executive as the leading companies in Ghana. This opportunity was lost because of access barriers, when the company through the head of Public Relations and the Director of Sustainability refused to allow access to the company and its executives. The thrust of the thesis had to be changed from a comparison study to a case study of AngloGold, with emphasis on the unions, management practices transfer,
the IFA and CSR.

8.3 Practical Implications and Further Research

There are practical implications and further research opportunities as far as the discipline of IR and specifically union-employer relations are concerned, for academics, social groups and policy makers. One other area which will call for further research is the gap of knowledge in the role of the state in IR theory since IR theorists have always taken the position that IR should be divorced from policies. Actually this is more of a global phenomenon as Hyman (2008) explains, but the need could be more pressing within the emerging economy context, because of the huge role that the state plays as an employer and a referee/regulator when it comes to IR issues. Hyman (2008) acknowledges that there is no broad theory of the state, but research in the area of IR has to examine the state’s role and the larger political context as they determine the wider institutional context which is important to any analysis of IR.

Within the field of IR there are not many in depth studies involving MNEs outside Europe and the North America. Specifically within the areas of management practices transfer and IFAs there are only a few studies. According to Niforou (2014) the few case-study efforts on IFAs which are arrangements by countries outside Europe concentrate on the justification for adopting IFAs as opposed to the practice and compliance at the local levels. It is also expected that such research will encompass qualitative examinations of such global agreements across the supply chain of such multinationals being investigated. Almond et al (2005) also identify a limitation, the fact that their study on “home” and “host” effects focused only on “developed market economies”.

Another area which will need some further investigation in any discussion of the “contested role” of worker voice is the option to utilise theoretical arguments to test the practical implication of the various alternatives. Any effort in this direction can assist in reshaping and reinvigorating IR and also ensure their problem solving capabilities. Essentially in the face of the decline of the unions in meeting the needs of employees we can ensure the activation of the autonomous voice of the worker.
How can the current IR theories assist in predicting very successful outcomes in any worker agitation? Can investigations be done using the meta-theories and their frames of reference (unitary, pluralist and radical) and what each is predicting? Interestingly, there is the suggestion of “meta-triangulation” where both the theoretical and analytical perspectives are examined simultaneously? (Tapia et al, 2015). How practically useful will such studies be for Africa with its poorly developed unions and labour architecture?

Within the middle-range theories, there are challenges which have surfaced like structural changes in workplace and employment practices. The issues range from “regulated contexts” with strong unions, employers and “collective bargaining” to unconnected workplaces where companies are operating in “networks forming global value chains” in various institutional settings, and other players like CSOs. Specifically in the emerging economy context, studies can be undertaken to find out the extent to which these developments can be framed within IR, to measure the potential of the unions under these trying circumstances.

There are challenges in a substantial amount of IR academic and research. This will call for more attention and funding for research in Africa, perhaps with the collaboration of European academics and researchers. Apart from the identification of this deficit, there are real issues of access, which can only be overcome when multinationals realise that such research efforts are collaborative projects between researchers from the advanced world and their African colleagues. It is also advised that a lot more efforts can be put in collaborations between GUFs and their national and local colleagues in Africa for the purposes of re-orienting and enhancing the capacities of African unionists to meet the imperatives necessitated by MNEs in the areas of IR or specifically the contested role of employee representation. There is a lot of room for educational and institutional assistance which can be commissioned by GUFs. For instance, in 2005, the then ICEM as part of a worldwide campaign on “contract and agency labour” funded research into the plight of contract workers in Columbia, which eventually culminated in “organizing successes” (Cotton and Royle, 2014).

Another major area of collaboration will be the ability to undertake activities based on the organising principle of “subsidiarity” which means that the institutional power of the GUF
resides in local affiliates with the central body providing, determining, coordinating and monitoring support (Marteau, 2006). Other forms of “organizing successes” which can be embarked upon are “field-enlarging strategies” (Wever, 1998) and “forms of labour transnationalism” due to various “worker-to-worker” and “union-to-union” competition and various traditions and transnational regulation practices (Anner et al, 2006). Another form of labour power which can be utilized within the varieties of power in transnational campaigns are the “structural, institutional and coalitional power” (Brookes, 2013).

Apart from the preceding tactics identified, the global decline in the influence of unions and the evolution of varied alternatives for “worker voice representation” also call for a paradigm shift in orientation and action for IR generally and employee representation in particular. The discussion of the contested role of worker voice also offers an opportunity to fill the void which has emerged because of declining trade unionism. The Tapia et al (2015) propositions issue offers some promises for global unionism. They had identified new sources like “high-performance work systems” (HPWS), CSR initiatives, “international forms of voice and representation” and CSOs as instruments for promoting the social function of worker voices. This approach is recommended due to the fact that they are seen as “four empirically salient forms” (Tapia et al, 2015) with huge potential for promoting strong unions.

In conclusion, it is the submission of the author that based on the requisites for an IFA (Hammer, 2008a, 2005b; Williams et al, 2013; Niforou, 2012, 2014; Herrstadt, 2013) ranging from signing the agreements, the IFA policy cycle, essential elements of a successful, framework of minimum labour standards to their meeting the dictates of the four major democratic principles (legitimacy, representation, transparency and accountability), AngloGold Ghana cannot be described as an IFA signatory. For the company to be qualified to be described in the IR literature, as an MNE which is not just an IFA signatory on paper it will need the assistance of the GUF, IndustriALL, International Trade Union Confederation funding institutions and foundations to start the process for the implementing of their IFA.
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APPENDIX

QUESTION GUIDE

1.0 Understanding of Concepts, Issues, Agreements and Associations among Respondents

1.1 International Labour Organisation’s (ILO) Core Labour Standards (CLS)
1.2 International Framework Agreement (IFA)/Global Federation Agreement (GFA)
1.3 Corporate Code of Conduct
1.4 Labour Policies and Practices
1.5 Corporate Social Responsibility
1.6 Transfer of Labour Policies and Practices
1.7 Global Union Federation
1.8 IndustriALL
1.9 Ghana Mine Workers Union (GMWU)
1.10 National Union of Mineworkers (NUM)

2.0 AGA and International Agreements and Associations, Issues and Concepts related to IFAs/GFAs Labour Practices, Transfer of Labour Practice

2.1 AGA and ILO’s CLS
2.2 AGA and its IFA and GFA
2.3 AGA and its Corporate Code of Conduct
2.4 AGA and its Corporate Social Responsibility, Corporate Social Investment and Sustainability
2.5 AGA and its Labour Practices
2.6 AGA and the Transfer of Labour Practices
2.7 AGA and its links with Global Union Federation
2.8 IndustriALL
2.9 Ghana Mine Workers Union
2.10 National Union of Mineworkers (NUM)
3.0 “Fundamental Principles and values” (3) and Implementation (4) for the ICEM-AngloGold Global Framework Agreements

1. “Fundamental Principles and Values”
   - Human and fundamental rights with no discrimination
   - Elimination of forced/compulsory and child labour
   - Elimination of discrimination and promoting equality in employment
   - Safe and healthy workplace and the environment
   - Relations with and contribution to communities
   - Ensure “socially responsible approach” in any “restructuring” to all stakeholders
   - Promote GRI and UNGC “principles and standards”.

2. Implementation
   - Meeting times, what level and justification for meetings
   - Discuss the following:
     - “General industrial relations issues”
     - “Health and safety”
     - Environment
     - “Corporate policy”
     - “Employment”
     - “Occupational health”, safety and environmental issues’ within and across operations
     - “Economic and financial” situation of company
     - “Training and education”
     - Union rights issues
     - Any other issues agreed on
     - “Adhoc sub-committee”
     - Information sharing
     - Facilitation of meetings by AngloGold
     - Administration of the Agreement
ICEM - AngloGold Global Framework Agreement

Lesiba Seshoka, 26 May 2009

The International Federation of Chemical, Energy, Mining and General Workers Unions (ICEM) led by NUM President Senzeni Zokwana will tomorrow sign a Global Framework Agreement with mining giant AngloGold Ashanti.

The signing ceremony will take place at the Midrand Conference Centre tomorrow during the international briefing gala dinner.

The agreement provides a framework through which unions falling under the ICEM scope would engage with the company. It also commits and binds the parties to adherence with the International Labour Organisation (ILO)’s Core Labour Standards.

ICEM represents over 20 million workers globally. More information on ICEM can be found at www.icem.org.

A high level function has been organized for the signing ceremony for tomorrow at which a delegation from ICEM led by the President and General Secretary, Anglogold Ashanti, the NUM and other sister organizations will be present. The media is welcome to attend and can RSVP at Les...@num.org.za. A copy of the Global Framework Agreement is below. Guests will start arriving at 17H00.

For further information, please call Glen Mpufane, NUM’s Head of International Relations, 082 883 7299

Lesiba Seshoka, Head: Media & Communications, 082 803 6719, 011 377 2047,
Les...@num.org.za
GLOBAL AGREEMENT between ANGLOGOLD ASHANTI LTD. (AngloGold) and INTERNATIONAL FEDERATION OF CHEMICAL, ENERGY, MINE AND GENERAL WORKERS' UNIONS (the ICEM)

on

THE PROMOTION AND IMPLEMENTATION OF GOOD HUMAN AND INDUSTRIAL RELATIONS IN ANGLOGOLD OPERATIONS WORLDWIDE

1. PREAMBLE

1.1 AngloGold is a South African based gold mining company with business operations in several countries around the world. The ICEM represents trade unions that organize workers in the mining industry worldwide.

1.2 AngloGold and the ICEM record their mutual interest in the development and sustainability of the gold mining industry worldwide, and in good human resources and industrial relations practice.

1.3 AngloGold and the ICEM agree to give practical effect to their common interest and accordingly enter into this agreement to:

- Create an effective channel for an ongoing dialogue between them to protect their mutual interests;
- Advance and affirm the principles and values of internationally accepted labour relations and human resource practice;
- And establish a procedure for the resolution of disagreements that may arise from time to time.

1.4 In pursuance of this objective and of advancing the interests of all stakeholders in the gold mining industry the parties seek to promote an industry that is safe, humane and productive
2 APPLICATION

2.1 This agreement is intended to apply to operations, wherever situated, over which AngloGold has direct managerial control. The parties are committed to developing trusting and constructive relations to ensure effective application of this agreement.

2.2 The parties intend for this agreement to enhance but not to interfere with or replace principles or practices already established in terms of local legislation or regulation or through collective bargaining.

2.3 AngloGold respects the right of its employees to freely decide whether or not to establish or to associate with any legitimate trade union of their choice. AngloGold shall remain strictly neutral concerning its employees’ choice in the matter.

2.4 In instances where AngloGold does not have direct control or in the case of subsidiaries the company will exercise its best effort to secure compliance with the standards and principles set out in this agreement in accordance with the economic, labour and cultural realities specific to each country in a spirit of continuous progress.

3 FUNDAMENTAL PRINCIPLES AND VALUES

The parties respect the following principles and values:

- the promotion of universal respect for and observance of human rights and fundamental freedoms for all, without distinction as to race, gender, language, national extraction, social origin, political opinion or religion;
- the rights of freedom of association with due regard to the principles underlying ILO Convention 87;
- the determination of the terms and conditions of employment through appropriate mechanisms, with due regard to the principles underlying ILO Convention 98;
- the elimination of all forms of forced and compulsory labour as proscribed by ILO Conventions 29 and 105
• the effective abolition of child labour as proscribed by ILO Convention 138 and 182
• the elimination of discrimination and the promotion of employment equality in respect of employment policies and practices, with due regard to ILO Conventions 100 and 111
• the provision of a safe and healthy working environment by the application of industry best practice’
• the conduct of mining operations with proper regard for the environment and for the health and safety of all those involved, and the public at large;
• the promotion of good relationships with local communities and a positive and meaningful contribution to community activities;
• the promotion of a socially responsible approach to the restructuring of its units and activities, including adequate notification of changes likely to affect the workforce, surrounding communities and the environment ;
• the promotion of those principles and values referred to in the Global Reporting Initiative (GRI) and the United Nations Global Compact.

4 IMPLEMENTATION

4.1 Review and Application

The parties agree to meet annually at corporate level, that is not at operational or regional level, to review past practice and to preview future plans relevant to their interests, and to discuss the terms of this agreement.

4.2 In addition to the general industrial relations issues and health and safety and the environment, the following topics may be discussed at corporate level, if so agreed in advance:

• General corporate policy on employment, occupational health, safety and environmental issues and challenges affecting those within the company and, as appropriate, between the company and its related companies including suppliers and subcontractors
• The economic and financial position of the company and the development of its business and related activities
• Training and education matters
• Issues affecting the exercise of trade union rights
• Any other issues mutually agreed upon.

4.3 An ad hoc sub-committee will be established when necessary to consider plans and proposals placed before it by either party following any alleged breach of accepted standards of conduct that could not be resolved at corporate level as per 4.1.

4.4 Information Sharing and Training

The parties agree to distribute copies of this agreement throughout their organisations to each appropriate level and area, and to advise the parties of their rights and duties under this agreement in the relevant language of the country concerned. (Additional wording)

4.5 AngloGold Ashanti will consider facilitating meetings between shop stewards from relevant operations when specific issues of common interest are identified such as labour relations training and collective bargaining training, and where it is agreed by the parties to be in the interests of both ICEM affiliates and AngloGold Ashanti.

5 ADMINISTRATION AND DURATION

5.1 The General Secretary of the ICEM or a designated nominee and the Chief Executive Officer of AngloGold or a designated nominee is responsible for the administration of the agreement.

5.2 The agreement will come into effect once signed and remains in force unless otherwise agreed or amended, or terminated by either party giving three calendar months’ notice, in writing, to the other.

Signed:

Manfred Warda, General Secretary, ICEM
Robbie Lazare, Executive Vice President: Human Resources, AngloGold Ashanti
Senzeni Zokwana, President, ICEM

Source: ICEM-AGA (GFA), Retrieved on April 26, 2015