

Effects of the demise of Zimbabwe's mining industry's Corporate Social Responsibility on employees' livelihoods; a case of Hwange colliery mine in Matabeleland north province

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Abstract: An assessment on how employees and the general populace view the possible effects of the demise of Zimbabwe's mining industry's Corporate Social Responsibility on employees' livelihoods was carried out in Hwange Colliery Mine in Matabeleland north province. Hwange colliery mine is an isolated, remote single industry with limited alternative job opportunities. It is imperative that due to obsolescence of machinery and the economic meltdown facing the nation the company was forced to scale down its extraction operations to 30%. The study therefore grounded on establishing how people perceive the negative socio economic impacts resulting from the mining sector's inability to honor its corporate social responsibility obligation. It was premised on advancing mining employees' conditions of service and restore sanity in the country's mining sector. The study used a descriptive survey design which according to Borg, (1989) is an approach used to quantify attitudes, opinions, behaviors, defined variables and generalize results from a larger population. The target population for this study was all the employees in the lower tiers of the mine's organizational structure/ organo-gram popularly known as the laborers currently standing at 2000 individuals (HCCL Human Resources records of 2017). Thus the research cut across all the departments in the tiers ranging from grounds-men, cleaners, mine security personnel to miners. A sample of 60 respondents was purposively drawn from the population for the purposes of generating accurate data from rightfully informed participants. The questionnaire was used as the primary research instrument for collecting data in the study. It comprised of closed ended questions, rating scale questions, and multiple choice questions so as to facilitate an easier collection of quantifiable data. Thereafter the collected data was coded or classified according to responses generated from different respondents used in the study. The researcher then carried out an inferential analysis of the data and arrived at generalized judgments about the whole research.

Keywords: demise of, mining industry, Corporate Social Responsibility, job opportunities, economic meltdown, socio economic impacts

I. Background to the study

The mining industry has in the past demonstrated its indispensability in the frontiers of infrastructure and socio economic development in Zimbabwe and the sub Saharan region at large. However the glaring picture characterizing mining in the country now is a clear testimony of the collapse of the giant industry which used to be the cash cow of most nations in the developing Africa. The demise can be attributed to threats posed by the current political situation, social instability and most importantly, the unfavorable micro and macro-economic conditions which make extraction difficult, costly and unviable. Zimbabwean mines as a result are therefore shutting down leaving employees and their dependents vulnerable to diverse social catastrophes. World Bank, (2001) opines that it is critical that on mine closure companies design sustainable plans to ensure continued livelihood for the employees and their families.

Hwange Colliery Company Limited (HCCL) is the largest producer of coal and its related products in Zimbabwe and the sub Saharan region as a whole (Shumbayawonda, 2000). It is an Anglo-American established company located in Matabeleland North Province in Zimbabwe, and through the country's indigenization policy the government owns 37% of the company's shares. As cited by Ndlovu et al, (2015) the company used to enjoy large reserves of coal seams but with the recent introduction of the indigenization policy by the government of Zimbabwe (GOZ), the company lost many of its concession areas to competitors and found itself being surrounded by numerous small scale and artisanal coalmining companies such as Makomo Resources, Coal Brick and W & K Minerals; which are now a threat to the giant company which used to enjoy a business monopoly. Consequently, the company has lost most of its traditional customers both locally and internationally. The general economic meltdown in Zimbabwe since the mid 2000 also affected HCCL's financial status which cascaded down to the employees who have now gone for years without salaries and wages. Many business partners lost faith in the company and opted to transact with the company in cash as a risk cutting measure. This coupled with surmountable pressure from other frontiers worsened the situation of the company and production

levels consequently started to decline drastically hence forcing the company to fail to honor its obligation of paying employees on time.

Remuneration of employees is generally considered key to organizational effectiveness, it is however a sad scenario that several companies are failing to pay wages and salaries for months and even years without any legal action being taken. Nonpayment of dues, as noted by Mcgeoch, (2008), "automatically entitles the employee concerned to bring a claim against his or her employer, which is not the case in Zimbabwe where the worker is regarded less human hence has limited rights. Companies such as Hwange Colliery Limited (HCCL) have even gone to the extent of carrying out massive termination of employee contracts without retrenchment package or any other form of compensation. No solution to the non-payment of salaries and wages seems imminent for HCCL as the company is at the peak of retrenching its employees even those in management positions. Generally, the non-payment of salaries and wages coupled with unplanned retrenchments has brought economic hardships upon HCCL employees and their families, hence causing untold suffering and forcing communities to resort to immoral activities to earn a living. In a stable economy non-payment of wages and salaries would expose and attract huge penalties from the perpetrators under the Wages Protection System Law," which is not the case in the present Zimbabwe.

The change of trade partners by government from western countries to the eastern countries through the look east policy is assumed to have contributed significantly to the misfortunes of HCCL as the company risked losing lucrative viable markets in the western block. According to (Chronicle Newspaper, April, 16, 2014) as cited by Ndlovu et al (2015) many companies and industries in Zimbabwe closed down during the period due to the economic down-turn and this as a result contributed significantly to Hwange's loss of local markets of huge conglomerates such as Zisco-Steel, which used to buy large consignments of high grade coal for its coke production. However, it has been noted that in spite of long periods of non-payment and massive retrenchments HCCL employees have continued to live a dejected lifestyle punctuated with hunger, poverty and incessant starvation; this has become order of the day as people fear victimization and uncertainties of the future.

It is against this sad background that the study sought to establish how people particularly mining employees perceive the impact of the country's mining industry's failure to meet its Corporate Social Responsibility obligation on worker's livelihoods, with particular reference to Hwange colliery mine in Zimbabwe's Matabeleland north province. The current scenario where most mining companies seem not to be concerned about their employees' wellbeing and plight as they fail to provide even for the basic physiological needs of workers has generated the interest of the study in a quest to establish the coping strategies being adopted to enable people to survive under the harsh conditions.

1.1 Statement of the problem

Hwange colliery mine in Matabeleland north province is an isolated, remote single industry with limited alternative job opportunities. Its economy revolves around the extraction of coal which apart from being consumed locally in the generation of electricity by the Zimbabwe Power Company ZPC, the bulk is exported elsewhere due to lack of industrial and other commercial activities in the area. Obsolescence of machinery and the economic meltdown facing the nation has forced the company to scale down its extraction operations to 30%. This contributed significantly to the demise of the company's Corporate Social Responsibility obligation, as the company has now become synonymous with violation of the workers' rights. The chronic viability challenges resulted in the company's failure to pay wages and salaries to hundreds of its workers who automatically have become victims of massive retrenchments, hence exposing them to escalating levels of poverty and incessant starvation. The study is therefore grounded on establishing how people perceive the negative socio economic impacts resulting from the mining sector's inability to honor its corporate social responsibility obligation, and is premised on advancing mining employees' conditions of service and restore sanity in the country's mining sector.

1.2 Research Questions

- How do employees perceive the effects of the demise of Hwange's Corporate Social Responsibility on their socio economic lives?
- What strategies do HCCL employees use to ease the effects of non-payment of salaries, massive retrenchments and other harsh conditions they are exposed to?
- How can the Government of Zimbabwe (GoZ) and other stakeholders advance conditions of service for employees and restore sanity in the mining sector?

1.3 Significance of the Study

The study comes at a time when massive retrenchments and nonpayment of employees is at its peak at Zimbabwe's giant coal mining conglomerate; Hwange Colliery Company Limited. It is therefore opined that the study helps to edify (GoZ) and its stakeholders so that they adopt appropriate intervention strategies to cushion

workers' plight as they have become so vulnerable to inhumane treatment. Mining employees elsewhere in the country and the sub Saharan region at large in the same quandary will also benefit from the findings as it will impart them with knowledge and skills of surviving under such intricate circumstances. The nation will also benefit from the study since the non-payment of employees and massive retrenchments without remuneration is not a problem recognizable to HCCL alone, but has since affected many organizations in Zimbabwe since the emergence of the economiccrunch as cited by (Ndlovu et al, 2015).

II. Research Methodology

The study used a descriptive survey design which according to Borg, (1989) is an approach used to quantify attitudes, opinions, behaviors, defined variables and generalize results from a larger population. The target population for this study was all the employees in the lower tiers of the mine's organizational structure/ organo-gram popularly known as the laborers currently standing at 2000 individuals (HCCL Human Resources records of 2014). Thus the research cut across all the departments in the tiers ranging from grounds-men, cleaners, mine security personnel to miners. A sample of 60 respondents was purposively drawn from the population for the purposes of generating accurate data from rightfully informed participants. The questionnaire was used as the primary research instrument of collecting data in the current study. It comprised of closed ended questions, rating scale questions, and multiple choice questions so as to facilitate an easier collection of quantifiable data. Thereafter the collected data was coded or classified according to responses generated from different respondents used in the study. The researchers then carried out an inferential analysis of the data and arrived at generalized judgments about the whole research. The geographical boundary in this study was Hwange urban focusing on workers who were still employed and those recently laid off but still staying in company houses in the year 2017.

III. Results and Discussions

3.1 Psychological effects on employees as a result of failure by the company to honor its corporate social responsibility obligation

HCCL employees were asked about how they were affected by the company's collapsing corporate social responsibility and massive retrenchments as well as what motivated them to keep on reporting for duty and staying in company cottages. The general observation was that most employees were intrinsically motivated and had the notion that the operations of the company would turn around and change for the better in the near future. Some however retorted that they could not relocate elsewhere as the company still owed them huge sums of money as retrenchment packages. On psychological implications of the harsh, ruthless conditions it was established that issues to do with the employees' self esteem, confidence, dignity and respect were adversely compromised hence the reason why most workers had the perception that they had become vagrant and outcasts in the society.

The findings indicated that most employees have been affected emotionally by the company's failure to meet its corporate social responsibility obligation and massive retrenchments under the guise of rationalization. The observed scenarios on the variables of interest as shown on table 3.1 and figure 3.1 below were as follows; self esteem (25) 42%, confidence (15) 25%, dignity (8) 13% and respect (12) 20%. Majority of respondents believed that they had lost self esteem, confidence, dignity and respect due to the company's failure to honor its corporate social responsibility obligation, and its execution of massive retrenchments as a cost cutting measure. This concurs well with Ndlovu, et al, (2015) who opined that negative psychological effects could result, as in developing African economies salaried employees' self-worth is often ascribed to financial benefits.

Table 3.1: psychological effect on employees

Psychological effects	Number of respondents	%
Self esteem	25	42
Confidence	15	25
Dignity	08	13
Respect	12	20
Total	60	100

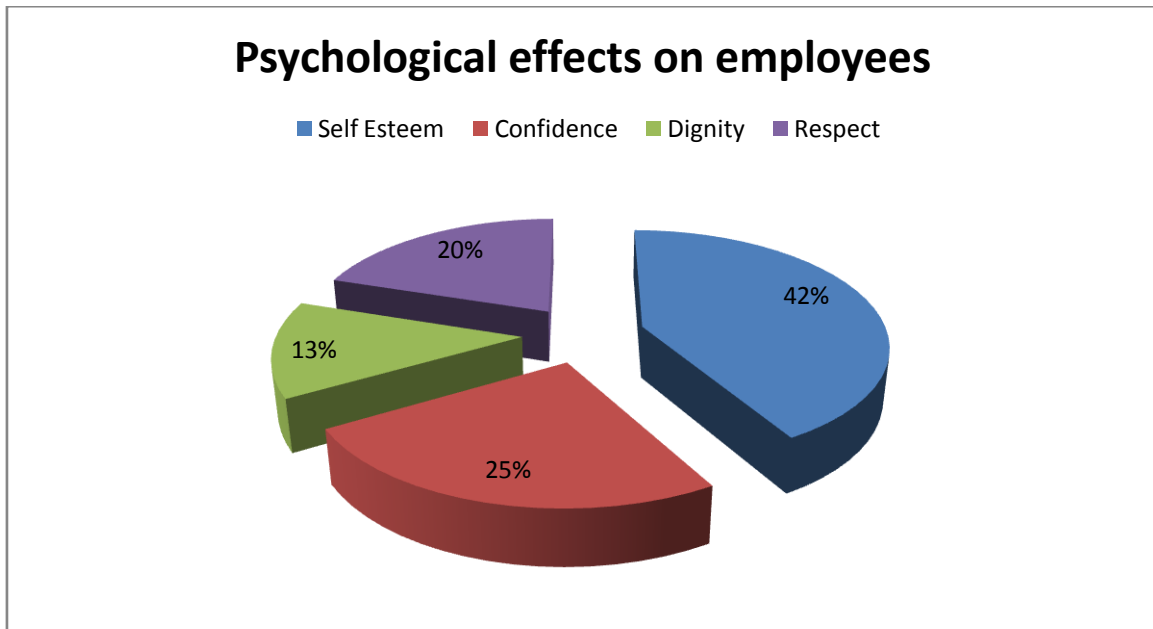


Figure3.1: psychological effect on employees

3.2 Coping Strategies used by HCCL Employees

The respondents were asked to identify and evaluate the suitability of the coping strategies they were adopting to evade the catastrophic effects of the harsh conditions compounded by massive retrenchments. The common and popular coping strategies raised comprised; provision of food hampers& handouts, self help projects/ SMES, Cash advance & credits as well as remittances particularly for those with relatives plying trade in Zimbabwe's neighboring states mainly South Africa and Botswana.

Table3.2: Coping Strategies used by HCCL Employees

<i>Coping Strategy</i>	Number of respondents	%
Food hampers& handouts	26	44
Self help projects/SMES	17	28
Cash advance & loans	11	18
Remittances	06	10
Total	60	100

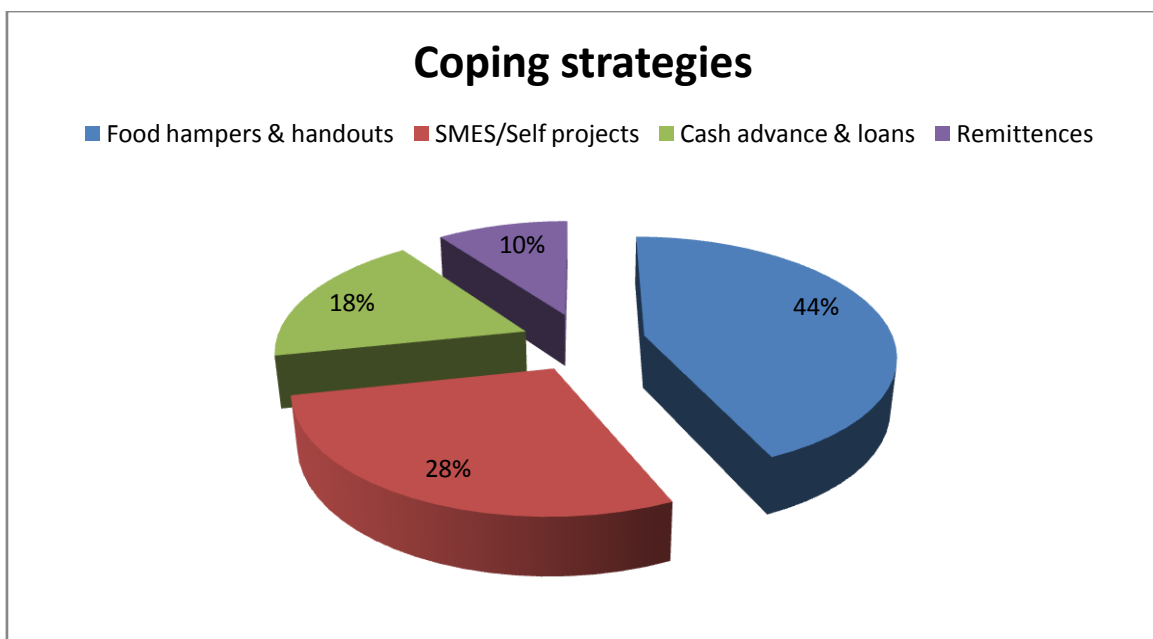


Figure3.2: Coping Strategies used by HCCL Employees

The employees were asked to evaluate the adequacy of food hampers and handouts which they were being given by the company to compensate nonpayment of salaries. It was established that the provision of food handouts though not adequate as evidenced by the (26) 44% of the respondents, were significant in cushioning the food and nutritional deficits for the families, as the employees had limited disposable incomes to spend on food items.

Though the quantities issued were too little compared to individual family needs and also the contents do not cover all the needed basic food items it was noted that most families had to adjust their feeding habits, and ration the meals. On probing whether respondents have time for engaging in small to medium enterprises SMEs or self help projects to augment scarcity of financial resources as tabulated in table 3.2 and figure 3.2 above, the findings indicated that a significant number (17) 28% of the employees though not having adequate time for such projects, were into SMEs; trading in a wide range commodities along the streets. This therefore meant that there were no better alternatives for employees to engage in other off mining viable activities elsewhere in a quest to survive. On cash advances & loans, the findings indicated that the company has no such facility in place at the moment as it is struggling to settle its debts with former financiers and is on the verge of collapsing. Remittances though cited as a sustainable option for those with relatives in the Diaspora is insignificant as it accounts for 10% only. The dropping rate of exchange of the rand and other currencies used in neighboring states to the locally used United States Dollar US\$ was cited as the major stumbling block as people are so skeptical about sending money into the country and rather prefer to send consumables. Though the government has introduced an incentive scheme of 5% Bond Notes on every US\$ remitted into the country, people are still hesitant as they lack trust on the Bond Notes which only trade locally.

3.3 The role of the Government (GoZ) and stakeholders on conditions of HCCL Mine Employees

The study established that the lowest-paid employee generally receives US\$230 a month, insufficient to support the minimum food requirement for a family of five in a month. The meager salary/wage is lower than the poverty datum line, which the Consumer Council of Zimbabwe pegs at about US\$540.34 to sustain an average household size of five. This compounded by massive retrenchments and the company's failure to provide for social responsibility has worsened the plight and working conditions for the majority of workers in Zimbabwe. Employees feel that country's indigenization policy which coerced foreign companies into ceding 51% of their share-holding to the Zimbabwean government has fuelled their suffering as government's incompetency as a major share holder has resulted in the company's underperformance hence incapacitating it to meet its salary payment and social responsibility obligations. Employees therefore opined that the government in partnership with stakeholders should provide descent accommodation, sufficient proper nutrition/food items and water to improve their standard of living which has deteriorated to disgraceful proportions. Workers cited that during the company's hey days under the auspices of Anglo-American such items were provided for at an affordable, equitable and sustainable manner by the employer. They also retorted that the health care systems for the employees and their families have deteriorated and are in a sorry state calling for the responsible ministry to intervene, as employees' decent medical treatment is compromised. Government was also urged to accelerate the processing and payment of pension funds for victims of retrenchment as bureaucracy was causing unnecessary delays hence majority of the beneficiaries were dying before laying hands on their package/pension fund.

IV. Conclusions and Recommendations

4.1 Conclusions

Based on the findings of the study, it can be concluded that the demise of Zimbabwe's mining industry's Corporate Social Responsibility and massive retrenchments of employees has led to countless problems, including; psychological effects, Self esteem and confidence as witnessed at HCCL where integration of families is greatly compromised resulting in high incidences of family separation and family conflicts as alluded to by (Ndlovu et al 2015). The harsh and ruthless conditions have adversely affected employees' self esteem, confidence, dignity and respect hence the reason why most of the employees have become vulnerable and regard themselves vagrant and outcasts in the society. As household heads fail to provide for their families, some children have resorted to activities which society regards unacceptable such as drug peddling and prostitution resulting in high school dropouts, early child pregnancies and up scaling of the pandemic HIV and AIDS in the mining town. The study also concluded that the strategies used by employees at HCCL included food hampers/handouts; SMEs/self help projects, cash advance/loans as well as remittances. However, findings revealed that these strategies are not sustainable as they need a financial backup to sustain a range of employees' livelihood outcomes. The study also reveals that the Government (GoZ) and stakeholders are not doing enough to advance the employees' conditions of service as the majority is living under squalid conditions with meager incomes below the poverty datum line.

4.2 Recommendations

Based on the above findings and conclusions, the study recommended that:

1. There is need for a holistic approach by government and stakeholders in addressing the chief causes of the company's failure to operate at full capacity hence capacitating it to honor its corporate social responsibility and stop massive retrenchments.
2. There is need to tackle the key factors causing poor performance by companies especially after the indigenization policy which coerced foreign companies into ceding 51% of their share-holding to the Zimbabwean government hence fuelling the suffering of employees particularly in the mining sector.
3. In order to share experiences, the study could in future include all companies in the country that are retrenching without paying retrenchment package and doing nothing to cater for the needs of employees as a social responsibility obligation
4. In the event that massive retrenchments persist in the mining sector the government needs to expedite the processing and payment system of pension funds for victims as bureaucracy was cited as a monster causing unnecessary delays.

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