



Managing industrial unrest: a Caribbean conundrum

On 10 September 2000, Michael Adams, the General Manager of Mesopotamia Brewery Ltd, was convinced that he had serious industrial unrest on his hands. Adams was especially concerned that, after two decades of being non-unionised, several of his supervisory workers had opted to form themselves into a trade union, a move engineered by Master Brewer Thomas Williams. They had secretly planned to shut the company down to achieve their demands for increased pay and benefits. This had emerged after the Production Manager, Daniel Stapleton, had written to Williams about poor performance, including negligence leading to missed shipping deadlines, embarrassment and loss of profit for the company. Adams was convinced that many of the experienced and generally responsible supervisors engaged in the union-forming exercise were unaware that Williams had received critical memos from his immediate boss. Adams' challenge was to ensure the well-being of his employees, while simultaneously averting the likely loss of market share and profit should the industrial action result in a general strike.

Mesopotamia Brewery Ltd

Mesopotamia Brewery Ltd was located on the 140 square mile Caribbean island of St Marc and employed 250 persons. The St Marc government owned 30 percent of the company. The remaining 70 percent was divided equally between European Brewers Ltd of Germany and G J Marksman Investments Ltd a locally-based family-owned company.

The Brewery began operation in October 1995. It was managed by an experienced civil engineer, Adolphus Grant, a local man who had previously worked for the St Marc electricity company. All the senior brewers had been recruited in Germany, and initially contracted for two years. Grant employed local staff to understudy the

This case was written by Julian (Jules) Ferdinand with supervision from Dr Richard Norman from Victoria University of Wellington at the Caribbean Case Course in Barbados, July 2004. It has been prepared as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation. The names of the company and of the individuals concerned have been changed to protect the privacy of all.

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expatriate brewers, so their knowledge and skill would be transferred. In addition, he arranged to have several of his brewers gain work experience with breweries in Germany, and enrolled them in the City and Guilds Brewers' Programme offered by the University of London.

Old rivalry between Williams and Stapleton

Master Brewer Thomas Williams and his immediate supervisor, Production Manager Daniel Stapleton, were both trained brewers who had completed the City and Guilds course and were considered successful brewers.

Apparently, there had been a longstanding rivalry between them. Stapleton had commenced work at the brewery several years before Williams. The members of the management team and several of Stapleton's subordinates viewed him as efficient and dependable. With his quiet, unassuming style, it seemed he was positioned to move steadily upward within the organisation.

Williams, however, had been "passed over" for promotion more than once, and on occasion had discussed with junior staff the "unfair" treatment he had received from the company. It was known he had approached Grant and complained that he, Williams, should have been promoted ahead of Stapleton, saying: "I obtained much better grades than Stapleton when we did our City and Guild's brewers' examinations." He had been reprimanded by Grant, and others of the management team, for attempting to discredit Stapleton by commenting that he was the more intelligent of the two.

Grant had not appreciated Williams' presumptuousness. The company's culture had reflected the philosophy that overall performance and attitude were just as critical as academic credentials when considering upward mobility in the organisation. He had concluded that Williams would not get very far if he retained such negative attitudes.

However, in 1990, when Stapleton was promoted to Production Supervisor, Williams was moved up to be Master Brewer. In this position he was again reporting to Stapleton.

Management changes at the company

Michael Adams had been asked to function as the General Manager of the brewery in October 1997, after a traumatic experience at the company. Both the Chief Executive Officer, Grant, and his Financial Controller, Aaron Moses, had had their employment terminated after the Board of Directors had conducted a forensic audit and concluded that they were guilty of "misappropriating company funds".

Adams had previously been Mesopotamia Brewery's Marketing Manager. It was just a few weeks after his promotion that the brewery's daily and fortnightly workers invited the St Marc Workers Union to represent their interests. The monthly-paid workers, including the supervisory staff, opted not to join. Additionally, several sought to dissuade their junior colleagues from introducing unionism to what had traditionally been a non-union plant.

Williams found deficient

There were several breweries located in the Eastern Caribbean. The market for brewed products was extremely competitive throughout the islands as these breweries vied to retain and expand their market share. It was therefore imperative that the various departments at Mesopotamia Brewery Ltd worked in unison to ensure that their quality products were delivered in a timely manner.

As Master Brewer, Williams was required to provide the Production and Finance Departments with regular, accurate production data. However, Stapleton soon discovered that many of Williams' reports were inaccurate. Stapleton was also concerned that Williams was spending too much time in his office and neglecting the supervision of the production area.

Junior staff in the brewery had also complained to Stapleton that Williams appeared not to want to get himself dirty. Additionally, his direct reports complained that he was not being an efficient mentor to them, and that he would often arrive more than an hour late for work. They felt he was hoarding information and was not interested in giving them access to the personal computer. He had been overheard saying,

“I get the work done much quicker when I do it myself. It takes too much time and effort to teach these guys how to operate the systems. In addition, I cannot afford to have anyone mess up the formulas that I have spent so much time preparing.”

When confronted about the production data problems, Williams complained that the computer software that was designed in-house to generate the data was deficient and that this was the cause of the inaccurate production reports. This was also presented as the reason why he had spent so much time in his office. Stapleton, however, who had to deal with the Accounts Department's annoyance at getting late data, was convinced that Williams was “setting him up to look bad”.

Williams' attitude toward Stapleton appeared to deteriorate following his annual performance appraisal in December 1998. Stapleton had recorded that “Mr. Williams' lack of follow-up greatly affects his quality of work,” and drew attention to the fact that his punctuality had given much cause for concern.

Written reprimands

On 6 October 1999, following an incident when Williams' failure to clear stored grain had led to a hold-up in production, Stapleton officially wrote to the Master Brewer. The letter, indicating that his “overall attitude towards work is unacceptable” (*Exhibit 1*), also referred to earlier concerns over punctuality and poor follow-up.

On 28 October Stapleton again wrote to Williams, this time to reprimand him for “inaccurate and late monthly reports of the Brewery production and warehousing operation” (*Exhibit 2*). This was after the Accounts Department had complained. On this occasion, Stapleton copied the correspondence to the General Manager, Chief Accountant and Personnel Officer.

Williams wrote a lengthy response to Stapleton's memo the following day, 29 October. Among other things he informed his immediate boss that he "will not be tolerating your obdurate behaviour any longer" (*Exhibit 3*). This correspondence was copied to the General Manager, Financial Controller, Operations Superintendent and the supervisors in the brewery (see organisation chart *Exhibit 4*).

On receiving his copy, the General Manager summoned Messrs Williams and Stapleton to his office. Lengthy discussions ensued in relation to the "conflicts". Williams was told that he was disrespectful to his immediate boss and needed to provide a written apology that was copied to the "audience" to which he had circulated his earlier correspondence.

Adams and Stapleton held private discussions immediately following the meeting with Williams. The GM informed the Production Manager that he was to ensure that Mr Williams did as was instructed, and that failure to comply should result in his suspension. This was especially necessary since he, the GM, was leaving on a business trip the following day and would not be back in office until the following week.

By the end of the day, Mr Williams' response was circulated (*Exhibit 5*). It merely stated: "Please accept my apology for my procedurally incorrect memo of 29 October 1999."

At four o'clock that afternoon, Stapleton telephoned Williams and informed him that he was suspended without pay until a meeting could be convened with the General Manager on his return to office on 4 November 1999. He confirmed this in a 3 November memo, which said the 29 October response had been "received and interpreted as being very insolent, and shows gross insubordination." (*Exhibit 6*)

Disrespect and unprofessional behaviour

At the 4 November meeting between Williams, Stapleton, the Operations Superintendent, and the Personnel Officer, the senior managers reprimanded Williams for his insensitivities, disrespect and unprofessional behaviour.

Adams informed Williams that he was disappointed in his behaviour and found it extremely distasteful that he had responded in this manner. Adams ended by saying,

"You are mature enough to understand and appreciate that you should have acted in a more professional manner. It is not my intention to demand that you take corrective action or be coerced to do so. You know what is right and should do so without being prompted. You know the right thing to do."

Stapleton did not receive the desired written apology by the end of the first week. The response was also absent at the end of the second week. Adams interpreted this as disrespectful to him as General Manager, as well as the other members of the management team. On 17 November he met with Williams, who made excuses that Adams did not find acceptable, without providing any written apology.

On 2 December Adams gave Williams an ultimatum. He should provide a written apology by the deadline of 10.00 am on 6 December or “I will have no choice but to impose the disciplinary action I consider appropriate for such an offence.” (*Exhibit 7*).

This time, Williams complied, and expressed his concern that the management team had lost confidence in him.

However, his punctuality continued to be a main cause for concern. He received further verbal and written reprimands that it was imperative that he improved in these areas. Reports from the Accounts Department also confirmed that he continued to provide erroneous reports. He knew then that any further infringements could result in the termination of his employment.

Supervisors form “Core Unit”

In January 2000 Williams received another unfavourable annual assessment from Stapleton, and was cautioned that his employment would be terminated if significant improvements were not visible in the next two months.

At this point he embarked on a campaign to have the supervisory staff develop a “core unit” in transition to being formed into a trade union.

He encouraged the warehouse supervisor, Brian Mitchell, to champion the cause of “the underprivileged workers at the brewery”. Mitchell was a well-respected and efficient employee who had built a reputation for championing the causes of the “underdog”, and he readily agreed to Williams’ proposal.

Over the following two months Mitchell and Williams canvassed the support of many supervisors and other monthly-paid workers throughout the organisation. They sought to impress their colleagues that they needed to agitate to get better salaries and benefits.

However, they agreed that it would be unwise to argue for enhanced general conditions. The company had already invested significant sums of money in providing transport to and from work, highly subsidised hot meals, extremely good medical benefits and was contributing 7.5 percent of staff salaries to an enhanced pension programme in addition to National Insurance Scheme contributions.

On Friday, 2 June 2000, Mitchell sent a memo to the General Manager informing him that the non-unionised workers at the company had formed a core unit to address work-related issues. Being aware that Adams was scheduled to be out of the office on company business for most of the following week, he further indicated that they were seeking an audience with him on or before Friday, 16 June.

From “Core Unit” to Trade Union

Following his return to office on 14 June, Adams sent a handwritten note to the Chairman (Mitchell) of the Core Unit that he would be unable to meet with them by Friday, 16 June.

Mitchell telephoned Adams the following Monday to notify him that the proposed date for the meeting had passed and that the Core Unit viewed this as a “direct slight”.

Adams and the management team eventually met with the representatives of the Core Unit on Tuesday, 20 June, and listened as they aired their concerns. These were recorded as training, job evaluations, social activities and remuneration. Because these were personnel issues, the group was redirected to the Operations Superintendent, who had overall responsibility for personnel matters.

Adams, who was about to leave for Germany, subsequently held discussions with the Operations Superintendent, Edward Francis, and requested that he and the Personnel Officer, Brian Jackson, convene a meeting with the group of disgruntled employees in an effort to derive greater details in relation to their concerns.

While in Europe, Adams received word that the Core Unit had refused to meet with the Operations Superintendent and/or Personnel Officer. They had demanded that Adams be present to hear their grievances.

A breach of security

On his return, early in July, Adams discovered that his office had been broken into during his absence. There was no evidence that anything had been taken although there were scratch marks on the locked drawers at his desk. The two senior security guards who were on duty (also members of the core group) had made no entries in their logbooks indicating that anyone had entered the administrative building around the time of the breach.

The Operations Superintendent subsequently suspended the two guards pending further investigations.

Adams opted not to meet with the Core Unit on his return from Germany, as a result of the disrespect that they had shown to the two members of the management team whom he had designated to address their concerns. He concluded that had he done so he would have undermined the authority of the two members of his management team designated to resolve the matter. He therefore telephoned Mitchell and informed him that the delegation from the Core Unit was still required to negotiate with the Operation Superintendent and the Personnel Officer in an effort to resolve the outstanding personnel matters.

On 19 July he received a letter from Mitchell, dated two days earlier, informing him that the Core Unit had evolved to become a trade union and had named itself “The Mesopotamia Brewery Workers’ Union.” Adams received another letter from Mitchell on 29 July. It indicated that the union was dissatisfied with the “suspension” of the two security guards and was expecting “remedial action by 16:00 hours, Monday 31 July, 2000” (*Exhibit 8*).

Michael Adams was not surprised that the three local weekly newspapers featured prominent articles on the union’s formation. Their headlines read: “New Union Formed at Mesopotamia Brewery Limited”, “Workers Demand to be Heard”, and

“New Union Braces for Fight With Management at Leading Manufacturing Company”.

The company strongly objected to the use of its name by the union, and its attorney wrote to the union registrar indicating this.

Adams convened a general staff meeting, to inform them of the developments surrounding the formation of the union. He highlighted the list of concerns presented, and cautioned employees to avoid making decisions based on emotions. He challenged them to make decisions based on facts, while being aware of the consequences of their actions.

New trade union takes industrial action

Adams was concerned that the newly formed union had been progressing like a runaway train and that industrial unrest would have a negative impact on the company and its employees. A member of the Core Unit, displeased with how the events were unfolding, had notified the Personnel Officer, Brian Jackson, that the organisers of the union had planned a “sick out” during the first week of August, following the bank holiday weekend. The Operations Superintendent subsequently informed Adams of the pending industrial action.

Adams was therefore not surprised, when he returned to office following the long weekend, to be told that several employees had not turned up for work.

Additionally, some staff who had called to say that they were ill and unable to come to work had, nevertheless, driven their vehicles to work and parked them in precarious positions in the vicinity of the brewery, obstructing traffic from entering or leaving the compound.

Adams convened a staff meeting and commended those present for braving the demonstrations to make sure that work continued. He informed them that the disruption had resulted in several customers being unable to receive timely deliveries although they, the workers, had gone beyond the call of duty in their attempts to ensure that there was continuous production at the plant. The problem, Adams explained, was due to the blocked entrances to the facility and the resulting inability of the trucks to enter the compound to collect the products.

He remarked that the state law permits employees to be away from work on “sick days” for two consecutive days without presenting a medical certificate, but that persons who remain off the job for longer than this period ran the risk of being classified as having abandoned their jobs. Adams reminded staff of this during a further meeting on the second day. He encouraged them to notify their “sick colleagues”, who were blocking traffic and waving placards outside the company’s fences, that they should bear this in mind.

The challenge

With the exception of the seven organisers of the demonstration, including Mitchell and Williams, all of the “sick” employees had returned to their respective workstations by the beginning of the third day.

The General Manager was relieved that the dispute was coming to an end. However, he knew that he still had some unresolved human resource matters involving its organisers.

Adams convened a meeting of his management team. He commenced by thanking them for their support and encouragement during the turbulent industrial period that they had just gone through. He then posed this challenge:

“Ladies and gentlemen, as you are aware, our company has lost over \$100,000 in sales as a result of our inability to ship or deliver products during the last week. Several containers bound for neighbouring islands were made immobile and some of our markets have run out of products. The damage may be more extensive than we originally thought.

“To date, the seven organisers of the industrial dispute have not indicated their intention to return to work. By not reporting for work today we can conclude that they have abandoned their jobs. How would you recommend we proceed from here?”

Exhibit 1

October 6, 1999

Mr. Thomas Williams
c/o Mesopotamia Brewery Limited
P.O. Box 437
St. Marc

Dear Mr. Williams,

This letter serves to inform you that your general performance in the management of the brewery and your overall attitude towards work is unacceptable.

Earlier in the year, I spoke to you in the presence of our General Manager, Mr. Michael Adams, about the need to improve your punctuality, and clearly indicated your expected time of arrival to work. Observations and checks with the Security Department showed an average arrival time of between 8:15 A.M. and 8:45 A.M.

You have also consistently failed to provide adequate follow-up on numerous issues which impact negatively on the efficiency of the Brewery's operation. Your lack of follow-up was noted on your appraisal of last year. A case in point: you were instructed to ensure the brewers' grain stored in the transit shed should be dumped before the weekend. This was not done and the absence of adequate space in the said shed resulted in our having to lose production time early in the following week since there was no space to store finished products.

It is expected that you take this as a stern warning and the necessary corrective measures taken to avoid disciplinary actions.

Yours truly,

Daniel Stapleton
Production Manager

Exhibit 2

Mesopotamia Brewery Limited
Inter Office Communication

To: Mr. Thomas Williams
Master Brewer

From: Daniel Stapleton
Production Manager

Date: October 28, 1999

Subject: Brewery Report

You continue to provide inaccurate and late monthly reports of the Brewery production and warehousing operation, of which September is no exception. This which seems to have become a norm is unacceptable and must cease immediately.

The following must be practiced from here onwards:

1. All receipts of raw material and packaging to be consistent with the invoices or receiving reports;
2. Reports to be submitted three working days after the period;
3. Reports to be signed and dated by the persons preparing and checking; and
4. Any abnormal results to be noted and explained on the report e.g.: low yield, high variances, etc.

Please note that the September monthly report needs rechecking. We expect to see a vast improvement in all future reports.

DSS:mac

Cc: Mr. Michael Adams, General Manager
Mr. Charles McDavid, Chief Accountant
Mr. Brian Jackson, Personnel Officer

Exhibit 3

Mesopotamia Brewery Limited
Inter Office Communication

To: Daniel Stapleton
Production Manager

From: Mr. Thomas Williams
Master Brewer

Date: October 29, 1999

Subject: Scheduling of Overtime – 23/10/99

On Friday, October 22, 1999 at 15:00 hours when I arrived on the compound, no shift schedule had been issued resulting in the 7-3 shift leaving without knowing what was happening for the weekend. After having consultation with Production Assistant David Smith and after making repeated attempts to reach you at your office for further discussions, I decided to operate the brewery for sixteen hours on Saturday, October 23, 1999. The dominant factors for doing so were:

1. There was not enough light beer in the finished bins if the warehouse had to work on Sunday, October 24, 1999.
2. One thousand gallons of Guinness Malta were needed despite the recent failed attempts at producing such.

Upon arrival at the brewery on Saturday, October 23, 1999, you discovered the brewery operating and approached two junior supervisors to enquire why the brewery was operating. I must note here that these two junior supervisors would have left the compound on Friday, October 22, 1999 without knowing that they were required to work on the following day.

Your resulting outburst in the presence of these junior supervisors and other news-mongering employees who are in no way involved in the scheduling of overtime at the brewery leaves much to be desired in terms of protocol.

In fact, even after notification, you made no attempt to contact me for clarification on the issue. Your behaviour, coupled with my several verbal objections to your chronic interference into the day-to-day management of the brewery prompts me to state here:-

1. I stand by my decision in scheduling the brewery to operate for sixteen hours on Saturday, October 23, 1999.
2. I will not be tolerating your obdurate behaviour any longer.

3. If the onus of the day-to-day management of the brewery is mine, then let me do so.

Please be guided accordingly.

TPW/adc

Cc: Michael Adams, General Manager
Charles McDavid, Financial Controller
Edward Francis, Operations Superintendent
Reginald Franklyn, Warehouse Supervisor
David Smith, Production Assistant
Mavis Johnson, Packaging Supervisor

Exhibit 4

Organisation Chart - Mesopotamia Brewery Limited

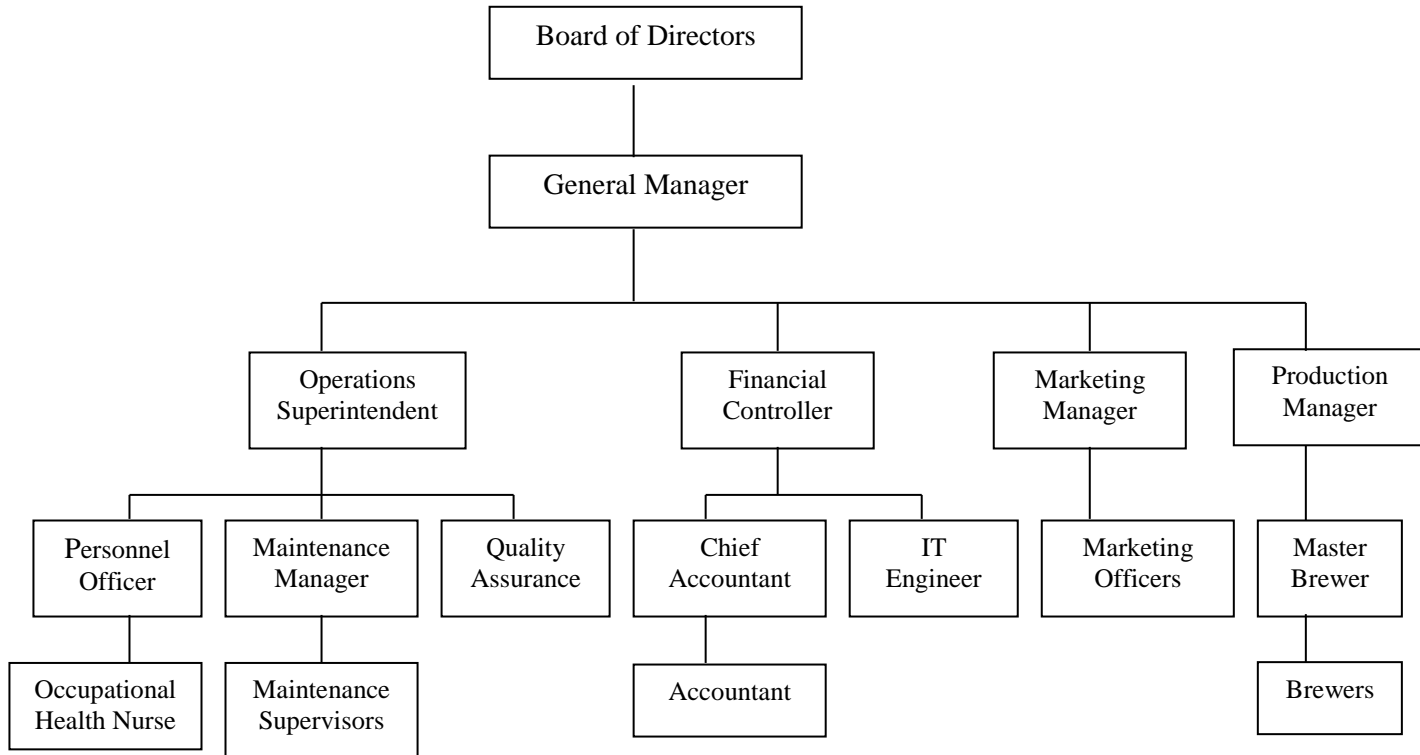


Exhibit 5

Mesopotamia Brewery Limited
Inter Office Communication

To: Daniel Stapleton
Production Manager

From: Mr. Thomas Williams
Master Brewer

Date: October 29, 1999

Subject: Memo – October 29, 1999

Please accept my apology for my procedurally incorrect memo of October 29, 1999.

Please be guided accordingly.

TPW/adc

Cc: Michael Adams, General Manager
Charles McDavid, Financial Controller
Edward Francis, Operations Superintendent
Reginald Franklyn, Warehouse Supervisor
David Smith, Production Assistant
Mavis Johnson, Packaging Supervisor

Exhibit 6

November 3, 1999

Mr. Thomas Williams
Master Brewer
c/o Mesopotamia Brewery Limited
P.O. Box 437
St. Marc

Dear Mr. Williams,

Your memo dated Friday, October 29, 1999 was received and interpreted as being very insolent, and shows gross insubordination.

This serves to confirm the verbal notification given at 16:00 hours on Friday, October 29, on your suspension without pay with immediate effect until 10:00 hours, Thursday, November 4, 1999, at which time a meeting will be held with Mr. Michael Adams, General Manager, to further discuss this matter.

Yours truly,

Daniel Stapleton
Production Manager

Cc: Mr. Michael Adams, General Manager
Mr. Charles McDavid, Financial Controller
Mr. Edmund Francis, Operations Superintendent
File

Exhibit 7

Mesopotamia Brewery Limited
Inter Office Communication

To: Thomas Williams
Master Brewer

From: Michael Adams
General Manager

Date: December 2, 1999

Subject: Written Apology to Production Manager Re: Your Memo of October 29, 1999

You would recall that during our meeting of Thursday, November 4, 1999 (Williams/Stapleton/McDavid/Adams) to discuss the above-captioned memo, all of the senior managers present concluded that the content of the memo was disrespectful to Mr. Stapleton. In addition, we further concluded that your decision to copy the said memo to staff members Franklyn, Smith and Johnson, generated the perception that you were not only being insubordinate but “advertising” this to junior staff.

You would recall that during the said meeting Mr. McDavid suggested that you be mandated to provide an apology to Mr. Stapleton. I then commented that rather than issue a directive I would rely on you to make the decision without being “coerced”. This, in my opinion, would provide evidence of your “maturity” and genuine desire to be apologetic.

After approximately two weeks passed and I had not received a copy of your apology, I invited you to my office (November 17, 1999) to inquire why the written apology was not circulated. You would recall that I had indicated then that your excuses were unacceptable.

This memo serves to inform you that if a written apology (copied to the persons who originally received copies of your memo) is not presented to Mr. Stapleton by 10:00 AM on Monday, December 6, 1999, I will have no choice but to impose the disciplinary action I consider appropriate for such an offence.

MSA/br

Cc: Mr. Daniel Stapleton, Production Manager

Exhibit 8

Mesopotamia Brewery Workers Union

July 29, 2000

The General Manager
Mesopotamia Brewery Limited
P.O. Box 437
St. Marc

Dear Sir,

Re: Suspension of Mr. Vance Charles

The Mesopotamia Workers Union, of which Mr. Charles is a member, is dissatisfied with the manner in which his "suspension" was effected.

The Mesopotamia Workers Union is of the opinion that a detailed investigation of the alleged incident would have pre-empted the draconic action taken.

Please note that Mr. Charles cooperated with the "investigation".

Furthermore, the resulting deduction from Mr. Charles' pay was incorrectly calculated as substantiated by the office of the Labour Commissioner.

This situation needs your urgent attention and we are expecting your remedial action by 16:00 hours, Monday 31 July, 2000.

Sincerely,

Brian Mitchell
Chairman

Cc: Mr. Matthew Alexander, Labour Commissioner