EMPLOYEE’S PERCEPTION OF TRANSFORMATION IN A FINANCIAL INSTITUTION

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DECLARATION

The present work, unless otherwise specified and acknowledged in this text, is solely the result of the original effort of the author.

This work has never been submitted for any other purpose.

T J NKOSI

MAY 2002
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Abstract

The Bank under study is one of the big four banks of South Africa, is engaged in a process of transformation, more specifically the implementation of the Employment Equity Act (No. 55 of 1998).

The overall objective of the study was to identify the employee’s perceptions of transformation in a financial institution, which will be called The Bank, for ease of reference. The study was split into two, firstly, the identification of perception held by African, Indian and Coloured (AIC) male and female managers about the implementation of transformation, more specifically, employment equity, as an integral component of transformation in South African companies. Secondly, to conduct a comparative analysis on the similarities and differences of white male and African, Indian and Coloured managers perceptions regarding the implementation of transformation, more specifically employment equity act.

A further objective was to obtain suggestions from the participants as to possible ways in which the Bank can deal with their specific concerns relating to transformation.

For the first part of the study, the Nominal Group Technique (NGT) methodology was applied. The problem-solving group consisted of two groups each consisting of twelve participants representing AIC both male and females middle managers.

The participants were requested to deal with three semi-structured questions. The outcome of the problem solving process was a prioritised list of statements and themes/trends.

The second part of the study utilised the available white male survey quantitative data to compare the perception of White male managers with AIC managers on the implementation of Transformation more specifically Employment Equity Act.
The data gathered was analysed, based on the findings of the investigation, actions steps were developed for the effective implementation of Transformation, more specifically the Employment Equity Act to meet the needs of AIC and white male managers.

The major findings were that both white and black managers understood the rationale behind transformation as a business imperative. Both groups seem to have similar concerns regarding the implementation of the employment equity process.

Five major themes were identified as of critical importance, which needed management's urgent attention for the successful implementation of transformation. Lastly, further research was recommended.
CHAPTER ONE

1. INTRODUCTION

1.1. SETTING THE SCENE

The legacy of apartheid has resulted in structural inequalities in the acquisition of education, work skills and access to managerial, professional and occupational positions for the majority of the South African population. According to Thomas and Robertshaw (1999) the demise of formal policies and structures of apartheid and the inception of the Government of National Unity in 1994 has resulted in South Africa emerging from a position of relative isolation to a position where it now has to compete in the global marketplace.

Considering the competitive position of the country, at this point, indicators of competitiveness are not encouraging.

In a news item of the Star of 1 April 2002, Statistic South Africa reported the following: “the future is bright for a few people with skills but hopeless for the unskilled millions. The demand for the skilled personnel has increased by 230%, while the need for the unskilled labour has declined by 30%. Statistics SA said that 1 million jobs were lost from February to September 2001, meaning that of the economically active population of 18,5-million, 7,7-million are unemployed”.

According to the Institute for Management Development World Competitiveness report (1998) South Africa is indicated as lagging in 42nd place among the 46 industrialised countries under review. For the past five years, South Africa has been ranked worst in terms of people management, at the 46th place.
One of the challenges facing South African organisations, in relation to people management, is the development and retention of skills for all South Africans who are economically active irrespective of race, gender, and disabilities.

According to the South African Institute of Race Relations survey (2001/02) there were five fundamental issues which the young democratic government had to grapple in the economic sphere immediately it came to power: poverty, inequality, racism, unemployment, and economic stagnation. Dealing with just one of these issues would have posed a formidable challenge to any government; having to tackle five of them at the same time was a daunting prospect.

Over the last seven years, policies have been introduced, one of these policies being the Employment Equity Act, No.55 of 1998, that attempts to promote transformation, diversity in the workplace and opportunities to previously disadvantaged groups.

The purpose of the Act is to enhance equal opportunities, to prevent unfair discrimination and to implement affirmative action measures to ensure that black people, women and people with disabilities are represented at all levels and all categories of employment. (The term “black people” includes African, Indian and Coloured people).

The preamble to the Act states inter alia, that its purpose is to “achieve a diverse workforce broadly representative of our people”.

According to Thomas et al (1999), affirmative action is one of the means to accelerate the advancement of people from designated groups, and, as such, includes specific plans involving preferential
treatment in appointments and promotions, and accelerated development and advancement strategies, along with other human resources policies and practices that are aimed at promoting workplace equity.

Affirmative action is a short-term strategy, it is a means to an end, and the short-term nature is dependent on the pace with which representative staff profile as well as a changed culture is achieved.

Generally, transformation in the workplace still has some way to go in South African organisations. The importance of transforming organised business into a non-racial entity is hardly a matter for debate. It ought to be seen as an inevitable end result of the broader transformation process at every other level of society. So resistance among some individuals makes little sense.

The rapid transformation of South Africa's social, political and economic environment requires that major organisations, like the Bank, under study, position themselves at the leading edge of transformation reflecting the broader socio-economic changes while continuing to increase shareholder value.

Being at the forefront of transformation is essential to extract any competitive advantage and to avoid being ostracised from key stakeholders i.e. government, communities and customers due to complacency.

It has become clear that business must be transformed to ensure that it has the flexibility to respond to the new exciting challenges and opportunities.
The financial institute under study is one of the big banks in South Africa and it sees itself as being a responsible corporate citizen, respecting the laws of the country, and being aware of the rapid social, political and economic landscape changes in the last seven years, had to visibly align itself with this transforming environment.

The adoption and implementation of Employment Equity programme for this bank goes beyond legislative compliance. It is imperative to sustain its competitive advantage by building diversity as well as capacity, thereby meeting local and international standards for cost, quality, and productivity and customer service.

1.2 STATEMENT OF THE PROBLEM

The present study’s purpose is to determine employees’ perception of transformation in a financial institution, which will be known as “the Bank”, for ease of reference.

The study is divided into two sections, firstly, an investigation applying the Nominal Group Technique, to source the perception of African, Indian and Coloured (AIC) middle managers of both sexes, on the implementation of the Employment Equity Act (EEA) and to gain their input into furnishing solutions as to how this process can be optimised within the organisation.

The second part of the study will consist of a comparative analysis on the similarities and differences in the perception of white male managers with those of the African, Indian and Coloured middle managers on the implementation of transformation.

For the first part of the study the researcher will pose the following semi-structured questions:
The Bank is in a process of implementing Transformation, more specifically the Employment Equity Act, in your view or experience:

- What are the positive aspects of the implementation of the EEA?
- What problems are they experiencing?
- What action steps should be taken?

According to Fox, W.M (1990) many studies have shown participation by means of conventional group problem solving procedures increase the likelihood of better solutions and better solution implementation due to enhanced understanding and commitment.

In addition, surveys show the people in all types of organisations, in many different cultures, generally want more participation than they are experiencing.

1.3 PROFILE OF THE BANK UNDER STUDY

1.4 The group comprises five major banking elements. The banking elements include:

- Retail Banking
- Corporate and Merchant bank
- Commercial Banking.
- Onshore and offshore operations

1.4 TRANSFORMATION WITHIN THE BANK UNDER STUDY.

As a result of ongoing changes in the South African environment, the Bank has put in place a major transformation project, driven by a transformation unit supported by a Transformation Board Committee accountable to the Bank Board.

The chairman of the Bank stated the following in the 2000 Annual Report "We are committed to Transformation. This bank, like any
other, relies on the quality of its people. We are totally committed to a transformation policy that recognises the injustices of the past and offer all employees an environment in which neither race nor gender is a barrier to personal success”.

In support to what the Chairman of the Bank stated, the Chief Executive of the Bank stated the following. “But we’ve got to understand its people who make connections not modems. The bank is attracting young talented people into its executive and managerial ranks. Ultimately, the only factor that will differentiate us from our competitors is the quality of our people”.

Transformation project includes, amongst others, employment equity as an important component. This is to ensure that the Bank remains a leading corporate citizen and supporter of transformation.

By implementing the Employment Equity Act, the government seeks to foster equity in the South African workplace. The Bank not only accepts, but also embraces the intention of the Act.

Despite broad acceptance that historical workplace inequities in South Africa need to be addressed, employment equity remains an emotive topic. The bank has policies in place to ensure it complies with the country’s Employment Equity Act (No. 55 of 1998).

The underlying objectives is to eliminate unfair discrimination and to provide a platform upon which those previously excluded from the mainstream of business, are given every opportunity to develop and advance to their highest potential.
The intention is to harness and realise the potential of diversity as a strategic advantage. Employment equity within the bank is a strategic business imperative aimed at removing barriers and discrimination through transformation initiatives, to advance Africans, Indians, Coloureds, women, and people with disabilities.

While the bank's overall staff profile is reasonably representative of South Africa’s demographics, the bank acknowledges that it is underrepresented at junior (29%) middle (15.8%), senior (13.7%), and executive management (12.8%) levels.

Of greatest concern to the bank, is that at junior and middle management levels, the attrition rate is unacceptably high (26%).

This level of management is seen as the feeder to senior and executive level, thus the bank has a need to understand what can be done differently in order to develop an effective retention strategy. Thus the outcome of this investigation will help the bank address the current situation.

Business has a vital role to play along with government in transforming South Africa into a country where everyone has an equal chance to grow and prosper.

The bank is aware that South Africa’s skills and experience shortage is a major contributor to difficulties experienced in addressing employment equity at junior, middle, senior and executive management levels. The bank is appreciative of the huge pool of potential talent that exist within this country and is doing much to realise this potential through the range of training, development and skills transfer programmes.
The bank needs staff, particularly at senior and executive management levels with a high degree of technical expertise especially in the fields of structured finance, information technology, accounting, asset management etc.

In order to create representativeness of the population where the bank’s conducts its business, the bank has adopted a strategy of bottom up target setting. Targets are set on a year-to-year basis, such targets are budget-linked. This strategy gives affirmative action candidate priority. The Transformation Board Committee and the Executive Committee of the Bank rectify the targets set. Targets seen as non-challenging are subjected to review. The targets are monitored on a monthly basis. Non-achievements of targets by Executive Management are subjected to a penalty of a portion of the individual’s manager annual performance bonus.

The employment equity plan was submitted in May 2000 and October 2001, to the Department of labour after a broad base consultation process with all key stakeholders including the Trade Union that represents the majority of the staff. The bank believes that the equity plans submitted are realistic and achievable.

1.5 THE DICHOTOMY: WHITE FEARS: BLACK EXPECTATIONS

In the implementation of the Employment Equity Act, the bank realises the challenges of managing Black expectations and White fears. The banks employment equity programme also aims to provide employees with a better understanding of what employment equity involves and
why it is necessary, as well as to address fears and concerns staff may have.

The bank strives towards a conscious and deliberate effort to develop common understanding, shared vision and goals that will lead to the successful achievement of the Employment Equity and Transformation objectives.

There was an intensive communication drive to the African, Indian and Coloured (AIC) employees as to how the bank intended to implement the act. The aim is to create opportunities for growth and development of designated individuals, and to transform the work environment into one that is equitable and diverse.

The issue of tokenism was thoroughly dealt with whereby it was emphasised that people would be appointed and promoted based on potential and competency and not on colour.

1.5.1 WHITE MALE SURVEY

The Employment Equity Act excludes white males and there was an assumption that they are concerned about their careers. In order for the bank to understand and manage White fears, the bank commissioned, Professor Adele Thomas and her associates from Wits business school, to conduct a quantitative study, and to report to the Executive Committee of the bank, with recommendations on how White
male managers feel or perceive the implementation of the Employment equity Act on their well being and future careers.

The significance of this study is that White male managers consist of 54% of the total management population. This is the target group, which must implement the act. It is therefore important to gain their total buy in, in the implementation of the Employment Equity Act.

The overall objective of the study was to identify the perceptions of white male managers about transformation, and more specifically the implementation of the Employment Equity Act.

A further objective was to obtain suggestions from white male managers on possible ways in which the bank can deal with their specific concerns relating to transformation.

1.4.1.1. THE STUDY WAS DIVIDED INTO THREE DIFFERENT PHASES.

The study was divided into the three following phases:

1. The first phase was conducting structured interviews with a sample of twenty white male managers.

2. The second phase was a self-completion electronic survey conducted among the 2330 white male managers (junior, middle, and senior and director level) at the bank.

Two open-ended questions allowed respondents to furnish additional comments and suggestions pertaining to employment equity.
3. The third phase consisted of three focus groups used to check or elicit any additional information after the survey results were analysed and used to gain insight on the way forward.

The quantitative analysis of responses was supplemented with qualitative comments from respondents who were interviewed individually or who participated in focus groups. A 50% response was achieved in the survey.

Major themes emerged from the analysis of responses included career fears, the understanding of employment equity, promotional opportunities, reduced loyalty to the bank, and poor communication process. Based on the patterns of responses, four distinct managerial clusters were identified:

- The confused (39% of sample)
- The sceptics (24% of the sample)
- The committed (21% of sample)
- The disengaged (16% of sample)

Perceptions of employment equity of these four groups were discussed. The committed groups were the most positive and the sceptics were the negatives, the confused and disengaged groups had mixed views.

Based on the findings of the study, action steps were developed for managing white male perceptions of employment equity, which had to be implemented by management supported by human resources practitioner.
1.6. **ASSUMPTIONS**

It is the author's assumption that opportunities for development and promotion are perceived to be moving at a slow pace for the African, Indian and Coloured (AIC) middle management; these employees may lose loyalty, commitment, motivation and their morale will be low and productivity will be reduced and this will lead to loss of critical skills. AIC middle managers will look elsewhere where they perceive better opportunities for promotions and further developments.

Another important factor is that in the bank, AIC middle managers are a pool for upward mobility. This is the target group, which must be trained and retained for upward mobility. It is therefore important to gain a clearer understanding of issues perceived as progressive, barriers, and solutions by this group for the successful implementation of the Act leading to transformation.

1.1.7. **OVERVIEW OF BROAD OBJECTIVE**

The present study focuses on gaining an understanding of what is perceived as progress, barriers and solutions to the implementation of employment equity. The study also focuses on gaining input from AIC middle managers as to suggest how employment equity can be progressed at the Bank.

The study will also do a comparative analysis on how Africans, Indians and Coloureds as opposed to White males view the current implementation of Transformation, more specifically the Employment Equity Act.
It has been recognised that, there is a shortage of skills amongst this group in order to meet the bank’s business objectives and the requirements of the Act. In this study the unit of analysis will be AIC middle managers of both sexes.

The rationale for selecting this target population is based on the view that this group should be retained, trained, and promoted to senior management.

### 1.1.8. LIMITATION OF THE STUDY

There are several factors, which limit the current study. The first limitation is the fact that the methodology applied is the Nominal Group Technique, which focuses on problem solving groups which is limited to twelve participants per session which is not representative of the broader population of middle management.

Secondly, the participants are randomly selected from Gauteng province more specifically in the Johannesburg area, with the exclusion of the other provinces.

The third limitation is that, as a result of unrepresentativeness of the unit of analysis, the result of the study cannot be generalised on the total employee population of the bank.

The fourth limitation of the current study is that African, Indian and Coloured employees at supervisory and clerical positions are excluded from the sample. Possible future research can focus on a more representative sample.
1.1.9 OUTLINE OF REMAINING CHAPTERS

Having set the scene within which the research question underlying the current study will be investigated, the whole area of the views and recommendation of AIC at management levels on transformation with specific emphasis on Employment Equity Act will be reviewed. Chapter two is a literature review that covers the historical perspective that led to the government promulgating the Employment Equity Act, the discussion on affirmative action and the issues involved in affirmative action.

Chapter three outlines the nominal group technique (ngt) methodology.

Chapter four presents the findings of the ngt process and a comparative analysis on how Black (AIC) and white males view the current implementation of transformation, more specifically the Employment Equity Act.

Chapter five consists of a comparative analysis on how Blacks (AIC) and White males view the current implementation of Transformation, more specifically the Employment Equity Act.

Chapter six presents conclusions and recommendations i.e. action steps.

1.1.10. CONCLUSION

The purpose of this chapter was to set the scene by describing the context and rationale for conducting this study. In setting the scene the rationale for promulgation of the Employment Equity Act No.55 of 1998 was elucidated and the challenges faced by South African organisations in the implementation of the Act.
It was highlighted that this Act, unless carefully handled will negatively impact on the retention of African, Indian and Coloured middle management who are the pool for upward mobility in order to have competent diverse workforce at the same time meeting the requirements of the Act.

Transformation within the Bank was described. The challenges facing the bank were discussed in how white fears and black expectations are managed.

The statement of the problem and broad objective of the study and its limitation was discussed. The chapter ends with an outline of the remaining chapters.
2.1. LITERATURE REVIEW

For this study to be seen in context, it is important to understand the historical background that led to the promulgation of the Employment Equity Act (No.55 of 1998).

The absence of Africans in the main stream of the economy has its origins not only in the loss of vital wealth producing resource such as land, but also in the array of legislative measures adopted by successive white governments from the time the first colonist arrived.

Bhoola, U (2001) quotes Sydney Matlhaku as follows "it is clear that discriminatory labour legislation had their origins not in the coming to power of the Nationalist government in 1948 but much earlier. The National Party built upon what had already existed and implemented these measures with zeal".

Matlhaku continues to say, "When the Afrikaner nationalist government set about imposing its grand apartheid design on South Africa, not a single social, political or economic institution was left untouched". Education, housing, healthcare, all were affected deeply and the segregation imposed systematically eroded a sense of equity that might have existed in the delivery of these critical social services.
The impact of apartheid was also most visible in these areas. And it was hardly surprising that these sectors became the focus of popular opposition and resistance.

At the same time though, another process of deliberate disempowerment was under way. It drew little attention and seemed less related to the reservation of skilled, high paying jobs for the white electorate.

The practice was given legislative support by laws such as the Mines and Works Act, closed shop agreements used by rightwing white trade unions to keep blacks out of certain trades, the conscious recruitment of whites only for public sector jobs.

After decades of job colour bar the South African labour force assumed a unique feature - it was made up of an affluent class of white workers and a poor disenfranchised class of black workers. And in many ways, active job reservation served as the cornerstone of a policy intended to economically disenfranchise the black majority. Not only did it succeed in trapping black workers in a perpetual cycle of poverty, but in later years it became a formidable obstacle to skills development and economic progress for the whole country.

The legacy of discrimination left a legacy of inequality. In the labour market the disparity in the distribution of jobs, occupation and income reveals the effect of discrimination against black people, women and people with disabilities.
These disparities are reinforced by social practices, which perpetuate discrimination in employment against these disadvantaged groups, as well as by factors outside the labour market, such as lack of education, medical care and transport.

It is against this backdrop that the Employment Equity Act (EEA) No.55 of 1998 was legislated. One of the centrepieces of transformative legislation, the EEA has been described as a key instrument with which to address the legacy of inequality and discrimination in the labour market.

The Employment Equity Act No.55 of 1998 was promulgated as the first step towards the fulfilment of the equality objectives as set out in Section 9 of the Constitution of South Africa Act 108 of 1996. This Act, together with the newly promulgated Promotion of Equality and Prevention of Unfair Discrimination Act of 2000 forms the basis of a complex and encompassing framework for granting of equal opportunities to employees, particularly employees previously disadvantaged by unfair discrimination, as well as the elimination of all forms of discrimination in employment. The Act is earmarked to achieve a dual purpose: to underscore the constitution by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing Affirmative Action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure that equitable representation in all occupational categories and levels in the work force.
According to Membathisi Mdladlana (1999), the labour Minister, these twin objectives had been designated to complement each other, as the removal of discrimination alone would not ensure equity in employment opportunities for those, who had been denied access to jobs, education and skills. The Act will go much further, by placing an obligation on employers to introduce affirmative action steps to redress these imbalances.

The Employment Equity Act defines “designated groups” as: Black people, and this group is further defined as Africans, Indians and Coloureds (AIC), women and people with disabilities: these are the people who have long-term or recurring physical or mental impairment that substantially limits their prospects of entry into, or advancement in, employment.

From the above definition of designated groups, it is vividly clear that the white male is excluded from the Act. This exclusion could have an array of negative implications for the Bank; that is why the bank conducted a quantitative study to gain insight on the white male manager’s perception on the Employment Equity Act.

The law was not passed without opposition, some of it rather fierce. Those opposed to it argued that the Government should move away from regulating the labour market and allow a voluntary approach to redressing the imbalance of job apartheid. But the Government and organised labour rejected this approach.
They argued that business had failed to demonstrate any willingness to move away from discriminatory practices.

In the 1980’s, when the National Party government – realising the consequences of its job reservation policies, especially in skill development shifted the responsibility for training on to the private sector. But there was no legislative compulsion on them to invest in training. So employers simply failed to deliver.

Between 1990 – when it was clear apartheid’s end was imminent – and 1998 when the EEA was promulgated, very little evidence was found to convince anyone that business had taken the initiative to right the wrongs of the past.

A compromise was nevertheless reached and the Government passed a law that struck a balance between compulsion by the state and the measure of self-regulation by employers.

This resulted in a requirement by the department of labour that employers submit equity plans detailing how they intended balancing the race equation on the shopfloor.

These plans would, according to provisions of the Act, have to be drawn up after close consultation with trade unions. This removed the fear that the Government would impose rigid targets that employers would have to comply with. Instead it allowed for the targets to be negotiated between labour and employers.
These equity plans had to be submitted to the Government by June 2000 for employers with more than 150 workers. Companies employing less than 150 workers were expected to deliver the plans by December 2000.

The response has not been uniform across the board. Surveys conducted by the Congress of South African trade unions revealed both positive and negative trends. On the negative side, hostility was often encountered. Not only were employers reluctant to involve trade unions in negotiation over equity targets, but also even conservative unions, determined to protect privileges inherited under apartheid, tended to make progress difficult.

Much of this was no doubt in violation of EEA. And that raised concerns about the lack of education to address fears and suspicions among white workers and employers.

By contrast, engineering employers succeeded in negotiating an affirmative action agreement with trade unions in the sector. A number of other employers in the retail sector have engaged unions in active consultation over the employment equity plans.

But these are early days yet. Exact benefits derived from employment equity plans can only be realistically measured further down the line.

The Labour Department itself has a huge task ahead of it. Each plan will have to be individually assessed before any real monitoring of the process of redressing racial imbalances in the labour market begins.
One of the trickiest areas, no doubt, will be, closing the apartheid wage gap – a key feature of the employment equity drive. The adequacy of provision in the EEA relating to this area of equity has yet to be tested.

As the Act currently stands employers must submit a statement to the Employment Conditions Commission (ECC) in the Dept of Labour detailing wage levels in each category of their workforce. Where there are misappropriate differences in pay levels, employers must take steps to narrow the gaps.

These measures must be based on norms and benchmarks set by the minister of Labour. To a large extent, this process will be driven by the ECC. How long the process of closing the wage gap will take remains anyone’s guess. One thing is clear though – without it, Employment Equity will be meaningless.

From the abovementioned discussion, it is clear that in order to address employment equity in the bank, it is important to identify factors that work against and/or contribute to the full productivity of all employees, both those from designated and those from non-designated groups.

While strategies to comply with legislative requirements must be vigorously pursued, simultaneously the Bank has recognised that it must play an active role in the training development and retention of African, Indian and coloured employees, more specifically at management levels, in order to create a competent diverse workforce which meet the requirements of the diverse customer base.
According to Thomas et al (1999) studies have demonstrated that employee’s perception of both intrinsic and extrinsic rewards and general positive feelings of the working environment contribute to full employee productivity and enhance staff retention.

In the general South African work environment, issues of transformation and change are a fact of life. How employees perceive and embrace change, and generally how the company in the process supports them, can be a deciding factor in the success of any transformation or change initiative.

2.2. AFFIRMATIVE ACTION

Looking around the globe, Professor Bob Klitgaard (1991) of Harvard University states that many countries have adopted preferential treatment programmes to favour certain population groups over others, for example:

- In India the constitution and various state laws reserve places for ‘backwards caste and tribes’ in higher education, the civil service, and the legislature.
- In Fiji nearly all the cultivable land has long been reserved for ethnic Fijians.
- In Indonesia public policy requires that at least a fifth of the shares in new companies must be held by pribumis, or non-Chinese Indonesians. The admission of Chinese students to universities is subject to a quota. In the allocation of subsidised credit, preference is given to non-chinese.
• In Tanzania examinations scores are adjusted so that students from different tribes are more evenly represented in school and university enrolment.

• Sri Lanka, alters the scores on examination taken in different languages, even in subjects like mathematics, so that the same percentages of Sinhales as Tamils are admitted to university.

• Malaysia adopted a New Economic Policy in 1970, which was dedicated to allocating a greater share of economic growth to the majority Malay ethnic group. This remarkable range of preferential measures encompassed education, public and private employment, investment, and public trusts to buy companies on behalf of individual Malay inverses.

• Namibia has legislated on affirmative action, essentially designed to ensure the persons in designated groups enjoy equal employment opportunity and are equitably represented in various position of employment.

• In the United State of America, affirmative action policies were implemented in the form of the quota system, which stipulated that four-fifth of staffing in industry and commerce must reflect the current labour pool.

Affirmative action model was essentially a numbers game and the system was enforced by policing system supported by industrial court. This means that if a company does not adhere to this ratio in its employment practices, it became liable to prosecution under the Unfair Labour Practice Act.
2.2.1. AFFIRMATIVE ACTION IN SOUTH AFRICA

According to Madi, P.M. (1993) Affirmative action has been part and parcel of modern-day South Africa, having started after the 1922 white miners' strike and subsequent 'civilised labour policy' instituted by the government of the period to appease the rebelling white miners who were, interestingly, inspired by the communist ideals. This 'civilised labour policy' was soon thereafter formalised through the passing of the 1925 Wage Act, which set up a hierarchy of salaries ostensibly in favour of white miners, and the Mines and Works Act of 1926 which *inter alia* reserved certain jobs for whites.

From the early fifties to the seventies, just about all the apartheid laws that the Nationalist government passed were inspired by a strong sense of affirmative action in favour of whites in general and Afrikaner in particular.

In order to implement the Employment Equity Act, Affirmative Action is legally driven and is about trying to achieve equality of opportunity by focusing on the designated groups. The Act requires employers to develop affirmative action plans to assure equal employment opportunity in their employment practices.

Affirmative action is simply a commitment by companies that they will take positive steps to ensure that they will not discriminate.

Companies establish employment goals that are target designed to ensure that the designated groups are represented in all segments of the workforce.

Companies develop and implement programs that enable individuals to compete with others on as equal a footing as possible.
These programs tend to centre on recruitment, training, development, mentoring—all designed to expand opportunities for qualified people.

According to Mitchell. (1993), a labour researcher, the term Affirmative Action (AA) provokes any number of reactions, varying from outright rejection, to acceptance and support by advocates who stress the necessity of such policies in a society like South Africa, which has historically developed profoundly unequal access to resources and opportunity by various population groups.

Mitchel continue to argue that AA raises intense debate.

Firstly, how unequal is South African industrial society in terms of access to opportunities for blacks, women and people with disabilities?

Secondly, and related to this question, to what extent can AA programmes redistribute resources more fairly while at the same time allowing industry to maintain a competitive edge?

He further contends that the non-participation of blacks is a direct result of apartheid policies that have both disenfranchise and disempowered the majority of people in South Africa. The Group Areas Act, Job Reservation Act and Bantu Education all acted as a form of AA for whites.

Such legislation had its roots in the Pact government of the 1920's, which followed a "Civilised Policy", which aimed, through legislation, to raise the living standards of whites at the expense of blacks.

He believes that a powerful case therefore be made that this position be reversed in the form of AA policies aimed at primarily the designated group, who for various reasons, have been denied equal access to South African industry.
The past injustices, coupled with the critical shortage of skilled manpower make AA a necessity for this country.

According to Wingrove (1993) most whites consider themselves “Victims of reverse discrimination through AA processes”. She further contends that “Morale among whites staff is low and there is a culture of insecurity”.

Wingrove further argues that South Africa has been overcome by political and socio-economic events and one can no longer debate issues such as fairness of affirmative action in the work place. The country is faced with a situation of demographic realities: white population growth is on the decline and the black population growth is on the increase. There is a critical shortage of skills.

According to Kemp, N. (1993) not all South Africans agreed with the process of affirmative action, Madoda Mbatha a lecturer at the University of Natal, criticised affirmative action as racist because it looked at blacks as a separate species. He argued that a flaw in black advancement was that it looked competence in terms of race and skin colour and that there was no correlation between skin colour and race.

He believed that the main factor holding blacks was discriminatory practices on the part of the employer, most of whom were white. Mbatha felt that affirmative action and preferential treatment should be discarded. In his argument, there were many whites, which for different reasons, agreed because preferential treatment of one group leads to discrimination against another group.
In opposition to Mbatha's assertions there were others who argued strongly that affirmative action is not racist and that preferential treatment is necessary to correct past discriminatory practices that resulted in certain group being disadvantaged.

The objective of affirmative action, according to Norman Kemp (1992), is to eradicate discriminatory practices and to promote the skills and abilities of those who suffered as a result of discriminatory practices. Norman further contends that there is a massive need for accelerated training or advancement of individuals from the designated groups to fill the many skilled positions.

Human, L. (1993) agrees, and that the blacks and women have been denied access to development and control for too long and that black advancement in particular is a means of empowering blacks both to develop the skills and abilities to successfully fill higher level positions and take control of resources.

Human, L.; Bluen, S and Davies (1999) suggest that the difference between Employment Equity and Affirmative Action should not be used interchangeably.

The Employment Equity Act (1998) argues that the employment equity involves both the elimination of unfair discrimination and the establishment of specific measures to accelerate the advancement of the designated groups.

One of the measures to accelerate the advancement of the designated group is affirmative action that includes specific plans and efforts, which involves preferential treatment in appointment and promotions. As such,
affirmative action is part of the process of employment equity that includes a broader range of activities.

According to Lessing & Maritz (2001:13) the aim of affirmative action was clearly highlighted in former President Nelson Mandela’s opening address to the ANC in Port Elizabeth in October 1991. It is important to note that the statement was made two and a half years before he became president of the country.

In his address, he stated: “The primary aims of affirmative action must be to redress the imbalances created by apartheid...We are not ...asking for handouts from anyone. Nor are we saying that just as a white skin was a passport to privilege in the past, so a black skin should be the basis of privilege in the future. Nor is it our aim to do away with qualification. What we are against is not the upholding of standards as such but the sustaining of barriers to the attainment of standards. The special measures that we envisage to overcome the legacy of past discrimination are not intended to ensure the advancement of unqualified persons, but to see to it that those who have been denied access to qualification in the past can become qualified now and that those who have been qualified all along, but overlooked because of past discrimination, are at least given their due...”

Ndlovu, I (1990) of the Black Management Forum defined AA as follows: “AA is a planned and positive process and strategy aimed at transforming socio-economic environment which have excluded individuals from disadvantaged groups in order for such disadvantaged individuals to gain access to opportunities including developmental opportunities based on their suitability".
According to Lessing et al (2001:13), the first point to be made is that affirmative action must be rooted in principles of justice and equity.

Secondly, affirmative action may never be at the expense of standards and merit. Lowered standards harm the entire population.

Thirdly, affirmative action must always have an educational character.

2.2.2. THE CONTENT OF EMPLOYMENT EQUITY ACT

It is of critical importance to understand the content of the Act. This Act covers:

- The prohibition of discrimination
- The introduction of Affirmative Action measures
- The requirement to draw up an Employment Equity plan and
- The requirement to report to the Director General for Labour
- An affirmative action plan which complies with the Act's provisions in place, requiring women, blacks or disabled people to be given preferential treatment over able-bodied white applicants;
- The differentiation can be justified on some ground that can be regarded as "fair".

It should be noted that affirmative action is open to scrutiny and challenges on employment opportunities and "equitable" representation in the workplace.

In other words, it can be unfair to prohibit absolutely the employment or promotion of white males in the name of affirmative action, as there will be no "equitable" representation.
2.2.3. AFFIRMATIVE ACTION MEASURES REQUIRED BY THE EE ACT.

The Act says every designated employer must implement affirmative action measures for suitably qualified people from designated groups. This means that employers must:

- Establish through an analysis of their organisation whether people from designated groups are fairly represented at all levels and in all job categories;
- Develop an affirmative action plan to
- Address under-representation discovered through the organisational analysis; (2) eliminate obstacles that block the employment advancement of people from designated groups within the organisation;
- Accommodate employees from designated groups, especially the disabled in the work environment;
- Retain, train and develop people from designated groups;
- Report to the Department of Labour at regular intervals on progress made in the elimination of discrimination in the work place and the development of affirmative action;
- Take steps to narrow wages between employees where these differentials are "disproportionate". The Employment Conditions Commission will provide benchmarks.

All the above must be done in consultation with employee representatives, including trade unions.
2.2.4. THE CONTENT OF AFFIRMATIVE ACTION IMPLEMENTATION PLAN

The affirmative action plan must spell out the following:

- The objectives to be achieved for each year of the plan;
- Details of the proposed affirmative action plan;
- Where under-representation of the people from designated groups has been identified by the analysis, the numerical goals to achieved the equitable representation of suitably qualified people from designated groups, the timing within which this is to be achieved and the strategies to achieve those goals;
- The annual timetable of goals other than numerical goals;
- The duration which may not be shorter than one year and longer than five years;
- The process to monitor and evaluate the implementation of the plan and whether reasonable progress has been made to implement employment equity;
- The internal procedures to resolve disputes over interpretation or implementation of the plan; and
- The staff, including senior managers, responsible for monitoring and implementing the plan.

2.3. THE DIFFERENCE BETWEEN AFFIRMATIVE ACTION AND DIVERSITY.

As with affirmative action, managing diversity has become a much-debated issue in South Africa and, like affirmative action, it is a misunderstood concept. Both affirmative action and management of
diversity are issues that must be seen as a long-term processes, for that is exactly what they are, process of change.

Unfortunately, in South Africa, the concept of diversity is equated with racial differences, thus ignoring the fact that it is a holistic term that, besides race and ethnicity, also embraces gender, values, religious persuasion, sexual preferences, language, education and wealth. Diversity involves harnessing racial, cultural and gender differences to the strategic goals of the organisation. Diversity is a process, not an end result.

In Pretorius, M (2002) the following definition as cited by Hayles and Russel (1997), diversity is broadly defined as follows 'Diversity in the workplace includes all differences that define each of us as unique individuals. Differences such as culture, ethnicity, race gender, nationality, age, religion, disability, sexual orientation, education, experiences, opinion and beliefs are just some of the distinction that we each bring to the workplace, understanding, respecting, and valuing these differences we can capitalise on the benefits that diversity bring to the company.

According to Corporate Leadership Council "Organisations that encourage and nurture diversity among their employees are far better positioned in both differentiated domestic and global markets". They will gain two critical advantages. First, they will have an inside track on understanding the needs and opportunities presented by other cultural groups. Second, they will have cultivated sensitivities that will more successfully market to other groups".

AA is quite different from diversity, AA is legally driven and is about trying to achieve equality of opportunity focussing on the designated groups.

Diversity efforts focus on managing and handling the workforce. One key difference is that managing and valuing diversity gives one's organisation a competitive advantage.
AA is the strategy to right the wrongs of the past, diversity is a strategic advantage and a business imperative, Diversity should be seen as much more inclusive than AA. AA and diversity management can be viewed as a continuum. The next stage after AA is to proactively promote a diverse and inclusive workforce.

Managing diversity focuses on managing one’s workforce, which just happen to be diverse. The motivation is that maintaining a more diverse workforce gives one’s organisation a competitive advantage.

It is a business orientation rather than a legal or moral one. Diversity management is defined as the process of creating and maintaining an environment that naturally enables all of our employees, suppliers and our communities to fully contribute. The more diverse the workforce, the better the decision making.

2.4 EMPLOYMENT EQUITY AND TRANSFORMATION BENCHMARKING EXERCISE


This survey was prompted by the view that many South African organisations were quite content to view Employment Equity as a "number crunching" exercise only, while everything else remains the same, i.e. it is a quantitative but not a qualitative exercise.
The consultants felt that the participating organisations would benefit from sharing their qualitative practices, as most surveys appeared to focus mainly on the quantitative/number crunching aspect. They believed that the information gathered would provide valuable insights and that through the contact list of the participant companies an informal network maybe established, which should assist organisation in improving their own practices in this regard.

In this survey there were twenty three (23) participating organisations ranging from financial institution, post office, electricity utility, universities, South African Airways, which was a broad representation of big South African corporations.

2.4.1 BEST PRACTICES FINDINGS.

2.4.1.1 STRUCTURAL AUTHORITY.

The organisations that appear to have made really great strides with the implementation of the Employment Equity Act and qualitative transformation in general are those who have Chief Executive Officers or equivalents, who have visibly displayed and demonstrated their commitment, the proverbial "walking the talk".

One of the more visible ways of demonstration has been the empowerment of the position accountable for the implementation of employment equity and transformation, as intended by the Act itself.

In these organisations, this position makes decisions and issues strategic directives for the organisation concerned.

It is clear that in these organisations, employment equity and transformation is accepted and managed as a strategic business
imperative, not as a sideshow or mere legal procedure compliance issue.

A simple way of identifying these organisations is by examining their approach. In most of these, the position accountable for employment equity and transformation has a direct and open channel of communication with the CEO, and participates in high-level meetings, representing Employment Equity/transformation issues at this level.

The position is also sited at the upper strata of the organisation, e.g. at Board or Executive Management level. In some of those where the position is not sited at Board/Executive Management level, the position still has open and direct access to the CEO on transformation issues.

Although less effective, this still allows for adequate empowerment and tends to nullify some of the internal organisational politics, which often impact negatively on change.

In those organisation where the position is not at a high level and it has to report via 2 or 3 levels of management to the CEO or equivalent; as well not being the formally appointed Employment Equity Manager as per the intent of the Act; and no one-on-one communication is allowed; the reporting relationship does not enhance decisive decision making nor real time communication.

It raises questions as to the intent and commitment of organisations with these extended reporting structures, as the impression created is that equity and transformation are not strategic business imperative.
2.4.1.2 TRANSFORMATION UNIT STRUCTURAL POSITIONING

Hand in hand with empowerment has been the issue of role clarification. In 16 of the participating organisations, functional units dedicated to transformation/equity issues have been created. In 10 of these organisations the functional unit is independent of the traditional Human Resources Department, (about 44% of the participants). Leading organisations have chosen these two separate paths, for the following reasons:

Exclusive from HR due to equity and transformation being viewed as a strategic imperative requiring dedicated resources;

HR is a department that that also needs to transform and by creating a separate, independent function, it eliminates any internal politics/conflict of interest impacting negatively on initiatives.

Inclusive with HR, as HR is viewed as the traditional home of ‘change’ and is staffed with personnel practically equipped and skilled in organisational development and change approaches.

Equity and transformation are viewed as strategic imperatives, but in some instances at more of a distance from senior level decision-making, i.e. the position responsible for equity and transformation reports via up to three levels to the CEO or equivalent.

The consultants are therefore led to conclude that the actual relevance of the unit accountable for transformation and equity is informed by the seriousness which the organisation attaches to change in general, which is again dependent on the commitment level of the CEO or equivalent.

This applies regardless of whether it is exclusive or exclusive or inclusive, as in most cases of exclusivity, the traditional Human
Resources Department still proves a vital supporting and facilitating role to the independent unit.

2.4.1.3 TRANSFORMATION UNIT COMPLEMENT.

The average Unit complement across all organisations surveyed is 4 employees per Unit, (rounded off). Complement ranged from one at two organisations, to over ten at the other end of the scale, (2 organisations).

The largest Unit complements were for organisations with 33,211 and 30,000 respectively. The smallest employer had 450 employees yet its Unit comprised 4 employees.

The largest employer had 35,000 employees, yet its dedicated Transformation Unit comprised only 3 employees. It did, however, have a very good back-up system via dedicated Transformation Managers at each of its Business / Provincial Units.

The last and most important point concerning the manning of Transformation Units is that, they should ideally be representative of the broader population. In many organisations they are manned entirely by members of the previously disadvantaged groups.

This does tend to raise fears and negative perceptions about transformation among the previously advantaged group. Those Units that have also comprised advantaged group. Those Units that have also comprised or utilised members of the previously advantaged group have enjoyed distinct success in their endeavours, especially with demonstrating that equity and transformation is for everybody, and that it is not the same thing as Affirmative Action.

2.4.1.4 SUCCESSFUL STRATEGIES DEVELOPED AND UTILISED BY ORGANISATIONS

2.4.1.4.1 CHANGE AGENT
The identification of natural change agents across operations and at different levels, who are used to encourage and drive change, has proven to be very successful. This is a similar concept to that of peer educators when addressing HIV/AIDS issues.

2.4.1.4.2 PERFORMANCE CONTRACT

The incorporations of Employment Equity into performance contracts as key Performance Indicators. This is linked into the amount of bonus awarded and is non-negotiable.

In most organisations the impact on bonuses is up to 30%. The rationale for Employment Equity being included into the performance management system is to reinforce that its implementation is a Line function. This is necessary to break the old stereotype that “people development” issues resort under the Human Resources Department or the Transformation Units.

One organisation has developed an internal tool to motivate managers to conform to EE and transformation and managers are given six people management issues to achieve annually. Their annual bonuses are linked to achieving these. In two of the organisations, any bonus money not awarded is re-routed into a pool for people development initiatives.

Some organisations have made it clear to all employees at the induction stage and via organisation-wide briefings, that non-compliance with transformation initiatives would not be tolerated. Employees who demonstrated that they were not committed to transformation have been dismissed.

One organisation introduced Change Management committees, which deal with change in financial systems, managing culture, re-structuring, re-engineering and behaviour change. This assists in breaking the mindset that Employment Equity and transformation are Transformation Unit or HR exclusive responsibilities.
2.4.1.4.3. STRATEGIC RECRUITMENT

In terms of strategic recruitment to support transformation, one organisation’s recruitment Policy works on a 80/20% recruitment principle in favour of the designated groups.

Internally, employees are paid a bonus cheque for recruiting designated group candidates, even if there are no formal vacancies. The EE Manager/Business Unit EE Representative identifies gaps and when there is a vacancy the person will be placed under the banner of preferential treatment’ as per the EE Act.

In situations where there are no suitable designated group candidates for permanent positions, some organisations have appointed White Males with the appropriate skills and competencies.

These employees have, however, been requested to enter into a contract whereby they agree to, or are prepared to take on a mentoring/coaching role. In this way these organisations are facilitating a transfer of skills to designated group employees.

Once organisation has utilised recruitment agencies for the recruitment of disabled employees, as this is a sorely neglected constituency of the designated groups.

At one organisation, in terms of recruitment and selection, no deviations, from Affirmative Acton objectives are allowed. Positions earmarked or people for the

They must fill designated groups, no side tracking is allowed.

2.4.1.4.4 REWARD AND RECOGNITION

Reward and recognition systems have also been introduced by organisations and these have proven very successful in reinforcing positive behaviour.
These schemes provide rewards from small tokens of appreciation up to earning overseas holidays, and are linked into broader transformation dives.

These schemes are also very valuable as they are a visible means of breaking down the perceptions of “haves” and “have nots”, as people are recognised and rewarded without regard to race, gender, job grade/level, etc.

2.4.1.4.5. RETENTION OF AFFIRMED SKILLS.

Retention of affirmed skills is a challenge that all of the organisations that participated face. Due to the discriminatory history that is South Africa’s legacy, there is a skills shortage among designated group members.

Quality designated group members are in high demand, and this results in a lot of headhunting. Two of the organisations are responding to this by creating images for themselves as “employers of choice”.

They are actively working on strategies to retain their staff. If an employee is identified as a “High Performer”, they only stay in a position for maximum two years.

The one organisation has developed a broad-based competency model to facilitate this process. The other has focused on developing an employee value offer. The key drivers for this to work are the attraction and retention of key people, people climate and morale and the achievement of their EE targets.

Another strategy is to focus on “good” applicants as the “best” are always going to be in constant demand, i.e. to avoid the upper percentile and go for the upper median range in terms of experience, qualifications, etc.

Job-hopping has become problematic and many of the “best” are moving up too quickly to bed down relevant experience and skills
enhancement, with the result that they are often being appointed beyond their competency levels.

2.4.1.4.6 WHITE MALE FEARS

White Male Fears are being addressed in a number of ways. Some organisations rely on external consultants to run workshops dealing with sensitisation on this issue.

Other organisations are addressing White Male Fears via their internal, broad transformation vehicles. They have begun at management level and are looking at a three year process. Road shows, workshops and formal presentations are other vehicles being used by organisations. They demonstrate a trend to begin with large audiences and to scale these down over time to focus groups, in order to create a climate of trust where people will feel free to open up with their issues.

The process also looks at determining what people’s values are. At one organisation, 2 – 3 hour monthly meeting sessions are held. These are open meetings looking at solving issues and if required, professional psychologists are on hand to assist in the process. The intention is to create a workplace community.

Some organisations have made Diversity a business issue instead of treating it as a side issue and have created committees to deal directly with this.

No areas are regarded as "holy cows" for discussion in one of these organisations, the Executive Committee takes full responsibility and accountability for driving diversity management. Each Business Unit Director will lose a part of his/her bonus if they do not support and achieve transformation targets.

In another organisation employees are taken through workshops that focus on the history of the organisation, but more importantly, on the history of the laws governing the country.
It is felt that people need to understand the need for change and the facts surrounding denial of fundamental human rights of individuals. The organisation believes that through this process, people are able to make a quantum leap into the new dispensation.

2.4.1.4.7 HIV/AIDS is also a ground for discrimination that is prohibited by the Employment Equity Act. In some organisation they deal with this issue as part of their induction process for new employees.

2.4.1.4.8 COMMUNICATION regarding transformation and equity has been dealt with in a number of ways:- video conferencing; an A – Z Guide to Employment Equity booklet issued to all employees; presentations; workshops; newsletter; e-mail; road shows; focus groups; surveys; posters; standing agenda item for Board and Management meetings; induction programmes’ organisation Vision, Mission and Cultural Values System; live television broadcasts a la ABSA’s Africa Growth Network approach; internal conferences; web page on the intranet; organisation chat rooms on the internet; flash faxes; briefings; suggestion boxes, in-house magazines.

In one organisation the CEO personally visited all departments and challenged them to achieve certain objection within a 3-month period.

2.4.1.4.9 DEVELOPMENT of designated groups has taken place via accelerated development programmes for management trainees and high potential non-management employees in some organisations.

Other organisations have formed partnerships with educational institutions to take on second year students and offer them casual/temporary employment. Bursaries for tuition are given to some students while others are only offered temporary jobs. This is done to uplift and create a pool of resources internally. Trainee management positions are thus only advertised internally and filled internally.
One organisation has sent the entire staff of a Business Unit overseas for specialised training. Thereafter that particular Business Unit serves a learning centre for all the other Business Units. This Business Unit has become linked to an internal Training Institute for customer service.

Courses offered here are recognised by University of South Africa and learners' graduation ceremonies are held there, attended by high level management.

Other organisations have involved themselves in the rural areas, encouraging school learners to study Mathematics and Science. They have formed joint partnerships with other organisations providing/sponsoring laboratories and Mathematics teachers.

Some organisations no longer outsource their training and conduct it themselves in-house, or in conjunction with overseas institutions/universities, while other make use of a mix of local and international institutions.

As part of Accelerated Development, one organisation has introduced a mentorship programme, for senior managers mentor young, up and coming managers.

These youngsters act as personal assistants to the senior managers, which provides them with insight into the bigger picture of running a business.

All of the organisations were unanimous in agreeing that the following support systems should be in place to facilitate equity and transformation:

- Non-discriminatory recruitment/selection policies/procedures;
- Bridging or Accelerated Development programmes;
- Mentorship and/or Coaching programmes;
- Performance Management system;
• In and/or Out-of Service Bursary Schemes;
• A career succession planning/pathing system;
• An internal Employment Equity Policy available to all employees;
• Appropriate Communications systems
• A high level of visible commitment to transformation at all levels of management.

2.4.1.4.10 The status of the Employment Equity Consultative Forums (EECF)

In some organisations the EECF has been empowered to submit proposals directly to the CEO. In some of these organisations the CEO is passionate about transformation and is the champion of the EECF.

In some larger organisations there are a number of different level EECF’s with the central one being the controlling body. At central level the EECF also has high-level members, whose recommendations carry a lot of weight.

Despite the intent of the Employment Equity Act, Union participation in these bodies is not a given. In some instances unions have refused to participate, and in others they have been excluded. The problem appears to be the nature of the Forum, which is consultative and not a negotiating body.

Some organisations have created their own interpretation of this body, and in some cases this interpretation body oversees the entire transformation process at the highest level.

Overall the EECF’s of other organisations were utilised to a greater or lesser degree for influencing decision making via consultation.

There appears to be managerial resistance to EECF’s interfering with the managerial prerogative to manage, even in instances where this “interference” is attempting to eradicate discriminatory practices.
2.4.1.4.11 THE ROLE OF THE TRANSFORMATION UNIT WITH THE EECF

The majority of Transformation Units or equivalents play a strong consultative role to their EECF’s. Offering an advisory service and active participation backs this up. Most pushed ideas in the Forums and some also played a strong policing role.

The Transformation Units come across as being more process oriented as opposed to product oriented. Their involvement of paper pushing for the EECF’s was minimal, while some did offer administrative support.

Over and above, this manyTransformational Units co-ordinated the establishment of EECF’s the training of their members, and were also answerable to the EECF of issue so lack of procedural fairness raised by employees via the EECF.

2.4.1.4.12 THE ROLE OF THE EE MANAGER OR EQUIVALENT

The role played by the EE Manager has ranged from:

- Project leader;
- Head of Transformation Unit;
- Chairperson of EECF;
- Formulation of policies and procedures;
- Provision of strategic advice to CEO;
- Organisational alignment with the provisions of the EE Act,
- Annual submission of comprehensive EE Report to the Department of Labour; Provision of expert advice and support to group business units;
- Development of philosophies and Best Practice directives for group wide EE implementation;
- Attending to grievances relating to EE issues;
- Constantly promote and create awareness of the implications to the organisation’s bottom line should it choose not to transform;
- Change agent;
• Co-ordinator of EE process;
• Culture change;
• Represent management during consultation; some insist on being impartial and not representing management;
• Policy maker and driver;
• Responsible for the overall implementation of EE in the organisation.

2.4.1.4.13 THE IMPORTANCE OF LINKING VISION AND MISSION TO TRANSFORMATION

Many of the leading organisations had done this consciously. They viewed this as essential to achieve the necessary paradigm shift required in terms of organisational culture and to align to the new national reality.

2.4.1.4.14 OVERALL IMPRESSIONS OF SUCCESS AT TRANSFORMATION

The majority of organisations responded that they had complied with the EE Act. But this appeared to be mainly in the procedural/quantitative sense, e.g. we have met our Numerical Goals/Targets. The strong focus on numerical goals, without integrating the various aspects of Human Capital Management, were seen as failure in qualitative sense.

Some stated that they had enjoyed success in that about 55% of employees demonstrated the new values, but which groupings these employees represented were not clear.

Many responded that a great deal of work still had to be done. The short-term goal had been met and now the focus was shifting to the long term one.
Some felt that transformation was often only a surface thing, that people’s attitudes had remained largely the same. Transformation was seen as successful only once all discriminatory practices had been eliminated.

In some organisations the barriers identified in 2000 were still firmly in place. These barriers appeared to revolve around people’s attitudes and the workplace culture.

2.4.1.4.15 REALISTIC EE TARGETS FOR DESIGNATED GROUPS BY 2005

Top/Senior Management:

66% felt that 30% + was realistic
The response range was from – 30% up to 50%

Middle Management

66% felt that 40% + was realistic
The response range was from – 30% up to 50%

Supervisory

All felt that 40% + was realistic
The response range was from 40% up to 63,6%

Operational/Elementary

All felt that 55% + was realistic
The response range was from 55% up to 90%

2.5 HISTORY OF CORPORATE AFFIRMATIVE ACTION ACTIVITY IN SOUTH AFRICA (1970-1980)
The Employment Equity Act No. 55 of 1998 was enacted in 1998, before the Act; there were some attempts by some organisations to implement Affirmative Action. The implementation of this process was perceived to be slow, politically driven.

Madi, P.M. (1993) uses animal symbolism to construct a mirror in which every South African organisation could see itself, and decide which ‘animal in the jungle’ it was.

2.5.1. THE PEACOCK-THE BLACK ADVANCEMENT ERA.

The Peacock approach was an era where an organisation embarks on affirmative action in response to external pressure in order to ‘get our colours looking better’. In this approach top management was not convinced about the economic need for a diverse workforce.

Multinationals tended to fall in this category during mid-to-late seventies. The Peacock era was classified as the Black Advancement era where companies had to find and appoint a black manager irrespective of whether or not there was a real job to be done, or whether the incumbent was empowered to do the job, was a different issue, management wanted a black face.

Management understood that using this approach the company had to remain fundamentally unchanged, thus they did not expect the black manager to perform but to be displayed for public relations purposes.

In peacock organisation, window dressing and tokenism are not the results, they are the objective. Blacks’ are neither expected nor supposed to perform.

The black professionals are kept at the periphery of involvement and their mental energy is channelled into activities that provide white superiors with what they don’t know about blacks and township dynamics.

Black managers are in perpetually in training in an attempt to postpone the decisions as to what the organisation will do with him.
In peacock organisations, black managers are usually herded into the relations’ field: customer relations, community relations, and industrial relations.

Basically the peacock approach is that the organisation is not expecting any contribution from the black manager. He is not needed from a business perspective. The company’s bottom line is totally unaffected by his contribution is therefore a decorative purpose only.

2.5.2 THE TORTOISE APPROACH-EQUAL OPPORTUNITY ERA

The Tortoise option is on a scale from conservative to liberal affirmative action. In this approach the organisation was prepared to diversify its workforce to a limited extent.

A tortoise organisation moved very timidly towards diversification, always on the alert for white backlash, when white backlash occurs, such organisation were ready to backtrack quickly to seek refuge in the shell.

In tortoise approach, the black manager is given responsibility, but no authority. He has no budget, no hiring, or promoting power.

The tortoise approach manifests itself as a form of “ethnic cleansing”. White employees of all ranks who were working in that department are discreetly transferred to other department to avoid a potentially explosive situation when they have to report to a black manager.

‘Black homelands’ i.e. all black department run by a black manager who presides supremely there like a homeland chief minister, as they are derisively referred to by black executives, are a result of this process.

Another sophisticated manifestation of the tortoise approach is to have black as ‘fire-eaters’. Usually this occurs when an organisation is faced
with rising union militancy, primarily in low-skilled departments, e.g., non-clerical staff.

A decision is taken to employ a black 'labour-relations manager' solely for the purpose of helping management deal with escalating union demands, of being a buffer between workers and management.

The tortoise approach became prevalent during the mid-eighties after the election of the tricameral Parliament and the United Democratic Front's subsequent civil disobedience campaign, the state of emergency, and the demise of the Sullivan Code. It happened in the contexts of consociation politics, when blacks were given limited political power.

This was an era marked by illusion of holding on to the past while trying to grapple with the future. Organisations were trying to live with the contradiction of black expectations by white resistance. During this era, once again affirmative action was a political football.

2.5.3. RHINOCEROS APPROACH-AFFIRMATIVE ACTION

The Rhinoceros approach-affirmative action was an approach adopted by organisations that has accepted enthusiastically the need for diversity in its managerial ranks.

The programme of affirmative action has been vigorously embarked upon after a lot of intensive debates in meetings and workshops plus input from external consultants.

This approach was in vogue ever since the announcement of the new South Africa plus CODESA, many organisations, private, or public opted for affirmative action.

In order to camouflage the real intentions, the programme was not referred to as affirmative action, but it was couched in such sentimental phraseology as 'positive employment', 'corrective action', or 'no potential loss'.

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Many top management argued that affirmative action did not work in America, why will it work in South Africa. It became clear that this approach had nothing to do with business dictates and objectives. It was an approach whose main objectives was “political correctness”.

Human Resources was involved with central planning where line managers were told how many blacks to appoint with no consideration for market trends, business imperatives and availability of skills pool for blacks.

This approach was characterised by the following:

- Black recruits became targets of a vicious reprisal campaign by white middle managers. Booby traps and landmines were planted wherever they walked, they were victimised in various ways.
- In ‘getting their numbers’ right and avoiding being displaced by talented black recruits, white managers embarked on a large scale of tokenism and window dressing.
- Blacks who were genuinely talented and who were advancing as a result of pulling themselves up by their own bootstraps had their achievement undermined by the prevalent perception in organisation that they were “affirmative action appointees”.
- Racial stereotypes were reinforced as the programme resulted in a racist view that blacks, whoever they are, by definition need assistance.
- The “culture of entitlement” among black staff members was encouraged as they expected preferential treatment and the dishing out of favours.
- Factionalism was encouraged amongst blacks generally, because when there are limited resources, the ‘victims’ must attack other competing ‘victims’ groups, with the more victimised claiming better rewards.
2.5.4 THE CHAMELEON APPROACH

Based on the unashamedly showman-like peacock approach, the painfully stubborn tortoise approach and the misguided overzealous rhinoceros approach, South African organisations have learned what not to do.

The chameleon approach is recommended because its relevance is appropriate and timely for the 21st century. According to Madi, this approach is based on the fundamental premise that is internationally applicable, that a businessman will do whatever is necessary to make a profit.

The premise of the chameleon approach is that demographic trends indicate quite clearly that South Africa's population is getting blacker and younger, meaning that any company which concentrate on recruiting and developing whites only is committing business suicide because it is relying on an ageing and shrinking labour market.

Looking at demographics, it is argued that every South African organisation will eventually realise the commercial value of black advancement. It is the that the evils of the peacock, tortoise or rhinoceroses will vanish.

The Chameleon organisation unblushingly says, 'we will adopt whatever colour necessary for the continuation of our business life, our customer base.

Our strategic business plan will tell us what colour we need to take not only to survive but to be an excellent organisation.

The Chameleon approach conforms to business ideals, it is a business driven, not a white guilt movement. This approach puts business objectives first and then mobilises resources both human and capital around those business objectives.

The Chameleon approach is unpretentious, unhypocritical, it demands high standards from everybody because every employee is not there for window-dressing but to contribute to the bottom-line.

The Chameleon approach demands that affirmative action plans should be business initiatives; it must be one of many wings of the business plan.
It is interesting to note that the bank under study also went through the implementation process as depicted by the peacock, tortoise, rhinoceros, and finally the Chameleon. The bank understudy views employment equity as a business imperative and is serious about this process. The bank's objective is to create a diverse, competent, value adding customer focus workforce in order to serve the diverse customer base. The bank has developed a business case for the implementation of employment equity. The bank has set short-medium-long term targets to achieve a competent representative workforce. The bank does not believe in number crunching, but believes in identifying, recruiting and training, developing designated groups for promotion to key senior strategic position in order to address the need of the emerging black market. Both management and employees do not tolerate tokenism.

2.6 CONCLUSION

It is clear that the participating organisations have done a great deal in terms of tackling the implementation of the Employment Equity Act and transformation in general. It is also clear that a great deal still remains to be done to create a new South African identity.

The once clear lesson that stands out is the absolute imperative of Top/Senior Management commitment and leadership, without which any transformation initiative is doomed to failure.

In this chapter a historical background that led to the promulgation of the Employment Equity Act No.55 of 1998 is discussed and a detailed definition, description, requirements and implementation of affirmative action, difference between diversity and affirmative action is discussed, best practices on the implementation of employment equity and transformation are highlighted, and lastly the history of corporate affirmative action activity in South Africa, where it was shown what
political pressure was in play and what approaches were used to respond to political pressure. All the strategies applied were not based on business objectives. Majority of organisation during the present day are more business focus rather than being politically correct.

In the next chapter, the Nominal Group Technique, as a problem solving tool will be discussed in the context of the investigation to gain a deeper understanding from African, Indian and Coloured middle managers.
CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The Bank is engaged in a process of transformation. The focus of the study is to undertake an investigation, applying the Nominal Group Technique, as a problem solving tool to gain an understanding as to how the implementation of Transformation and more specifically Employment Equity is viewed by African, Indian and Coloured (AIC) middle managers and what needs to be done differently.

In order to address employment equity at the Bank, it is important to identify factors that work against and/or contribute to the full implementation of Transformation.

While strategies to comply with legislative requirement must be vigorously pursued, simultaneously the Bank has recognised that it must play an active role in gaining support for this process.

The above mentioned scenario poses a potential business problem that requires information to guide business decisions. The Executive who is responsible for driving transformation and the implementation of the Equity Act, decided to conduct a business research in order to identify and understand issues related to the scenario mentioned above, which is defined by Cooper, D.R. and Emory, C.W. (1995) as a systematic inquiry that provides information to guide business decisions.
3.2 RESEARCH DESIGN AND METHODOLOGY

The preceding chapters and the introductory part of this chapter have posed the questions and issues under consideration. The purpose of this section is to describe the design and methodology that was followed in conducting the problem solving groups. Sampling, data capturing, Nominal Group Technique process followed, and the method of analysis, will be discussed.

As stated by Cooper et al (1995), research design is a blueprint that outlines each procedure from the problem statement/hypothesis to the analysis of data. The design provides answers to such questions as: What technique will be used to gather data? What kind of sampling will be used?

The nature of this study is exploratory. The aim is to gain insight into the specific phenomenon of African, Indian and Coloured middle managers' perception on the implementation of transformation and the Employment Equity Act, rather than to prove or disprove a hypothesis or describe reasons for this phenomenon.

According to Cooper et al (1995), exploration is particularly useful when researchers lack a clear idea of the problem they will meet during the study. Important variables may not be known or thoroughly defined. They further state that the objectives of the exploration may be accomplished with several data collection techniques. Both qualitative and quantitative techniques are applicable though exploration relies more heavily on qualitative techniques.

For the above mentioned reason, a problem solving approach was decided upon.

Though the Employment Equity Act was promulgated in 1998, and has been implemented for some time in the form of equal opportunities or affirmative action, which has been more aggressively implemented in the past three years. This resulted in an ex-post facto design.
Ex-post facto design according to Cooper et al (1995), investigators have no control over the variables in the sense of being able to manipulate them. They can only report what has happened or what is happening.

It is important that researchers using this design not influence the variable, for to do so introduces bias. Relationship rather than causality can however still be proven with such a design. The value of this type of research, however, is that it can be used when controlled experimentation is not possible, such as when perceptions are measured as in the present study.

The three major weaknesses of ex-post facto research as cited by Cooper et al (1995) are: - The inability to manipulate independent variable
- The lack of power to randomise
- The risk of improper interpretation

To minimise these limitations, the findings of the investigation will be used to describe only the test population and not to generalise to include the total organisation.

However, an exploratory study such as the present one does raise relevant questions and explores phenomena, rather than making generalisation.

3.2.1 Sampling: is the identification of the target population and selecting the sample. According to Cooper et al, a sample is a part of the whole population carefully selected to represent that population.

The unit of analysis, the total set from which the individuals or units of analysis (Mouton J, 2000) in this study (consisting of two groups, each with twelve participants) is the African, Indian and Coloured middle managers, both males and females, in the Gauteng province—more specifically in the Johannesburg region.

Although only a portion of a population comprises a study’s sample, the portion is assumed to be representative of the total set. The notions of a sample, therefore, suggest that all appropriate subjects or individuals of the total set will not participate in the study.
3.2.2 DATA COLLECTION METHODOLOGY

According to Cooper et al (1995), data is defined as the facts represented to the researcher from the study's environment. Data may further be characterised by their:

- Abstractness
- Verifiability
- Elusiveness and
- Closeness to the phenomenon.

For the purpose of this investigation each participant will be issued with three record cards (102x152mm), which will be used for capturing their thoughts for the three questions during the first step of silent generation of ideas. The flip chart will be used to capture participant's input during the round-robin process.

3.3 PROCESS FOLLOWED

For the purpose of this qualitative study, the Nominal Group Technique (NGT) will be utilised. According to Delbecq, A. L, Van de Ven and Gustafson, D.H. (1975) NGT is a structured group meeting, which follows a prescribed sequence of problem-solving steps.

The NGT was developed to gain the benefits of group participation in problem identification and problem solving, while eliminating or minimising problems such as individuals who try to impose their ideas and those who are too apprehensive to make theirs known, hostile arguments, etc.

The data collection procedure used in this qualitative study will consists of two problem solving groups each constituted by twelve participants representing African, Indian and Coloured (AIC) male and female middle managers.

The problem solving group should be small enough for all participants to have the opportunity to share insights and large enough to provide
diversity of views. The problem solving group will consist of people who are on the same management level who will have a focused discussion.

Problem solving group need not reach consensus, instead emphasis is placed on finding out as much as possible about the participants experiences about specific aspect of social reality. According to Fox, W M (1990) many studies have shown participation by means of conventional group problem solving procedures increases the likelihood of better solutions and better solution implementation due to enhanced understanding and commitment.

In addition, surveys show the people in all types of organisation, in many different cultures, generally want more participation than they are experiencing.

At the beginning of this process the investigator had to set the scene and discussing the rationale of this process and how important the role of the participant in this exercise.

The different steps of the Nominal Group Technique to be followed were explained to the participants. Each participant was issued with three record cards to capture their ideas, each card to be used for each of the three questions.

At the beginning of the session the writer posed the following semi-structured questions:

"The bank is busy implementing transformation, more specifically Employment Equity Act, in your view or experience:

- What are the positive aspects of this process?
- What problems are you experiencing?
- What action steps should be taken?

3.3.1 Steps 1: Silent generation of ideas in writing. The first step in an NGT meeting was to have the group members write key ideas silently and independently based on the semi-structured question. The first step allowed ten minutes, for thinking and reflection. The participants were requested to think through the first question ‘what are the
positive aspects of the process of the implementation of transformation”. Using one of the three record cards, each participant was asked to record the five most important or critical points that each will share with the group.

3.3.2 Step 2: Round-robin recording of ideas. The second step of NGT after ten minutes was a structured sharing of ideas. Each participant was requested to prioritise individually, three critical ideas of the five ideas, originally generated and presented in a round-robin fashion, one idea from his/her private list at a time.

A recorder writes that idea on a flip chart in full view of other participants. There was still no discussion at this point of the meeting—only the recording of privately narrated ideas. Round-robin listing continued until all participants indicated that they had no further ideas to share. The output of this nominal phase of the meeting was a list of statements ranging from thirty to forty-three.

3.3.3 Step 3: Serial discussions for clarification. The third step of NGT was the discussion of each idea, and to combine similar ideas or to eliminate duplication. The benefit of this step was the creation of an opportunity for clarification behind arguments and disagreements and recording of differences of opinion without undue argumentation. Once all the ideas were captured in a flip chart, each idea was explained to create clearer understanding. This clarification process is prompted by the participants if ever they need further clarification.

3.3.4 Step 4: Preliminary vote on item importance. The purpose of this step is for the problem-solving group (AIC middle managers) to have a serial discussion in order to create understanding of the meaning of the item, the logic behind the item and arguments for and against the importance of individual items. At the final stage the group must aggregate the judgements of individual members in order to determine the relative importance of individual items.

3.3.5 Step 5: Discussion of the preliminary vote. Step five is a brief step, which can be added to increase the judgmental accuracy of the preliminary vote as recorded on the flip chart tally. The purpose of the discussion is to examine inconsistent voting patterns and to provide for the opportunity to re-discuss items that are perceived as receiving
too many or too few votes. During this step each participant was given only three votes. The participants were asked to study the whole list of views listed on the flip chart and decide which are the three most critical views that will be selected during the three votes given to each participant. The view that receives a vote is marked as to how many votes it has received, the number of votes received by each item will result into prioritisation of the views.

3.3.6 Step 6: Final vote. Step six is the final (NGT) step. This vote combines individual judgement into a group decision. The final vote will determine the outcome of the meeting provides a sense of closure and accomplishment and document the group judgement.

The abovementioned six steps were followed in dealing with each of the three sub-semi-structured questions. This process took three hours to be completed. The final outcome of the NGT problem solving process was a list of raw data and a list of prioritised items as a result of the voting process.

3.4 DATA ANALYSIS

According to Cooper et al, data analysis usually involves reducing accumulated data to manageable size, developing summaries, looking for patterns, and applying statistical techniques. For the purpose of this investigation, data analysis will be conducted on the prioritised list, where trends and themes will be identified from the three different questions posed during the above-mentioned NGT process.

3.3 CONCLUSION

In this chapter the discussion covered the research design and methodology where sampling, data collection and analysis was discussed. The final part of the chapter covered the NGT process which entailed silent generation of ideas in writing, round -robin feedback from participants to record each idea on a flip chart,
discussion of each recorded idea for clarification and evaluation and individual voting on priority ideas with the participants decisions being mathematically derived through rank-ordering or rating.

The next chapter will present the findings and discussions.
CHAPTER FOUR

4. RESEARCH FINDINGS

4.1. INTRODUCTION

Chapter three outlined the Nominal Group Technique as a problem solving technique to identify issues related to the implementation of Transformation, more specifically the implementation of the Employment Equity Act.

The problem solving exercise consisted of two groups of twelve African, Indians and Coloured males and females middle managers that were randomly selected to participate in a problem-solving group.

The participants were requested to respond to the three questions that were posed following the six steps of the Nominal Group Technique that was explained to them by the author.

All the responses were captured in a flip chart. Participants were given an opportunity to prioritise through voting for issues viewed critical. All the qualitative views are captured below in a prioritised format. In this chapter, findings are presented.

The participants began with the first step of the Nominal Group Technique, the silent generation of ideas. Each participant was requested to think through the question, using the recording card, to capture the five most critical issues related to the first question that will be shared with the group. The second step was round robin sharing of ideas with the group. Each participant had to prioritise three of the five ideas captured during the first phase for recording on the flip chart.

The recorder wrote the idea on a flip in full view of the other participants. At this stage there was no discussions. This process continued until all participants indicated that they had no further ideas to share.

The third phase of the NGT was discussions on each idea in turn and to combine similar ideas or to eliminate duplication.

The participants benefited from this session in that an opportunity was created for clarification and understanding. The output of this session is a list of statements ranging from twenty to thirty, as shown below, covering the three questions which the participants had respond to.
<table>
<thead>
<tr>
<th>QUESTION</th>
<th>RESPONSES</th>
</tr>
</thead>
</table>
| The Bank is implementing Transformation, more specifically Employment Equity Act, in your view what are the positive aspects on the implementation process? | 1. The existence of the Transformation Unit  
2. New talent and expertise being brought in from outside  
3. Being mindful of the new dynamics in South Africa  
4. Good Transformation unit’s policy promotes business and market awareness,  
5. Levelling the playing field in the work area  
6. Transformation being viewed by the bank as a business imperative and linked to line manager’s key results area (KRA’s)  
7. Money spent on development for Africans, Indians and Coloured employees  
8. Embracing diversity and enhancing learning  
9. Recognition of competent Black (AIC) people in the Bank to run the business of the bank  
10. Allows for more representation of the social demographics  
11. Gender aspects being addressed/gender aspect given equal status  
12. Career path development becoming more evident  
13. Reflection of diverse top management to the market in which we operate  
14. Statutory compliant to avoid penalties  
15. Proper implementation will increase market share  
16. More opportunities for the previously disadvantaged group  
17. People being developed and appointed in meaningful and strategic position  
18. More training of people to enlarge pool of skills and resources  
19. Deterrent of discriminatory practices/unjust practices of the past  
20. Transformation will lead to new diverse culture not dominated by white males  
21. People rewarded/remunerated according to their skills and performance  
22. No ceiling for the previously disadvantaged individuals in terms of growth  
23. Enable the bank to appoint best candidates for the jobs across demographics, based on merit  
24. Harnessing resources to increase share holder value  
25. Transformation provides job satisfaction, which will lead to reduced turnover  
26. Transformation is morally correct  
27. Risk taking and questioning of culture is encouraged |
<table>
<thead>
<tr>
<th>What problems are being experienced in the implementation of this process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Whites continue to protect each other</td>
</tr>
<tr>
<td>2. Appointing Black people and setting them up for failure/self fulfilling prophesy</td>
</tr>
<tr>
<td>3. Tensions in places where black people are appointed in previously white dominated environment</td>
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<td>4. Appointment into position as tokens resulting in the lack of empowerment</td>
</tr>
<tr>
<td>5. Lack of development and exposure at strategic levels</td>
</tr>
<tr>
<td>6. Developmental sponsorship biased (too white)</td>
</tr>
<tr>
<td>7. Lack of ownership, accountability and responsibility of senior management to want to make transformation work</td>
</tr>
<tr>
<td>8. Senior management to commit to time frames for the Employment Equity</td>
</tr>
<tr>
<td>9. External appointment leads to apathy and resignation/existing staff not good enough/the &quot;fresh blood syndrome&quot;</td>
</tr>
<tr>
<td>10. Lack of transparency</td>
</tr>
<tr>
<td>11. Reservation of key specialist position for whites</td>
</tr>
</tbody>
</table>
12. Meeting of annual agreed EE targets being left the eleventh hour, leading to appointment/promotion of inferior candidates
13. Not being paid adequately
14. No career development plans/succession planning
15. Not allowed to question the status quo-leads to victimisation
16. The more senior blacks appointed, the more senior whites appointed – gap not closed
17. Gross neglect of females at strategic positions
18. Management not ‘walking the talk’/sabotaging the transformation process
19. Blacks not heard-not trusted, only become famous when something goes wrong
20. White managers lack people management skills
21. Fear of whites, saying they are the endangered species
22. Duplication of roles within prevent the meaningfulness of numbers of employment equity
23. Mindset/paradigm not changed toward equity and transformation
24. Transformation not understood at junior management levels
25. Absence of proper communication channels in terms of employment equity plans
26. Serious loss of talent due to glass ceiling-turnover
27. Lack of transparency in appointment to strategic positions
28. Lack of understanding of values contributed by blacks(AIC)
29. Fear for intimidation/victimisation
30. Resistance to change by white management
<table>
<thead>
<tr>
<th>WHAT ACTION STEPS SHOULD BE TAKEN?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Develop clear effective development plans with specific time frames, deliverables and feedback to Transformation Unit</td>
</tr>
<tr>
<td>2. Senior management to commit themselves on the Transformation process</td>
</tr>
<tr>
<td>3. Set up a task team that is transparent to address all major issues raised</td>
</tr>
<tr>
<td>4. Middle, Senior and Executive management to be critically reviewed in terms of business objectives and people management skills</td>
</tr>
<tr>
<td>5. Communicate the Employment Equity process throughout the organisation and hold management accountable</td>
</tr>
<tr>
<td>6. Management key result area to be evaluated through the 360 degrees evaluation process</td>
</tr>
<tr>
<td>7. Empower Transformation Unit to have representation at EXCO and Career Management Committees</td>
</tr>
<tr>
<td>8. Identify internal talented candidates for development into senior posts and buy-in from senior management.</td>
</tr>
<tr>
<td>9. Fast tracking programmes to be put in place- accelerated development plans</td>
</tr>
<tr>
<td>10. Increasing the employment of external black senior and executive management to change the inbred culture</td>
</tr>
<tr>
<td>11. Establish a task team to focus on the development and promotion of females into senior and executive management post</td>
</tr>
<tr>
<td>12. Review the recruitment process not the policy</td>
</tr>
<tr>
<td>13. Targets to be set to reflect proper diverse workforce</td>
</tr>
<tr>
<td>14. Proper support to be made available to potential employees to progress</td>
</tr>
<tr>
<td>15. Compulsory feedback sessions to ascertain development progress i.e. career development programmes</td>
</tr>
<tr>
<td>16. Senior management to undergo cultural diversity programme (ongoing) to increase understanding for tolerance and valuing differences</td>
</tr>
</tbody>
</table>
Implement mentorship/coaching programmes for high potential employees
18. Monitoring of qualitative and quantitative issues related to equity
19. Focussed and intensive exit interview to be conducted for exiting black candidates
20. Developed a holistic and integrated retention strategy
21. Develop and establish network forum/buddy-buddy system to encourage the spirit of support group
22. Implement a short, medium and long-term target setting process to encourage line managers to focus on identification, development of potential employees

4.4 PRIORITISATION OF RESPONSES.

After the first phase, where a list of statements has been noted and discussed for further clarification, participants went through the following phases, i.e. preliminary vote on item importance in order to create understanding on the meaning of the item, discussions of the preliminary vote where each participants was given only three votes on each of the three questions. Each participants was asked to study the whole list of views listed on the flip chart and decide which are the three most critical views that will be selected during the three votes given to each participants. The view that receive a vote is marked as to how many votes it has received, the number of votes received by each item will result into prioritisation of views as shown below.

<table>
<thead>
<tr>
<th>No.</th>
<th>Questions and Responses</th>
<th>Votes Allocated</th>
<th>Order of Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.1</td>
<td>What are the positive aspects of this process?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4.1.1</td>
<td>People being developed and appointed in meaningful posts/s level</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>1.2</td>
<td>Reflection of top management to the market in which we operate</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>1.3</td>
<td>New and innovative ways of creating better product represent clients needs</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>1.4</td>
<td>New talent and expertise – internal/external</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1.5</td>
<td>Levelling the playing field in the work area</td>
<td>2</td>
<td>3</td>
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<tr>
<td>1.6</td>
<td>Embracing diversity and enhancing learning</td>
<td>2</td>
<td>3</td>
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<tr>
<td>1.7</td>
<td>Recognition of competent black people in the bank to run the</td>
<td>2</td>
<td>3</td>
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<td></td>
<td>business of the bank</td>
<td></td>
<td></td>
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<tr>
<td>1.8</td>
<td>Gender aspects being addressed</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1.9</td>
<td>Career path development becoming more evident</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1.10</td>
<td>Proper implementation will lead to increased market share</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1.11</td>
<td>Allow for SBIC to appoint best candidates for the job across</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>demographics, based on merit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.12</td>
<td>Allows for more representation of the social demographics</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>1.13</td>
<td>Statutory compliance to avoid penalties</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>1.14</td>
<td>More training of people to enlarge pool of skill and resources</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>4.4.2.</td>
<td>What problems are being experienced in the implementation of this process?</td>
<td>Votes Allocated</td>
<td>Order of Priority</td>
</tr>
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<td>-------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>2.1</td>
<td>No career development plans/ succession planning and development processes</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>2.2</td>
<td>Whites continue to protect each other</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2.3</td>
<td>Lack of development and exposure at strategic levels</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2.4</td>
<td>Lack of ownership, accountability and responsibility of senior management to want to make the process of transformation work</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2.5</td>
<td>Lack of understanding of process at all levels of employment- not to abuse the process of transformation</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2.6</td>
<td>Problems with culture – no buy in from existing white staff.</td>
<td>2</td>
<td>3</td>
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<tr>
<td>2.7</td>
<td>Sabotage</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2.8</td>
<td>Appointment of black people and setting them up for failure/ fulfilling prophesies being perpetuated</td>
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<tr>
<td>2.9</td>
<td>Tension in environment where black people are appointed in previously white dominated environment</td>
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<tr>
<td>2.10</td>
<td>Developmental sponsorship biased (too white)</td>
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<td>2.11</td>
<td>External appointment of people – empty promises leads to out flux/ outflow.</td>
<td>1</td>
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<tr>
<td>2.12</td>
<td>Senior management to commit to the Employment Equity process and define time fuzziness with regards to time frames.</td>
<td>1</td>
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<tr>
<td>2.13</td>
<td>The comfort of employment of new blacks – existing people never good enough fresh blood syndrome</td>
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<td>4</td>
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<tr>
<td>2.14</td>
<td>Lack of transparency</td>
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<td>4</td>
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<tr>
<td>2.15</td>
<td>Compliance left to the eleventh hour- inferior candidates being promoted</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>2.16</td>
<td>Not being paid adequately</td>
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</tr>
<tr>
<td>2.17</td>
<td>Gross neglect of females at strategic positions</td>
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<td>2.18</td>
<td>Employees to live the process of transformation- walk the talk</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>2.19</td>
<td>Not heard not trusted- only become famous when something is wrong</td>
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<td>4</td>
</tr>
<tr>
<td>2.20</td>
<td>Do not question the status quo if you want to succeed</td>
<td>1</td>
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</tbody>
</table>
### 4.4.3 What action steps should be taken?

<table>
<thead>
<tr>
<th>Action Step</th>
<th>Votes Allocate</th>
<th>Order of Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish a task team to focus on development and promotion of females into senior and executive management posts.</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Develop clear effective development programmes with specific time frames, deliverables and feedback to Transformation Unit.</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Thorough exit interviews with managers- special task force to be set up</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Development and retention of KRA's for management evaluated through 360 degree</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Identify internal talent for development into senior posts and buy in from senior management (Fast tracking programme to be put in place).</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Understanding the concept of transformation at business unit level and divisional level- dealing with the issues.</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Proper communication mechanisms to be set up i.e. forced ranking</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Senior management and executive management to undergo cultural diversity programmes (ongoing to increase market share)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Develop network forum / buddy-buddy system of people committed to a brighter future and not dwell on the past.</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Compulsory feedback sessions to ascertain development progress i.e. career development programmes</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Communicate the Employment Equity process throughout the organisation and hold management accountable</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>The Bank management behavioural handbook to be developed and practised.</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Ensure management do not have holy cows and provide equal Opportunities to those deserving.</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Middle management, senior management and executive Management to be critically reviewed in terms of business objectives And people skills</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Senior management to commit itself to the process.</td>
<td>1</td>
<td>5</td>
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</tbody>
</table>
4.4.5. Themes/Trends identified.

From the above-prioritised responses, the following themes/trends were identified.

<table>
<thead>
<tr>
<th>NO.</th>
<th>Themes / Trends identified</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Question 1</td>
</tr>
<tr>
<td>1</td>
<td>POSITIVE ASPECTS IDENTIFIED</td>
</tr>
<tr>
<td>1.1</td>
<td>Meaningful appointment / developments</td>
</tr>
<tr>
<td>1.1.1</td>
<td>People being developed and appointed in meaningful posts/strategic level</td>
</tr>
<tr>
<td>1.1.2</td>
<td>Recognition of competent black people in the bank to run the business of the bank</td>
</tr>
<tr>
<td>1.1.3</td>
<td>Career path development becoming more evident</td>
</tr>
<tr>
<td>1.1.4</td>
<td>Allows for SBIC to appoint best candidates for the job across demographics, based on merit.</td>
</tr>
<tr>
<td>1.2</td>
<td>Better understanding of market</td>
</tr>
<tr>
<td>1.2.1</td>
<td>Recognition of competent black people in the bank to run the business of the Bank</td>
</tr>
<tr>
<td>1.2.2</td>
<td>Proper implementation will lead to increased market share.</td>
</tr>
<tr>
<td>1.2.3</td>
<td>New and innovative ways of creating better product representation of clients need</td>
</tr>
<tr>
<td>1.2.4</td>
<td>Reflection of top management to the market in which we operate.</td>
</tr>
<tr>
<td>1.3</td>
<td>Gender</td>
</tr>
<tr>
<td>1.3.1</td>
<td>Gender aspects being addressed</td>
</tr>
<tr>
<td>1.4</td>
<td>Recognising Diversity</td>
</tr>
<tr>
<td>1.4.1</td>
<td>Embracing diversity and enhancing learning</td>
</tr>
<tr>
<td>1.4.2</td>
<td>Allows for more representation of the social demographics</td>
</tr>
<tr>
<td>1.5</td>
<td>Increased opportunities</td>
</tr>
<tr>
<td>1.5.1</td>
<td>New talent and expertise – internal/external</td>
</tr>
<tr>
<td>1.5.2</td>
<td>Levelling the playing field in the work area</td>
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<tr>
<td>1.5.3</td>
<td>More training of people to enlarge pool of skill and resources</td>
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<tr>
<td>1.6</td>
<td>Compliance</td>
</tr>
<tr>
<td>1.6.1</td>
<td>Statutory compliance to avoid penalties</td>
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<tr>
<td>NO.</td>
<td>Themes / Trends identified</td>
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<tr>
<td>-----</td>
<td>---------------------------</td>
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<td></td>
<td><strong>Question 2</strong></td>
</tr>
<tr>
<td></td>
<td><strong>PROBLEMS BEING EXPERIENCED IN THE IMPLEMENTATION OF THIS PROCESS</strong></td>
</tr>
<tr>
<td>2.1</td>
<td>Career Development</td>
</tr>
<tr>
<td>2.1.1</td>
<td>No career development plans/ succession planning and development processes</td>
</tr>
<tr>
<td>2.1.2</td>
<td>Lack of development and exposure at strategic levels</td>
</tr>
<tr>
<td>2.1.3</td>
<td>Developmental sponsorship biased (too white)</td>
</tr>
<tr>
<td>2.2</td>
<td>Commitment Questionable</td>
</tr>
<tr>
<td>2.2.1</td>
<td>Whites continue to protect each other</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Lack of development and exposure at strategic level</td>
</tr>
<tr>
<td>2.2.3</td>
<td>Problems with culture – no buy in from existing white staff.</td>
</tr>
<tr>
<td>2.2.4</td>
<td>Sabotage</td>
</tr>
<tr>
<td>2.2.5</td>
<td>Lack of transparency</td>
</tr>
<tr>
<td>2.2.6</td>
<td>Appointment of black people and setting them up for failure/ self-fulfilling prophesies being perpetuated</td>
</tr>
<tr>
<td>2.2.7</td>
<td>Employees to live the process of transformation- walk the talk</td>
</tr>
<tr>
<td>2.3</td>
<td>Diversity Management</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Tension in environment where black people are appointed in previously white dominated environment</td>
</tr>
<tr>
<td>2.3.2</td>
<td>Do not question the status quo if you want to succeed</td>
</tr>
<tr>
<td>2.4</td>
<td>Performance Management</td>
</tr>
<tr>
<td>2.4.1</td>
<td>Not heard not trusted – only become famous when something is wrong</td>
</tr>
<tr>
<td>2.5</td>
<td>External Recruitment Process</td>
</tr>
<tr>
<td>2.5.1</td>
<td>External appointment of people – empty promises lead to outflux/outflow</td>
</tr>
<tr>
<td>2.5.2</td>
<td>The comfort of employment of new blacks – existing people never good enough fresh blood syndrome</td>
</tr>
<tr>
<td>2.6</td>
<td>Tokenism</td>
</tr>
<tr>
<td>2.6.1</td>
<td>Compliance left to the eleventh hour – inferior candidates being promoted</td>
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### Themes / Trends identified

#### Question 3

<table>
<thead>
<tr>
<th>No.</th>
<th>Themes / Trends identified</th>
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</thead>
<tbody>
<tr>
<td>3</td>
<td>ACTION STEPS TO BE TAKEN</td>
</tr>
</tbody>
</table>

#### 3.1 Gender

3.3.1 Establish a task team to focus on development and promotion of females into senior and executive management posts.

#### 3.2 Development plans

3.2.1 Develop clear effective development programmes with specific time frames, deliverables and feedback to Transformation Unit.

#### 3.3 Retention strategy

3.3.1 Thorough exit interviews with managers- special task force to be set up

3.3.2 Development and retention of KRA’s for management evaluated through 360 degree

3.3.3 Identify internal talent for development into senior posts and buy in from senior management (Fast tracking programme to be put in place).

#### 3.4 Communication understanding

3.4.1 Understanding the concept of transformation at business unit level and divisional level- dealing with the issues.

3.4.2 Proper communication mechanisms to be set up i.e. forced ranking

3.4.3 Communicate the Employment Equity process throughout the organisation and hold management accountable

#### 3.5 Diversity management

3.5.1 Senior management and executive management to undergo cultural diversity programmes (ongoing to increase market share)

#### 3.6 Behavioural hand book

3.6.1 Standard Bank management behavioural handbook to be developed and practised.

3.6.2 Ensure management do not have holy cows and provide equal opportunities to those deserving.

3.6.3 Middle management, senior management and executive management to be critically reviewed in terms of business objectives and people skills
4.4. Overall Themes

1. Gender
2. Career development Plans / Programmes
3. Diversity Management
4. Commitment
5. Performance Management
6. Retention

4.5. THE SIMILARITIES AND DIFFERENCES BETWEEN WHITE MALE MANAGERS AND BLACK MANAGERS VIEWS ON THE IMPLEMENTATION OF THE EMPLOYMENT EQUITY.

This study was taken further to compare the similarities and the differences between black managers and white managers view on the current implementation of Transformation, more specifically the Employment Equity in the bank.

The available data from the quantitative survey conducted on white male managers and the focus groups held with black (AIC) middle managers, will be used.
<table>
<thead>
<tr>
<th>No</th>
<th>AIC</th>
<th>White Males</th>
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<tbody>
<tr>
<td>1</td>
<td><strong>POSITIVE ASPECTS</strong></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td><strong>Commitment to transformation</strong></td>
<td>• Top management’s commitment to the process of transformation</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Reflection of top management to the market in which we operate.</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td><strong>Meaningful appointments</strong></td>
<td>• The quality of staff are above market norms</td>
</tr>
<tr>
<td>1.2.1</td>
<td>Allows the bank to appoint best candidates for the job across demographics, based on merit.</td>
<td>• The process of transformation has accelerated at director / senior management levels through focused Recruitment.</td>
</tr>
<tr>
<td>1.2.2</td>
<td>People being developed and appointed in meaningful posts</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td><strong>Diversity Management</strong></td>
<td>• Diversity being a source of strength</td>
</tr>
<tr>
<td>1.3.1</td>
<td>Embracing diversity and enhancing learning</td>
<td>• Pride in working for an organisation employing people from diverse cultures.</td>
</tr>
<tr>
<td>1.3.2</td>
<td>Allows for more representation of the social demographics</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>NEGATIVE ASPECTS</td>
<td></td>
</tr>
</tbody>
</table>
|----|----------------
<p>| | |
|    |                |
| 2.1| Communication |
| 2.1.1| Transformation is not visible enough |
|      | Overall poor communication about transformation |
| 2.1.2| Level of communication from executive management is not in sync with the rest of the organisation |
|      | Lack of effective communication. Level of communication does not always reach the intended audience. Communication from executive management gets filtered down the line. |
|      | Various strategies communicated are not in sync with one another |
| 2.1.3| No visible transformation strategies and plans |
|      | Lack of transparency of the process and transformation plan. |
|      | Various strategies are not communicated |</p>
<table>
<thead>
<tr>
<th>2.2</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1</td>
<td>No visible commitment of CEO on transformation- lead by example</td>
</tr>
<tr>
<td>2.2.3</td>
<td>Budget used as a constraint</td>
</tr>
<tr>
<td>2.2.4</td>
<td>AIC's not doing enough to drive the process - Commitment by employees to increase their knowledge and expertise</td>
</tr>
<tr>
<td>2.2.4</td>
<td>Employees to live the process of transformation- walk the talk - Top management is not walking the talk- new posts created recently filled by white males</td>
</tr>
<tr>
<td>2.2.5</td>
<td>Problems with culture- no buy in from existing white males - Employment equity is a farce</td>
</tr>
<tr>
<td>2.2.6</td>
<td>Appointment of black people and setting them up for failure/self fulfilling prophesies being perpetuated - Employment Equity candidates employed to meet quotas, not because of skill or experience. As a result the training, development or mentoring of blacks is seen as career suicide.</td>
</tr>
<tr>
<td>2.3</td>
<td>Career Development</td>
</tr>
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<tr>
<td>2.3.1</td>
<td>Lack of focused training and development</td>
</tr>
<tr>
<td>2.3.2</td>
<td>Lack of career pathing</td>
</tr>
<tr>
<td>2.3.2</td>
<td>Lack of development and exposure at strategic levels</td>
</tr>
<tr>
<td>2.3.4</td>
<td>Lack of mentorship schemes -Lack of guidance/ coaching for AIC’s for higher posts.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>2.4</th>
<th>Diversity Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4.1</td>
<td>Tension in environment where black people are appointed in previously white dominated environments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.5</th>
<th>Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5.1</td>
<td>Lack of retention strategy</td>
</tr>
<tr>
<td>2.5.2</td>
<td>External recruitment- Empty promises lead to</td>
</tr>
<tr>
<td>2.6</td>
<td>External Recruitment</td>
</tr>
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<td>----------------------</td>
</tr>
<tr>
<td><strong>2.6.1</strong></td>
<td>Internal skills overlooked, as external appointment of AIC’s is preferred</td>
</tr>
<tr>
<td></td>
<td>• When posts are available people are brought in from other provinces or outside the organisation.</td>
</tr>
<tr>
<td><strong>2.6.2</strong></td>
<td>The comfort of employment of new blacks — existing people never good enough- fresh blood syndrome.</td>
</tr>
<tr>
<td></td>
<td>• Top management to walk the talk- preaching transformation but employing people externally. Not only fear AIC appointments/promotions but fear external recruitment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.7</th>
<th>Performance Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.7.1</strong></td>
<td>Not heard, not trusted only become famous when something is wrong.</td>
</tr>
<tr>
<td></td>
<td>• Poor appraisal system</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2.8</th>
<th>Achievement of Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.8.1</strong></td>
<td>No visible targets set at business unit level</td>
</tr>
<tr>
<td></td>
<td>• Lack of transparency</td>
</tr>
</tbody>
</table>
The analysis of views furnished by both groups revealed an interesting point to take note of. The following clusters that emerged from the white male survey seem to be apparent in AIC manager’s views:

- The committed
- The sceptics
- Disengaged

Some of the positive comments made by AIC managers are simultaneously considered to be major barriers to the implementation of Employment Equity. I.e.

**The committed**
- People being developed and appointed in meaningful posts/strategic posts
- Career development becoming more evident
The bank’s appointment of candidates based on merit
- Recognition of the of competent black people to run the business of the bank
- Levelling the playing field in the work area
- More training of the people to enlarge pool of skill and resources
The sceptics

- Sabotage
- Lack of development and exposure at strategic levels
- Lack of trust from white counterparts. AIC’s have little or no credibility
- AIC’s always told that they are not ready
- Appointment of black people and setting them up for failure/ self-fulfilling prophesies being perpetuated.
- Internal skills are overlooked, as external sourcing of AIC’s is preferred.

The disengaged

- No pressure to achieve targets
- Budgets used as constraint
- Lack of corporate funding for transformation.
- No visible commitment to transformation by CEO. He should lead by example.
- Inferior candidates being promoted
- Not heard not trusted, only become famous when something is wrong

Some of the Disengaged AIC managers invited to the focus group sessions refused to participate as they felt that the implementation of transformation is not productive. They believe that no focus group in the bank is going to change the fact that things are never going to change.

It would be advisable to conduct a survey within SBSA in order to understand the general feeling of AIC’s regarding the implementation of the Employment Equity process. This will in turn confirm the speculation of clusters mentioned above.

No major differences between the positive aspects furnished by the committed AIC managers and white male managers were identified as all comments suggest the manner in which the Employment Equity process is implemented is fair. However the difference in opinion and perception arise
when white males believe that the reason behind the slow implementation of process is an indication of the bank’s acknowledgement of the sensitivity of Employment Equity to white males, Please refer to the quote below:

“I am of the opinion that to date the Bank has been very fair and prudent in its management of transformation. With the exception of some isolated incidents, I believe that the bank has approached the issue of transformation sensitively and with the necessary empathy. This only bodes well for sustained change”

On the other hand AIC managers felt that the process is too slow thus need to be speeded up. Please refer, to the comments below:

- AIC’s are always told that they are not ready but do have the potential to advance
- Transformation is not visible enough

All the positive views given by AIC managers were seen by the white male sceptics and disengaged as negative aspects and barriers of transformation. Please refer the tabulated comments below.
## DIFFERENCES

<table>
<thead>
<tr>
<th>No</th>
<th>AIC</th>
<th>White Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Career Development</td>
<td>• The bank employing blacks with no skill and experience thus run the risk of putting the bank's competitiveness at risk.</td>
</tr>
<tr>
<td>1.1.1</td>
<td>Recognition of competent black people to run the business of the bank.</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Career Opportunities</td>
<td>• Diminishing opportunities for white males.</td>
</tr>
<tr>
<td>1.2.1</td>
<td>More opportunities for AIC's</td>
<td>• Early retirement for white males</td>
</tr>
<tr>
<td>1.2.2</td>
<td>Career path becoming more evident.</td>
<td>• Retrenchment used as an excuse to replace white males.</td>
</tr>
<tr>
<td>1.2.3</td>
<td>Levelling the playing field in work area</td>
<td>• Carrying Employment Equity candidates</td>
</tr>
<tr>
<td>1.3</td>
<td>Understanding Market Dynamics</td>
<td>• Service suffering in short to medium term.</td>
</tr>
<tr>
<td>1.3.1</td>
<td>Transformation as a business imperative, proper implementation to lead to increased market share.</td>
<td>• The bank looking to please government and does not look into the harsh reality of what is happening to business in general.</td>
</tr>
<tr>
<td>1.4</td>
<td>Gender Aspects</td>
<td></td>
</tr>
<tr>
<td>1.4.1</td>
<td>Gender aspects being addressed</td>
<td>• Women are given preference over white males, despite white male's performance.</td>
</tr>
</tbody>
</table>

It is interesting to note that the negative aspects of Employment Equity furnished by both groups view the implementation process as favouring
one group the other; e.g. whites believe that EE process is reversed discrimination against whites. They also believe that AIC’s are taking advantage of the process whilst AIC’s are of the opinion that there is no commitment to the process i.e. The bank is protecting white males at the expense of blacks /AIC’s thus sabotaging the implementation of Employment Equity. The different views furnished by both groups regarding the negative aspects of the implementation process are tabulated below:

<table>
<thead>
<tr>
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<td></td>
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<td>1.4.1</td>
<td>Career Development</td>
</tr>
<tr>
<td>1.4.2</td>
<td>AIC’s always told that they are not ready but do have the potential to advance.</td>
</tr>
<tr>
<td></td>
<td>• The bank is forcing black into positions too quickly.</td>
</tr>
<tr>
<td></td>
<td>• The bank easily bends to staff of colour when they make demands to be promoted.</td>
</tr>
<tr>
<td>1.4.3</td>
<td>Developmental sponsorship too biased (Too white)</td>
</tr>
<tr>
<td></td>
<td>• The bank does not prepare white males for life after the bank i.e. Assist with sponsorship for studies and entrepreneurial skills.</td>
</tr>
<tr>
<td>1.4.4</td>
<td>Lack of development and exposure</td>
</tr>
<tr>
<td></td>
<td>• AIC’s promoted at the expense of white males. Feeling insecure in jobs</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Performance Management</td>
</tr>
</tbody>
</table>
| 1.5.1 | Transformation KRA's not linked to bonuses and performance appraisals | • 20% bonus at risk if targets are not met  
• The bank should not measure white male's performance on elements beyond their control. |
| 1.5.2 | Not heard, not trusted, only become famous when something is wrong. | • Lower performance standards being applied to employment equity candidates. |
| 1.5.3 | Lack of development and exposure | • AIC's given promotions and opportunities despite the white males performance. |
| 1.6 | The achievement of Transformation Targets |  |
| 1.6.1 | Targets not linked to KRA's | • Targets linked to KRA's, as a result AIC's are pushed into positions to meet quotas |
| 1.6.2 | No pressure to meet targets | • Too much pressure to meet targets and AIC's are being pushed into positions they are not ready for in order to meet quotas.  
• Socially, there is no pressure to transform but business is expected to change overnight. |
The following similarities in the recommendations furnished by both groups were identified.

<table>
<thead>
<tr>
<th>No</th>
<th>AIC-</th>
<th>White Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Commitment</td>
<td>• Top management to commit to the transformation process. CEO to walk the talk.</td>
</tr>
<tr>
<td>1.1</td>
<td>Senior management to commit to the transformation process. CEO to lead by example</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Communication</td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Proper communication mechanisms to be set up.</td>
<td>• Keep employees better informed</td>
</tr>
<tr>
<td>2.2</td>
<td>Communicate the Employment Equity process throughout the organisation.</td>
<td>• Communicate the nature of the transformation process</td>
</tr>
<tr>
<td>2.3</td>
<td>Transformation Unit to communicate objectives i.e. Strategy, plan and targets set.</td>
<td>• The transformation implementation plan and strategies have to be communicated.</td>
</tr>
<tr>
<td>3.</td>
<td>Career Development</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Succession planning and career pathing with clear time frames and deliverables to be discussed and implemented with AIC staff. Follow through on succession plans and</td>
<td>• Use Affirmative action as a vehicle. Set up short, medium to long-term goals.</td>
</tr>
<tr>
<td><strong>3.2</strong></td>
<td>AIC’s to understudy, be mentored and coached by more experienced managers</td>
<td>• Experienced white males to mentor and coach junior staff members if they get rewarded and dignified for their efforts.</td>
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<td>---</td>
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</tr>
<tr>
<td><strong>3.3</strong></td>
<td>Proper training and development mechanisms</td>
<td>• Provide focused training and development.</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Diversity Management</td>
<td></td>
</tr>
</tbody>
</table>
| **4.1** | Senior management and executive management to undergo cultural diversity programmes (Ongoing to increase market share) | • The bank to create culture were both groups of employees can work together towards the achievement of transformation objectives.  
• Managers to be trained in the creation of optimal organisational culture. |
| **5** | Performance Management |  |
| **5.1** | Fair appraisal system-360 degrees system to be used | • 360 degrees appraisal system should be used. |
6 Retention Strategy

6.1 Retain internal talent

- Do not just retrench older experienced employees. Retain knowledge acquired.

The different views furnished by each group were focused on matters pertaining to each group’s issues on the Employment Equity process. Different views furnished by each group are as follows:

**AIC’s**

- Establish task team to focus on the development and promotion of females into senior and executive posts (White males see this as a threat)
- Fast tracking programme to be put into place for talented AIC’s
- A behavioural handbook to be developed for managers
- Creation of AIC’s talent pool

**White Males**

- Reward older and experienced white males for mentoring, do not target them for retrenchment
- Involve white males in the transformation process
- Be honest when communicating transformation objectives and inform white males how the process will affect them personally.
- Reward white males for developing and implementing holistic transformation strategies, do not only focus on target penalties.
4.6. CONCLUSION

Both groups understand the rational behind transformation as a business imperative. However both groups feel that the bank is alienating them in one way or another. They seem to have similar concerns regarding the implementation of the Employment Equity process.

Communication seems to be one of the major issues they perceive as the most problematic. There is a general feeling that the culture of transparency, commitment and a common vision towards the implementation of Employment Equity should be practised in order to succeed as an Organisation.

The bank's management has the potential and the opportunity to drive the organisation towards a more united and productive future. Hence the communication is an issue that requires attention.

The staff should be assisted/helped to understand that the process makes business sense and that the bank will act in the best interest of all employees. This will create a united front as opposed to a 'us and them' situation that is currently in existent.

An atmosphere that is non-threatening will go a long way to create a business environment that is conducive for productivity.

The level of response attained from both studies is an indication that this is an area of great concern for all employees. The next chapter will present conclusions and recommendation.
CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATIONS.

5.1. CONCLUSION

The present study focused on establishing the views of African, Indian and Coloured male and female middle managers on the implementation of Transformation more specifically the Employment Equity Act.

The study was conducted using the Nominal Group Technique, a problem-solving technique, i.e. the participants had to raise factors that they identified as contributing to the successful implementation of Transformation and Employment Equity, raise factors, which were perceived as barriers and to suggest what the bank should do differently to accelerate the process of Transformation.

The study was further extended in conducting an analysis to establish similarities and differences between white male managers and black (AIC) middle managers views on the implementation of transformation.

The source used in conducting this analysis was the existing quantitative data (discussed in chapter two) of the white males survey conducted in May 2001 by Professor Adele Thomas and Associates from Wits Business School.

The concept of Affirmative Action, as an interim strategy to realise the implementation of the Employment Equity Act, was thoroughly dealt with, more especially the rationale for its implementation, being firstly,
correcting the wrongs of the past or rectifying inequities and inhibiting further discriminative behaviour and secondly, responding to the business imperative, of being market focussed and addressing the pressing needs of critical-skills shortage by increasing the diverse labour pool.

The focus of the legislature/policy approach is to provide strict guidelines that companies have to follow in regards to dealing with diversity related issues such as Employment Equity, Equal Opportunities, and Affirmative Action.

The finality of the implementation of transformation, employment equity and affirmative action is a diverse workforce, which has a potential for conflict at the workplace.

Although workplace diversity has become part of organisational life, it has to a large degree remained an unresolved enigma. The dynamic nature of this field makes it difficult for organisations to really get a firm grasp on what it entails and how best to deal with it.

The difference between affirmative action and diversity was discussed so as to minimise confusion. Benchmarking for best practice in the implementation of transformation process was discussed, which should be the basic fundamentals for the successful implementation of this process.
The history of corporate affirmative action activity in South Africa was elaborated, thus showing the different phases Corporate South Africa had went through.

The study further showed the similarities and differences displayed by AIC and White managers' views and perception on the implementation of employment equity.

This study should be viewed as critical to the bank. In order to manage the business and fulfil its obligation to all key stakeholders, management need to thoroughly understand the many ways in which the implementation of transformation initiatives, more specifically employment equity is affecting employees both black (AIC) and white.

Once top management has a full and unbiased view of the current situation, and it is questioned whether they can be in a position to manage effectively and grow the kind of organisation in which all diverse employees want to work and participate in, and be proud of the organisation.

5.2 RECOMMENDATIONS

From the results discussed in the previous chapter, the following themes emerged which need to be addressed by top management:

- Communication
- Career development
- Diversity management
- Performance Management
RetentionPolicy to the abovementioned themes the following recommendations are made:

5.2.1 COMMUNICATION

From the responses, it became vividly clear that communication was a major issue. The process of Transformation is understood differently by different levels as displayed by the different understanding of individuals at different levels.

The bank should establish an ongoing communication mouthpiece to promote transformation and to encourage the transformation debate. The bank should conduct regular focus groups amongst employees to highlight concerns, to share ideas (suggestions and to gather feedback in a controlled and constructive manner):

➤ to provide regular progress reports/feedback regarding transformation objectives, i.e. where are we at, how have we done in relation to competitors in the industry

➤ Transformation forums to be used effectively as a tool to communicate transformation progress on a monthly basis to their constituency and also to be utilised as a body that will on a monthly basis communicate upward to management on employees concerns.
Senior and top management to continuously communicate to their business units on the progress and challenges faced by their units and also to display how serious they are on the process of implementing transformation.

5.2.2 CAREER DEVELOPMENT PLANS

Top management to ensure that career development plans are conducted where discussions are held to identify career aspirations supported by development plans, this should include the following:

- developing plans to acquire skills
- developing plans to transfer skills to others i.e. formalised on-the-job training
- provide training and development opportunities in line with career aspirations and development plans this to include:
  - financial management skills
  - cross and upskilling opportunities within the bank experience
  - business and life skills coaching
  - psychological counselling to cope with role change and role identification issues, as well as address fears and explores possibilities.

5.2.3 PERFORMANCE MANAGEMENT

In line with career development plans, the performance management practice process to be communicated to employees on an ongoing
basis. Management to establish a competency based performance culture, this should include the following:

- develop, communicate and implement objective competency based performance criteria and measures for levels of work as benchmarked against which non-performance and excellent performance can be objectively managed. This will include training of employees to understand the concept and philosophies underpinning competency based performance management.

- Communicate the principles of 360 degrees performance assessment for managerial levels to ensure objective feedback measures are justified by clear work examples to dispel accusations of lowered performance standards, tokenism and unfair discrimination.

- Ensure that performance discussions are held on a regular basis and that performance expectations/requirements are clearly documented and understood and agreed by all parties.

5.2.4 MENTORING FOR TRANSFORMATION

In support to career development plans, management should ensure that mentorship is implemented and managed across functions as a key driver for the transformation (not direct line mentoring) mentorship to:

- Promote broad business skills acquisition and leadership development
5.2.5 DIVERSITY MANAGEMENT

As stated in chapter two, diversity management plays an important role in achieving the bottom line of the bank. The bank’s top management should sponsor the development of valuing diversity intervention through workshops, which will include a theoretical base, consisting of a representative group. Diversity programme will assist employees to understand and internalise the varied dimensions of diversity.

Petersen, R.J. and Vermeulen, L.P. (1999) suggested an integrated strategic framework for managing diversity. The bank should adopt this approach that will serve as a guideline to managers in their efforts to manage diversity.

This framework will allow managers to focus on the following; the vision, mission and value system of their unit as the point of departure for managing diversity. These concepts normally reflect the personal philosophy and values of the chief executive officer and top management, and describe the core values of the organization.

5.2.6 RETENTION OF SKILLS

Top management to creatively develop retention strategy to ensure that the developed employees are retained so as to build confidence in the upward mobility of employees, to eliminate or reduce the “revolving
door syndrome\textsuperscript{a}. Part of the retention strategy is to offer employees challenging, exciting job opportunities, career discussions, market-related incentives, etc.

5.2.7 COMMITMENT

Management commitment should be seen and felt by employees. Top management must "walk the talk", they should not delegate the transformation process to human resources practitioners, and they should be personally involved and communicate on a continuous basis. It should be clear to employees that transformation is a key business imperative.

The abovementioned themes/trends are actually in place in a strategic document, the challenges is with the practise and in most cases, strategies are in place, but they are not communicated and implemented in an integrated fashion.

5.3. RECOMMENDED FURTHER STUDY.

The current study investigated the views of AIC managers was qualitative in nature and the second study was a comparison with the views of the white male managers and black (AIC) male and female managers.

Based on the aforementioned statement, it is recommended that a quantitative study be conducted, where a comparative analysis will be done to establish how the different race and gender groups view the
implementation of Transformation and more specifically Employment Equity.
6. REFERENCES


6.25. The Star 1 April 2002: Statistics South Africa,"the future is bright for a few people...


