Gordon Institute of Business Science
University of Pretoria

BARRIERS TO TRANSFORMATION WITHIN THE SOUTH AFRICAN BANKING SECTOR

NTHABISENG WEETO

17393192

A research project submitted to the Gordon Institute of Business Science, University of Pretoria in preliminary fulfilment of the requirement for the degree

of

MASTERS OF BUSINESS ADMINISTRATION

Johannesburg

13 MARCH 2019

i

Abstract

The South African banking sector has experienced some progress in implementing employee transformation over the past two decades since the Employment Equity Act (EEA) was promulgated. The progress is somewhat evident in the junior, middle management and the placement of women but deteriorates with seniority, with a wide gap in the top three occupational levels within the banking sector. Despite legislation including the bank committed targets in the Financial Sector Charter, the banks have not met the prescribed targets and the progress in creating a diverse workforce across all occupational levels has been slow and uneven.

The aim of this study was to identify the barriers that influence transformation implementation within the banking sector in South Africa, with the aim of gaining new insights into this important national agenda. Identifying the barriers, given the seemingly slow progress, could assist Human Resources practioners, managers and leaders in creating new strategies that will ensure a more accelerated transformation implementation process within the banking sector.

An exploratory qualitative research method was adopted with the aim of identifying and gaining a deeper understanding into the barriers to transformation within the banking sector. Thirteen semi-structured, in-depth interviews were conducted with Human Resource Executives, Executive Heads of Business units, Senior Managers, Middle and Junior Managers as well as Recruitment Managers within four of South Africa's major banks. A thematic analysis was conducted to gain a deeper understanding of transformation barriers in the banking sector.

The key findings of this study identified thirteen main barriers to transformation implementation within the South African banking sector. The barriers were linked to lack of leadership commitment, a 'transformation resistant' organisational culture, a lack of shared understanding and engagement on transformation, negative perceptions amongst employees, inconsistencies in Human Resources transformation implementation processes and an overall lack of coordination, integration and focus in the transformation implementation. Furthermore, the research culminated in a 'Transformation Implementation Model' that can be used by HR practioners to accelerate transformation implementation in the workplace.

Keywords

Employment Equity, Transformation implementation , Barriers to transformation, banking sector, Employment equity strategy.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements of the degree of Masters of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further submit a declaration that I have obtained the necessary authorization and consent to carry out this research

_____

NTHABISENG WEETO

13th MARCH 2019, Illovo

Table of Contents

List of Tables

List of Figures

Abbreviations

EEA	:	Employment Equity Act No. 55 of 1998
EAP	:	Economically Active Population

Chapter 1: Problem Definition

1.1 Introduction

According to Leonard & Grobler (2005) *the transformation of a society is dependent on the commitment of people to appreciate everyone's human dignity as opposed to accepting their racial segregation and biases. A key factor in the slow pace of transformation in the workplace is due to the fact that "most people were not psychologically prepared for the type or level of change required of them"* (De Beer, 1998)*.*

In 2002, South African-based financial institutions signed the Financial Sector Charter which committed them to meet specific targets in enhancing cultural and gender sensitivity and promoting a non-racial, non-sexist environment within the sector (National Treasury, 2003) At the time, Thomas (2002) argued that, at a company level, workplace diversity was not occurring rapidly enough. The effective date for the implementation of the Charter was the 1st of January 2004 for completion in December 2004 (National Treasury, 2003) Section 5 of the Financial Sector Charter focuses on the Human Resource Development section. This section addresses the requirements of the EEA whose purpose was to, *inter alia* promote "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/previously disadvantaged, in order to ensure their equitable representation in all occupational categories and levels in the workforce" (Republic of South Africa, 1998, 2). The Act defines designated groups as black people, women and people with disabilities (Republic of South Africa, 1998). Previously disadvantaged individuals or according to the EEA refers to 'black people' including African, Coloured and Indian people, women of all groups and persons with disabilities which excludes white males (de Beer, Rothmann, & Pienaar, 2016; Republic of South Africa, 1998)

According to the Commission for Employment Equity, progress on the implementation of the EEA, especially within the private sector, has been limited (Department of Labour, 2012). This research seeks to establish why transformation has been limited within the South African banking sector given the 2002 undertakings of the Financial Sector as well as the stipulations of the EEA. In the signing of the Financial Sector Charter, South African banks were represented by the Banking Council of South Africa.

1.2 Background

The commitment of the Financial Sector Charter to meet specific targets in enhancing cultural and gender sensitivity and promoting a non-racial, non-sexist environment within the sector had certain milestones at which time progress on the Charter would be reviewed and corrective action taken if deemed necessary (National Treasury, 2003). A comprehensive review was scheduled to take place in 2009 based on the progress report for the period ending 31 December 2008 (National Treasury, 2003).

The 2009 review revealed that the sector had achieved most of its targets. A proposal to revise these targets including their alignment to the EAP and the setting of specific higher targets on all management levels was adopted (Financial Sector Charter Council, 2016). EAP includes people between the ages 15 to 64 years of age who are either employed or unemployed, and who are seeking employment (Commission For Employment Equity 2017-2018, 2017).

The signatories to the Financial Services Charter had also agreed to another comprehensive review in 2015, based on the performance reports for the 2014 and decide on the way forward to address any shortcomings. This review coincided with the promulgation of the Employment Equity Amendment Act 47 of 2013 (Republic of South Africa, 1998). The Financial Sector Council also set new employment equity targets. Although South Africa's banking sector has made progress in implementing employee transformation, particularly in the junior, middle management and the placement of women, it has not meet targets set in the FSC in 2016 (Financial Sector Charter Council, 2016). Of even more interest is that the sector lags much more in senior, executive and board member level positions.

White South Africans make up 9.1% of the EAP while they constituted 25% of the skilled labour force in the private sector. The Commission for Employment Equity's 18th report shows that white individuals and males are still favoured for top management, senior management, professionally qualified and skilled level employment in the private sector . According to the Commission for Employment Equity (2017-2018), transformation within the financial services sector declines with seniority with the majority roles in top management still held by white individuals at approximately 63%, and the least and slowest transformation at the most senior levels, with junior level roles achieving approximately 80% of its target (Financial Sector Charter Council, 2016).

The statistics below from the Commission for Employment Equity's 18th Report shows the composition of the workforce by race and gender in the 16 years since the inception of the commission. It is evident that the workforce is still dominantly white and male even though

they only make up the 2nd lowest EAP.

Table 1: National EAP Population and Gender Group

	MALE			FEMALE		TOTAL
AM	African male	42,7%	AF	African female	35,8%	78,5%
CM	Coloured male	5,2%	CF	Coloured female	4,4%	9,6%
IM	Indian male	1,7%	IF	Indian female	1,1%	2,8%
WM	White male	5,1%	WF	White female	4,0%	9,1%
		54,7%			45,3%	100%

Source: (Commission For Employment Equity 2017-2018, 2017)

Table 2: Occupational level progress between 2001 to 2017

Occupational level	Period	White	African	Coloured	Indian	Male	Female
Top	**2001**	87%	6%	3%	4%	87%	13%
management	**2017**	67%	14%	5%	9%	77%	23%
Senior	**2001**	81%	9%	5%	5%	80%	20%
management	**2017**	56%	22%	8%	11%	66%	34%
Professionally	**2001**	56%	33%	6%	5%	62%	38%
Qualified	**2017**	37%	42%	10%	9%	53%	47%
Technical	**2001**	18%	58%	18%	6%	60%	40%
Skilled	**2017**	20%	62%	11%	6%	53%	47%

Source: (Commission For Employment Equity 2017-2018, 2017)

The FSC report for 2016 states that employment equity remained a critical area of focus for the banks which necessitates the need for government, business and labour to collaborate under the auspices of the National Economic Development and Labour Council (NEDLAC) to find a sustainable solution for accelerated transformation to occur (Financial Sector Charter Council, 2016).

The occupational levels (See Appendix 3) are split into 5 groups according to the Act and within designated employers are developed through the use of different job evaluation or a grading system. Definitions are in the appendix as per the EEA (Republic of South Africa, 1998).

Table 3: Proposed FSC targets for employment equity

Description	FSC (New)	
	Weighting	Target
Black Disable Employees	1	2%
Black Employees in Senior management	2	60%
Black Female Employees in Senior management	1	30%
African Employees in Senior management	1	EAP%
Black Employees in Middle management	2	75%
Black Female Employees in Middle management	1	38%
African Employees in Middle management	1	EAP%
Black Employees in Junior management	1	88%
Black Female Employees in Junior management	1	44%
African Employees in Junior management	1	EAP%
TOTAL SCORE	12	

Source: (Financial Sector Charter Council, 2016)

1.3 Definition of Problem Statement

Despite punitive measures stipulated in the Employment Equity Amendment Act (47 of 2013) for non-compliance (The Presidency, 2014) as well as the undertakings of the South African banks themselves through the Banking Council of South Africa under the auspices of the Financial Sector, progress has been below expectations. The fact that despite these measures, transformation in the banking sector has not met expectations indicates that this problem will not be solved by doing what has so far been done.

This research aimed to address this problem by seeking insights into the barriers to

transformation in the banking sector in South African. This was attained by exploring reasons why the banking sector seems unable to meet its defined of transformation. Therefore, the question this research is intended to answer is "What are the barriers to the transformation of the South African banking sector".

According to Booysen (2007) workforce diversity and inclusion require accelerated training and development of previously disadvantaged individuals. It is unclear whether the banking institutions which are the focus of this study took these measures to accelerate diversity and inclusion. If they did, the study will reveal why were the objectives not attained and if they did not, why.

As Wöcke & Sutherland (2008) note, various statutes, including the Labour Relations Act of 1995, the Basic Conditions of Employment Act of 1997 and the Skills development Act of 1998, the EEA and the Skills Development Levies Act of 1999 were introduced by the South African government since 1994 to enable full access to all facets of the South African economy, including company ownership, share capital and equitable employment opportunities to previously disadvantaged individuals. Broad-Based Black Economic Empowerment Commission (BBBEE) followed in 1999 with policies and strategies that were intended to help in accelerating the broad transformation process in South Africa.

The Broad-Based Black Economic Empowerment Act 53 of 2003, requires South African companies to annually disclose their progress in seven clearly defined areas. These areas are equity ownership, enterprise development, preferential procurement, management control, corporate social investment, employment equity, and skills development (Ntim & Soobaroyen, 2013). This research focuses on employment equity, management control and skills development. These factors constitute 33 of the 100 points on the B-BBEE scorecard (Republic of South Africa, 1998), which all employers have to report on to obtain a rating and to conduct business in South Africa. The focus of this study is on the employment equity aspects mainly on the race and gender within the banking sector across all occupational levels. The research will be conducted on the four major South African banks.

First Rand according to their 2017 Sustainability Report ending June 2018 shows that they had the highest possible BEE rating according to the Financial Sector Charter Scorecard at Level 1. They attribute their improved performance to a business concerted effort and an empowerment strategy but they also acknowledge that there is still a lot of work to be done for the organisation to meet all the targets especially at the more senior levels, (FirstRand Bank, 2017). Nedbank scores the highest amongst its peers for Management Control (Nedbank Limited, 2017). Nedbank is also behind target in the Middle, Senior and Top

Management occupational levels. Standard Bank scores similarly with Absa for Management Control but overall achieve a Level 1 BEE rating due to their Ownership Score and Indirect Empowerment Scores on the FSC Scorecard, this is according to their Transformation Report for 2017. (Standard Bank, 2017). The ABSA 2017 Broad based black economic empowerment report shows that their score is Level 2, they remain below targets in Junior, Middle and Senior management levels, demonstrating the need to improve efforts to ensure that they can meet the FSC targets going forward (Barclays Africa, 2017)

Table 4: Summary of B-BBEE Scorecard by Bank

Key Elements	Element weighting	ABSA	Nedbank	First Rand	Standard Bank
Management Control – Board	20	5.01	14.90	12.80	12.77
Management Control – EE		7.77			
Skills Development	20	15.52	12.75	17.04	18.31
	120				

Source: (Barclays Africa, 2017; FirstRand Bank, 2017; Nedbank Limited, 2017; Standard Bank, 2017)

Table 5: Bank demographics

Black Representation 2017	Target	ABSA	Nedbank	First Rand	Standard Bank
Board Level		33.3%	61.1%		32%
Top management		50%	50%	35%	34%
Senior management	75%	44.3%	37.7%	49%	43%
Middle management	88%	59.4%	59.7%	73%	70%
Junior management	88%	78.7%	87.5%		88%
Women representation			61,7%	61%	
BBBEE Status		Level 2	Level 2	Level 1	Level 1

Source: (Barclays Africa, 2017; FirstRand Bank, 2017; Nedbank Limited, 2017; Standard Bank, 2017)

The statistics above from the respective transformation reports of the banks that this research is focused on demonstrated that employment equity implementation is more effective below junior management level and deteriorates with seniority. The EEA stipulates that certain structures, procedures and processes must be in place to ensure the strategic implementation of transformation objectives (Booysen, 2007; Leonard & Grobler, 2006; Oosthuizen & Naidoo,

2010; Vermeulen & Coetzee, 2011). It's imperative for banks to ensure that they have an employment equity plan that supports employment equity implementation to meet FSC targets and the organisations culture and employees actively participate in the implementation of transformation within their organisation.

The slow progress in the implementation of transformation within the banking sector has an impact that goes beyond the boundaries of organisations. It also goes against the South African governments employment equity and social development agenda (Leonard & Grobler, 2005) whose objective is a transformed society characterised by equal participation of all individuals in the country's economy.

According to Horwitz & Jain (2011) the EEA has clear objectives and provides regulations in terms of the systems and processes that need to be followed by organisations for the Act to be implemented "strategically". These objectives include diverse and inclusive workplaces through Employment Equity plans with targets that organisations should submit to the Labour Department to demonstrate compliance (Republic of South Africa, 1998).

In 2017 the Commission of Employment Equity reported that 21 companies were fined for not complying with the stipulations of the EEA. According to the Commission for Employment Equity, about 50% were listed on the JSE, this suggests lack of appetite to transform by private sector corporates (Commission For Employment Equity 2017-2018, 2017)

1.4 Research Objectives

This research aims to draw on existing literature and explore, through semi-structured interviews, the barriers that inhibiting transformation within the banking sector. It is important to understand these barriers due to the slow progress made in transforming organisations and the reversal of progress in higher occupational levels since the implementation of the EEA.

This will contribute to the business need of a more diverse and inclusive workforce from a government and economic perspective while contributing to academia in terms of bringing new insights into the barriers that affect the successful implementation of transformation within the banking sector. This study could motivate future studies that could add valuable insights and bridge the gap between the EEA and its goals and how it actually plays out within organisations. Therefore, this research aims to answer the research question what are the barriers inhibiting the implementation of Employment Equity within the banking sector in South Africa.

1.5 Rationale for the Research

This study is necessitated by the need to understand why even with legislation, punitive measures for non-compliance and continuous monitoring of transformation within organisations, progress remains slow and below set targets. Secondly there is paucity of literature on the barriers that affect transformation within South African banks thus new insights can be drawn if a solution to this problem is to be found.

The seemingly slow progress of transformation within the private sector necessitates the need to understand these barriers with the aim of identifying solutions that will aid in accelerating transformation in the banking sector.

The sector forms an integral part of the economy whereby it employs 3% of all personal income tax payers according to The Banking Association of South Africa as at 2016 (https://www.banking.org.za/docs) and can play a key role in enabling accelerated employee transformation.

South Africa's financial sector contributes approximately 20% to the GDP with banking being the majority contributor (http://www.statssa.gov.za/publications/3rdQuarter2018). The slow progress of transformation within the sector has led to hearings between the four big banks, the South African Reserve Bank, the Broad Based Black Economic Empowerment Commission, the National Credit regulator and the FSTC with concerns that the top structures within banks remain white and more work needs to be able to achieve the 60% target set by the FSTC (https://www.bbbeecommission.co.za).

The slow progress in the implementation of transformation within the banking sector has an impact that goes beyond the boundaries of organisations. It also goes against the South African governments transformation and social development agenda (Leonard & Grobler, 2005) whose objective is a transformed society characterised by equal participation of all individuals in the country's economy.

1.6 Scope of the Research

The scope of this research is limited to transformation based on race and gender and will be focused on the four major banks in South Africa.

1.7 Potential benefits of this study

The ultimate goal of effective implementation of transformation through the guidelines of the

EEA is to ensure diverse and inclusive organisations that resonate with the South African demographics (Booysen, 2007; de Beer et al., 2016; Republic of South Africa, 1998). Therefore, understanding why transformation efforts are not successful could provide organisations, human resource practitioners, transformation officers and individuals within organisation with invaluable insights on how to effectively implement transformation.

Transformations of any kind demand the cooperation of those affected by such transformation if they are to succeed. The results of this study will also likely reveal the perceptions of individuals on transformation within their organisations and how this impact compliance with relevant statutes.

Findings from this research could also motivate further research into gaining a deeper understanding into the barriers that impact the implementation of the EEA within organisations and how organisations can position themselves internally to realign their transformation strategies to ensure successful and accelerated implementation overall especially within the South African organisations.

Research in literature on the barriers that prevent successful transformation in corporate SA is limited despite the evidence of the slow progress of transformation. Therefore, the analysis of the banking sector within South Africa focusing on the 4 banks namely; ABSA Bank, First National Bank, Nedbank and Standard Bank the barriers that prevent the successful implementation of transformation could provide valuable insights within corporates.

This study could therefore make a valuable contribution by exploring existing literature and uncovering new insights on the barriers that influence the EE implementation within the banking sector. This study aims to contribute to existing EEA research and literature by exploring the barriers that influence the successful implementation of transformation within the banking sector.

Chapter 2 Literature Review

2.1 Introduction

Chapter 1 of this document introduced the purpose of this research, the rationale and the potential benefits of the research. In this chapter, existing literature on the barriers to transformation in the South African banking sector will the reviewed to establish what is known and what still needs to be known (Boote & Beile, 2015) on this issue. Boote & Beile (2015) point out that the purpose of reviewing literature in research is not only to serve as a foundation of the research but also to allow the researcher to set a broad context of the study by clearly demarcating "what is and what is not within the scope of the investigation" (Boote & Beile, 2015, p. 4). This chapter will also present theories underpinning this research as an indicator of the perspective from which this issue is looked from.

2.2 Theoretical Underpinnings

The transformation of the South African banking sector is guided by the EEA whose purpose was "the elimination of unfair discrimination; and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups/previously disadvantaged, in order to ensure their equitable representation in all occupational categories and levels in the workforce" (South Africa, 1998, 2). The focus of the Act on groups clearly points to the social identity theory as the seminal theory underpinning this research.

Given that the objectives of the EEA affects people, aspects of organisational justice theory (Saunders & Thornhill, 2003) provides an important perspective particularly given that some of those charged with implementing the changes could potentially be adversely affected by it. However, for any change to take root and be sustainable to the point where the desired change is normalised, the organisation should be transformed to the extent where a critical mass of previously disadvantaged individuals (Republic of South Africa, 1998) occupy the transformed positions in organisations.

2.2.1 Social Identity Theory

Stets & Burke (2000) indicate that social identity theory deals with intergroup relations, and how individuals perceive themselves as members of a group (in-group) in comparison with another group (out-group) and the consequences of this categorization. While Hogg & Terry (2000) point out that race and gender form the lower order identities as they are more exclusive because they are restricted to members who meet the criteria of race and gender, in the

workplace where race and gender are perceived to determine the pace of individuals' upward mobility or access to key positions, race and gender become more salient and therefore are transformed into high order identities. This research is concerned with the barriers inhibiting members of the previously disadvantaged groups to advance to senior positions within the South African banking sector. Disadvantaged people are identified as groups in terms of the EEA.

Hogg & Terry (2000) argue that the level to which individuals identify themselves within an organisation will determine how they interact within an organisation. Crane & Ruebottom (2011) on the other hand argue that social identities assist in clarifying how individuals perceive themselves and their commitment to the groups in which they function and secondly how their behaviour is in relation to other groups. Given the stipulations of the EEA identification on racial lines in situations where one group perceives itself to be structurally disadvantaged (van Zomeren, Postmes, & Spears, 2008) has the potential to accentuate inter-group conflict. Given that the structurally advantaged group (van Zomeren et al., 2008) in South Africa by virtue of superior numbers in leadership positions is white (Commission For Employment Equity 2017-2018, 2017), it is likely that members of this group will resist any transformative changes which could result in the loss of their numerical superiority in leadership positions.

2.2.2 Organisational justice theory

Saunders & Thornhill (2003) define organisational justice as the integration of the outcomes of organisational change and the processes used to achieve it, and perceptions about the treatment of those affected. The implementation of transformation of the South African banking sector into a more diverse workforce requires the understanding and co-operation of those in the high echelons of leadership within an organisations. As the Commission of Employment Equity indicates, those who will be adversely affected are the same as those charged with implementing the transformative changes (Commission For Employment Equity 2017-2018, 2017) . The degree to which they will resist or support the transformative changes is likely to be affected by their perceptions of the fairness of the process. Booysen (2007) suggests that leaders need to play a more active role in Employment Equity implementation and all management needs to be on board particularly middle management as evidence shows that a breakdown in implementation happens at this level.

Saunders & Thornhill (2003) identify three types of organisational justice. These are Distributive justice which is focused on perceptions based on the outcomes, procedural justice which is focused on the fairness of the procedures that lead to the outcomes; and interactional

justice which is based on the perception of the treatment individuals receive during implementation (Saunders & Thornhill, 2003). The transformation of the banking sector has not been attained and any resistance to change would occur during the process of implementing it. Accordingly, the type of organisational justice that is relevant in this research is procedural justice based on the possible perceptions of the fairness of the EEA on non-beneficiaries leading to their resistance to change and the consequential failure of transformation in the South African banking sector.

2.2.3 Critical Mass Theory

The Commission for Employment Equity (2017) points to the low numbers of Black people in senior leadership positions in the banking sector in South Africa. The fact that some of these individuals occupy very senior positions raises the question of why they have not used their positions to influence changes as per the objectives of the EEA. According to Kanter (1977) the relativity in numbers of socially and culturally different individuals in groups is critical in determining their abilities in influencing change. While Kanter's (1977) focus was on women entering male dominated organisations, her perspectives can be equally extrapolated to racial dichotomies as she focuses on what she refers to as salient external master statuses such as sex, race, or ethnicity" (p. 966).

Kanter (1977) suggests that individual members of a salient external master status group whose numbers are below a certain percentage threshold tend to be highly visible. According to Childs and Krook (2008) ,this visibility puts performance pressures on them or compels them to undergo token isolation or be entrapped in roles. This suggests that members of the group whose salient external master status is numerical inferior are less likely to play a pivotal role in transforming organisations in line with the objectives of the EEA. Therefore, the answer to the removal of barriers to transformation within the banking sector in South African should not be expected from the current numbers who occupy senior positions within the sector until their numbers reach a critical mass (Kanter, 1977).

2.3 Transformation

Blumenthal & Haspeslagh (1994) describe transformation as a fundamental change required to gain or maintain a competitive advantage and involves new solutions to existing interrelated deficiencies. Transformation within the context of this research is concerned with the barriers to the transformation of the South African banking sector. Specifically, this research seeks to establish the barriers inhibiting compliance with the EEA (Republic of South Africa, 1998) within the banking sector in South Africa. The primary objective of the Act was to achieve a

diverse workforce that is representative of the South African population at every occupational level within an organisation (Coetzee, 2015; Republic of South Africa, 1998; Snyman, Ferreira, & Deas, 2015).

According to Blumenthal & Haspeslagh (1994) the success of transformation is dependent on the specific target, the role of management and the timeframe required to institutionalize the change on different managerial levels. The target ensures that management accurately diagnose where change is required; timeframes create a sense of urgency; and the role of all management is to lead the change process and to manage resistance through the transformation process. While the target and timeframes of transformation is clear in the banking sector of South Africa, what remains unclear is the role that management has played in effecting this process as Blumenthal & Haspeslagh (1994) that the role of management is critical.

Nkomo (2011) suggests that there are two approaches to complying with a law such as the EEA. She says the literal approach is to ensure equitable representation at all occupational levels, while the other approach would be to focus on intent which would aim for a diverse workforce reflective of the EAP that addresses the issue of past inequalities. She, however, cautions that the two approaches should be highly linked to support the implementation of an effective transformation strategy without compromising a conducive organisational culture and the buy-in from all employees.

2.3.1 Resistance to Transformation

de Beer et al, (2016) suggests that perception of fairness on 'fair discrimination' especially by non-beneficiaries could lead to higher job insecurity. Oosthuizen & Naidoo (2010) add that such perceptions could even be seen as reverse discrimination. Such lack of buy-in could lead to resistance by the non-beneficiaries of the intended transformations. To facilitate employee readiness and overcome the resistance to change it is necessary for employees to perceive the process as fair as Bateh, Casteneda, & Farah (2013) confirm which according to Saunders & Thornhill (2003) is procedural justice which is important for Organisation Justice theory.

Looking at the issue from the perspectives of the intended beneficiaries, Booysen (2007) and Nkomo & Hoobler (2014) suggest that such beneficiaries could reject being targeted in fear of being perceived as 'tokens'. This could result in both non-beneficiaries and beneficiaries resisting transformation efforts even in cases where management may be committed to transforming the organisation. This research is intended to explore the underlying barriers of transformation in the South African banking sector.

2.3.2 Skills Shortage

Booysen (2007) and de Beer et al., (2016) state that disparities across groups in the level of quality education impacts the skill levels of the different groups in South Africa. These disparities are a result of the sub-standard education and limited opportunities to skills acquisition emanating from legislated discrimination and segregation, of the country's apartheid laws prior to 1994. Skills for bank employees are regarded as scarce and specialized (Financial Sector Charter Council, 2016), While de Beer et al. (2016) and Mariotti & Fourie (2014) indicate that these effects are still felt almost three decades later, it begs a question on why the underlying causes of disparities in education have not been addressed.

The fact that different organisations perform differently on transformation compliance suggests that there may be other causes other than skills shortage inhibiting transformation within the South African banking sector.

2.4 South African Background

April 1994 marked the first democratic elections in South Africa, which required efforts to ensure that society became more equal and just post-apartheid through analysis of the consequences and cost of the apartheid regime (Mariotti & Fourie, 2014; Vermeulen & Coetzee, 2011). This required government to introduce legislation and regulation to give access to previously disadvantaged individuals to all facets of society including top-level management positions, company ownership and share capital to which they were denied access to in the past, through apartheid laws (Wöcke & Sutherland, 2008). Previously disadvantaged individuals or what is referred to as the designated group according to the EEA refers to 'black people', women of all groups and persons with disabilities which excludes white males (de Beer et al., 2016). The impact on South African organisations resulted in organisational cultures that were white and male dominated due to the ideology of cultures being formed by the dominant group, Booysen (2007) and Nkomo (2011) with the salience of lower order identities such as race and gender, due to the history of the country. However over time the cultures have hardly evolved resulting in the less dominant individuals being marginalized and being required to conform to the dominant culture , as in the findings of Thandiwe Matthews & Samaradiwakera-Wijesundara (2015), and thus creating the phenomenon of the dominants and the tokens according to Kanter (1977) within the banking sector. The dominants culture dynamic, would minimize the level at which the "tokens" identify themselves with the organisation thus reducing their interaction (Hogg & Terry, 2000).

Coetzee (2015) describes organisations as social systems with Human Resources and managers as custodians of effectiveness and efficiency of the individuals within them. The perceptions between the employees form an important base for interaction within the demonstrated significant differences amongst the three social identity groups in their perceptions, which has also changed the power distance and reinforced their respective social identities within the organisation. Coetzee (2015) categorizes the negative perceptions of designated groups within organisations as those employees experiencing interactional justice, which is important in understanding its contribution to the effective treatment of all employees.

The deployment of the EEA by the government sought to ensure the equitable representation across race, gender and other designated groups in organisations across all levels. The history of South Africa and its relatively young democracy has implications on the organisational cultures within South African banks and the perceptions of the individuals that are employed in the banks which then impacts the implementation of transformation within the banking sector in South Africa.

2.5 South African Legislation for transformation

The intent of the EEA was to accomplish equity in the workplace by stipulating fair treatment and equal opportunity through the eradication of unfair discrimination experienced by designated groups (Republic of South Africa, 1998) through the implementation of affirmative action measures. According to Vermeulen & Coetzee (2006), the Act is clear that only fair discrimination is allowable and that employment policies and practices should not discriminate against any person on grounds including race, gender or disability. Therefore, the EEA should be implemented in a fair manner towards all individuals within the organisation (Coetzee & Bezuidenhout, 2011; Vermeulen & Coetzee, 2011; Wöcke & Sutherland, 2008). The perception of fairness various between beneficiaries and non-beneficiaries of the Act, and thus results in employees rejecting interventions to implement the Act if deemed unfair (Wöcke & Sutherland, 2008). This consequently restricts the implementation of transformation within organisations.

Snyman et al. (2015) points out that as an important piece of legislation the EEA needs to be supported in practice through intentional and strategic implementation through inclusive human resource management and organisational culture change in South African organisations. The question becomes why this does not seem to be happening.

Employment equity or affirmative action within organisations is not a unique South African phenomenon. Affirmative Action (AA) strategies have been implemented in countries such as

Canada, the USA and Britain for the inclusion of the minority whilst in Malaysia and Zimbabwe it was for the majority similar to South Africa. Malaysia's successes were mainly due to the flexible approach used by government to implement the policies (Thomas, 2002). South Africa's motive though political implemented employment equity policies with the objective to improve the status of a majority (Jain, Horwitz, & Wilkin, 2012) through economic inclusion.

The global narrative of employment equity is far more mature and addresses the minority (Hideg & Ferris, 2017; Jain et al., 2012) which could be perceived to be simpler , whereas the South African context has the complexity of a need to address employment equity for the majority (Thandiwe Matthews & Samaradiwakera-Wijesundara, 2015). Thomas (2002) highlights that employment equity strategies in countries such as Malaysia, India, Canada, the USA, Britain, and Zimbabwe have been operationalised in a holistic manner but still produce both negative and positive results which could provide valuable lessons for South Africa.

South Africa has 81% of black individuals that are economically active as defined by the Commission for Employment Equity with only 29% representation in top management in the financial sector and 39% in senior level management positions (Commission For Employment Equity 2017-2018, 2017). In the USA, employment equity is aimed at women, ethnic minorities and people with disabilities with the goals of increasing their representation in the workplace and ensuring their further development and equal pay opportunities for these designated groups (Hideg & Ferris, 2014; Nkomo & Hoobler, 2014) due to the history of white supremacy ideologies and numerical racial domination. Highlighting that even though the countries are different the histories are similar, thus necessitating the formal interventions to address these disparities especially within organisations.

Malaysia introduced quotes in various entities for indigenous Malaysians through the New Economic Policy in 1971,which had a positive impact on both affirmative action goals and the economy (Jain et al., 2012). The unintended consequences have been the emergence of the elite, non- Malay students leaving to study abroad and affirmative action strategies that benefit the minority (Thomas, 2002). Malaysia has the most parallels with South Africa as employment equity is meant for the majority, where employment equity has been successfully implemented, this is said to be due to the relative political stability and the economic growth within the country. While in India the authorities within the country recognized the importance of engaging in active consultative process with business and labour to enable greater support with the implementation process (Thomas, 2002). Research on the local context in studies by Booysen (2007) and Jain et al. (2012) and Nkomo (2011) and Nkomo & Hoobler (2014) and Oosthuizen & Naidoo (2010) and Snyman et al. (2015) and Thomas (2002), and on the international landscape Nkomo & Hoobler (2014) and Thomas (2002) shows that key

legislation needs to be supported by other factors within the organisation to support transformation and addressing unfair workplace discrimination.

2.5.1 The Employment Equity Act

Key Extract of the Employment Equity Act No.55 of 1998

The EEA was established with the aim to redress the systematic discrimination of the previous dispensation with a goal to promote social justice and reduce inequalities within South African organisations (Booysen, 2007; Coetzee, 2015; Oosthuizen & Naidoo, 2010).

The preamble of the EEA states that in order to promote the constitutional right of equality and the exercise of true democracy; eliminate unfair discrimination in employment; ensure the implementation of employment equity to redress the effects of discrimination; achieve a diverse workforce broadly representative of our people; promote economic development and efficiency in the workforce ; and give effect to the obligations of the Republic as a member of the International Labour Organisation (Republic of South Africa, 1998 preamble).

The EEA is clear on its objectives of a diverse and representative workforce within South African organisations, it requires designated employers to implement specific procedures with intended outcomes (Department of Labour, 2012; Republic of South Africa, 1998). Employment equity laws and policies are not unique to South Africa, with such policies being addressed globally (Hideg & Ferris, 2014; Nkomo, 2011; Nkomo & Hoobler, 2014). The intended objective of the Act requires individuals to participate in creating a diverse workforce within organisations. Though it should include an Employment Equity plan that measures and numerical goals set by the organisation itself, persons responsible to implement the plan and individuals accountable for monitoring the plan (Department of Labour, 2012; Republic of South Africa, 1998). Table 2 from the 2017 Commission for Employment Equity report, shows that the progress is slow amongst the designated groups with white and males still dominating the top three occupational levels within the workplace (Commission For Employment Equity 2017-2018, 2017). The top three occupational levels represent the decision making positions within the banking sector and thus creating a social group who hold leadership and management positions similar to the study by Stets & Burke (2000), but feel excluded by the Act. The dichotomy of the skewed representation in leadership of White individuals and their non-beneficiary status does not support the goals of the Act highlighted by Thandiwe Matthews & Samaradiwakera-Wijesundara (2015) and Nkomo, (2011), and a future of a diverse workforce representative of the EAP. Thus, interplay of the EEA and the impact it has

on the employees and the banking sector is important in understanding the barriers that impact the implementation of transformation within the sector.

2.6 Barriers to transformation in the South African Banking Sector

Examination of the factors that play a role in the implementation of the EEA within the banking sector is key in understanding how they impact its progress against the objectives of the Act (Booysen, 2007).

Saunders & Thornhill (2003) point to distributive organisational justice and suggest that if individuals in the organisations deem transformative initiatives as being fair, they are likely to support such objectives. Perceptions of distributive organisational justice as a factor in barriers to transformation in the South African banking sector are related to affected employees in the organisation. Individuals as facilitators and beneficiaries of the EEA can either support or hinder the progress of transformation (Coetzee, 2015; Coetzee & Bezuidenhout, 2011; Horwitz, Browning, Jain, & Steenkamp, 2002; Snyman et al., 2015; Wöcke & Sutherland, 2008).

Gilley, Gilley, & McMillan (2009) note that humans are innately resistant to change. (Coetzee & Bezuidenhout, 2011; Dwertmann, Nishii, & van Knippenberg, 2016; Horwitz et al., 2002; Nkomo, 2011) suggests that the role of employees should not be ignored given the sensitivity around EEA and perceptions of its objectives. Given this, it is likely that those who would be adversely affected by such transformative changes would embark on some form of resistances. For those in positions to sabotage such changes, it is possible that they would do so. However, given that the Act stipulates that only fair discrimination is allowable and that employment policies and practices should not discriminate against any individual on grounds including race, gender or disability supported by Vermeulen & Coetzee (2006), it seems that individuals in key positions would not be directly threatened by the policies and therefore reduce their chances of active resistance. This then leaves the role of leaders in the transformation of the South African banking sector.

Horwitz & Jain (2011), suggest that leaders, as the key stakeholders within the sector, need to support the transformation of the sector to prioritize it as a key imperative. Lee & Kramer (2016), highlight how an inclusive and diverse organisational culture can better create a conducive environment for transformation implementation.

2.6.1 Corporate South Africa

The South African corporate employment landscape has somewhat transformed to comply with numerous legislations that have been put into place to address the unfair discrimination and social injustices of the past (Thandiwe Matthews & Samaradiwakera-Wijesundara, 2015). Government's efforts to implement numerous legislation as emphasized by Ntim & Soobaroyen (2013), with the intention of establishing a more diverse workforce has not met its objectives with the banking sector dominated by white males particularly in decision-making roles (Commission For Employment Equity 2017-2018, 2017). Therefore, it is imperative to understand the barriers that impact the implementation transformation within the banking sector given the contradicting statistics despite the EEA.

2.6.1.1 The role of corporate SA

According to Littlewood & Holt (2015), organisations have a significant role to play in South Africa's transformation agenda and development especially across race and gender. (Scott, Heathcote, & Gruman, 2011) emphasised that stand-alone practices and policies are insufficient to lead to positive outcomes and that inclusive organisational cultures that embrace the idea of diversity in all its actions create positive outcomes. The EEA prescribes that organisations need to facilitate the implementation of the Act through its systems, procedures and processes and that the implementation needs to be fair towards all employees within an organisation (Coetzee & Bezuidenhout, 2011; Oosthuizen & Naidoo, 2010; Republic of South Africa, 1998). Therefore, organisations, specifically those within the banking sector can enhance their role in the implementation of transformation by utilizing strategically aligned policies to the EEA to create cultures that support inclusion and diversity with a purpose of accelerating the implementation of transformation.

2.6.2 Leadership

Rost & Barker (2007) define leadership as an influence relationship among leaders and followers. Therefore, leaders play a critical role in the transformation of organisations (Horwitz & Jain, 2011). As Neubert, Wu, & Roberts (2013) point out, the power and influence that leaders have on their followers and the extent to which their positions of power can shape the culture of the organisation, its beliefs, values and behaviours is critical on the success of transformations. This research does not focus on the effectiveness of different leadership styles but on the role of leaders irrespective of what their leadership styles are perceived. Therefore, it is therefore behove upon leaders of organisations to drive the transformation agenda within their organisations, particularly if such transformation is intended to ensure

compliance with the stipulations of statutes.

Lee & Kramer (2016) suggest that the approach of leaders to diversity management should be active and act as a catalyst to create inclusive environments. According to Scott et al. (2011) such active approach should range from recruitment and selection, through active organisational practices such as succession planning, training, family-friendly programs and accountability within an organisation.

While leaders can set the tone of transformational changes, they are not the only players necessary to ensure the success of transformational changes. Therefore, diversity management within an organisation needs to be complemented by active human resources practices that involve attracting and selecting employees from previously disadvantaged groups, valuing their cultural differences, bridging cultural gaps to reduce inter-group biases and employing policies and programmes within the organisations that continuously encourage managing diversity, to build inclusive and transformed lived experiences within the organisation (Randel, Dean, Ehrhart, Chung, & Shore, 2016).

 Lee & Kramer (2016), suggest that inclusive organisational cultures, require human resources practitioners who emphasize diversity beyond visible features. Scott et al. (2011), point out that human resources practitioners should have the ability to recruit diverse employees. This is particularly more given that organisational justice perceptions varies significantly based on race, gender ,occupational level, and tenure within the organisation (Coetzee & Bezuidenhout, 2011).

Roth & Ritter (2015) describe leadership through the transition of its effectiveness, while different leadership styles work for specific needs and context;, it is therefore important to understand the role of leaders and their effectiveness in implementing transformation within the organisation. The influence leaders have within organisation has evolved over time to a more complex relationship that can either be top- down or bottom up. The implementation of the EEA within an organisation and the role of leaders is subject to ethical relativism (Brown, Treviño, & Harrison, 2005) which is more subjective given the beneficiaries and non-beneficiaries context and is based on who is making the decision and the culture in which they are located. According to (Neubert et al., 2013) ethical leadership is distinct from other leadership styles and has the potential to influence a range of imperative work outcomes such as transformation. The implementation of transformation requires leaders who recognize the need for change within the organisation and can shape the values, beliefs and the culture within an organisation that is conducive in accelerating transformation and fostering self-awareness and genuine relatedness with all stakeholders to obtain buy-in.

2.6.3 Individuals within the organisation

The EEA requires designated employers to implement the Act within organisations via specific procedures within the organisations to meet the intended objectives of the Act (Republic of South Africa, 1998). The implementation mechanisms include systems, processes and procedures within the organisation, employee profile analysis, an employment equity plan, consultation with employees within the organisation and a submission of the employment equity report annually (Booysen, 2007; Leonard & Grobler, 2006; Oosthuizen & Naidoo, 2010; Republic of South Africa, 1998; Snyman et al., 2015). So, the individuals within the organisation become custodians of the Act and are tasked to implement the Act accordingly in their different capacities within the organisation. de Beer et al. (2016) describes employment equity as an attempt to address the imbalances of the past by distributing wealth more evenly which needs to be accepted by individuals within the organisation through their perceptions of organisational justice on a micro-level. Therefore, beneficiaries and non-beneficiaries of the Act could have feelings of injustice or can resist the change based on their feelings on the implementation of the Act (Booysen, 2007; de Beer et al., 2016; Wöcke & Sutherland, 2008). The Act thus indirectly defines the social identities of the individuals within the organisation as defined by Hogg & Terry (2000), therefore, creating certain perceptions of their relations to each other and towards the organisation (Crane & Ruebottom, 2011). According to Hideg & Ferris (2014) some employees react negatively to these policies thus rendering them ineffective and the negative reactions can be explained by a self-interest agenda where reactions are driven by beneficiary status and their inherent resistance to change (Gilley et al., 2009). Oosthuizen & Naidoo (2010) recommends that all individuals need to engage and communicate to enable effective employment equity implementation. Communication and engagement mechanisms create an opportunity to address negative perceptions of the EEA (Booysen, 2007; Nkomo, 2011; Oosthuizen & Naidoo, 2010; Snyman et al., 2015; Wöcke & Sutherland, 2008). It is therefore critical to understand the perceptions of individuals within the organisation, and the role they play in implementing transformation and how their role impacts the implementation of transformation within the banking sector.

2.6.4 Diversity and Inclusion

Lee & Kramer (2016) define purposeful diversity and inclusion strategy (PDIS) as an all-encompassing approach that guides an organisation's actions and form part of an organisations strategic philosophy. In this study purposeful diversity is the objective of the EEA

and inclusion is the level in which employees participate in the implementation of transformation within the banking sector regardless of their beneficiary status. Dovidio, Abad-Merino, & Tabernero (2017), regard dealing with employees psychological challenges such as the negative perception towards the EEA implementation especially through diversity management as essential for managing the landscape in which diversity operates within organisations to foster a more inclusive and effective organisations. Therefore, a purposeful diversity and inclusion strategy should form part of the organisations strategy and should be incorporated into the culture and identity of an organisation through strategic, material, and representative processes (Dwertmann et al., 2016; Nkomo & Hoobler, 2014; Oosthuizen & Naidoo, 2010; Randel et al., 2016). This two-sided approach views diversity as more external differences that appear both visibly and subliminally and form part of individuals lower order social identities (Crane & Ruebottom, 2011). While combining inclusion and diversity could be beneficial as a combination rather than in isolation as Oswick & Noon (2014) have highlighted, as it recognizes numerous ways of thinking and different perspectives while adding value within an organisation. Therefore, fostering an inclusive environment requires developing a distinct culture that accommodates the openness necessary to promote inclusivity to flourish (Lee & Kramer, 2016). Thus can encourage an environment where all participants can actively engage in transformation implementation, which could create momentum as described by Kanter (1977) in his Critical Mass Theory. Inclusive and diverse environments create opportunities for all individuals, while recognising, respecting, valuing and leveraging diversity as a strategic component of an organisation in a way that enhances an organisations perspective to create a culture that is distinct (Jain et al., 2012; Lee & Kramer, 2016; Scott et al., 2011). The goal of diversity and inclusion can play a role in managing employees perceptions of the organisational culture, the methods used to implement transformation and the perceptions of the interrelations between beneficiaries and non-beneficiaries (Colquitt et al., 2013). The promotion of an inclusive and diverse environment can provide a catalyst for implementing and accelerating transformation within the banking sector with aligns to the objectives of the Act. Organisations need to think creatively and strategically about inclusion, this could translate into mechanisms such as leadership training, unconscious bias training, historical analysis of our country; modifying organisational structures to support and build inclusion within an organisation and mentoring that build and transfer skills between individuals (Horwitz et al., 2002; Oosthuizen & Naidoo, 2010). This can support and accelerate transformation within corporate by acclimatizing designated groups within the organisation therefore rendering the implementation of the Act smoother within the organisation and creating a deeper understanding of the objectives of the Act to non-beneficiaries. Adamson, Kelan, Lewis, Rumens, & Slíwa (2016) advocate that the next significant step in tackling gender diversity issues in organisations should be the quality of

gender inclusion and equality within an organisation and less focus should be on general targets. It is important that an organisation assesses and measures the impact of transformation to ensure that positive results are celebrated and embedded into the organisation and negative outcomes are redirected and improved before new policies are introduced to ensure a more sustainable organisational developmental change.

Inclusive environments require committed leaders that encourage and participate in achieving organisational goals and ensure alignment to national imperatives (Randel et al., 2016). Commitment from organisational leaders particularly in the private sector starts from top management and can positively impact organisational culture and change. Leaders within corporate can play a critical role in assisting in the challenge of inequalities when it comes to race and gender in the workplace by ensuring that all employees are treated and remunerated fairly, are provided equal opportunities and promotions to higher positions based on qualifications, merit and competence and not through any other unfair procedures (Dwertmann et al., 2016). Ethical leadership as a tool for important outcomes as defined by Neubert et al. (2013), such as transformation on all levels within an organisation can further enable transforming organisations purposefully and actively. Randel et al. (2016), state that leaders should act in support of inclusivity and support a positive diversity climate as this may inspire all participants to engage like their leaders, and thus have a progressive impact on society at large as inclusive leaders have a stronger influence on behaviour of individuals within an organisation. Therefore, enabling the committed leaders in inclusive environments to positively influence employees by creating a culture that breeds an organisation that supports the implementation of transformation within the banking sector.

2.6.5 Organisational Culture

An organisations culture can be deemed to be "transformation resistant" due to the culture not "accommodating " to groups within the organisation and due to employment practices that lack coherency when it comes to designated groups (Booysen, 2007; Nkomo, 2011). Therefore, it is critical that organisations within the South African context create cultures that demonstrate the diversity within the country through internal integration and external adaption (Lee & Kramer, 2016). Internal integration will allow employees to develop a collective identity to work more effectively thus building a trust culture that could benefit the relationship between beneficiaries and non-beneficiaries. External adaption will assist organisations adapt to the country's environment which demonstrates the inequalities that are still present and therefore encourage the organisation and its employees to commit to the goals of the Act and therefore build the right culture to support the external challenges. A conducive organisational culture

has the potential to support, enable and accelerate the successful implementation of transformation within the banking sector.

Watkins (2013) summarizes culture as the sum of how an organisation does things, the product of its incentives, a collaborative process, a sum of values that reinforce the narrative embedded in the organisation shaped by the evolution of the organisation (Watkins, 2013). Lee & Kramer (2016), link organisational culture to national culture mainly through the human capital that organisations employ. Organisational cultures of apartheid South Africa reflected the exclusionary nature of the national culture which relegated certain group to inferior statuses within organisations. The objectives of the EEA have been to reverse this process.

T Matthews & Samaradiwakera-Wijesundara (2015) and Scott et al. (2011), suggest that it is vital for leaders to have a clear vison and implementation strategy of the kind of culture they want for their organisation and how such a culture would support key initiatives such as transformation. Leaders within an organisation play a key role in the creation and communication of the culture of an organisation, and as such influence the way in which employees operate within that culture (Leonard & Grobler, 2006; Randel et al., 2016).

Within an environment of high demand for talented individuals, such individuals have the ability to choose who they associate with. Individuals targeted for employment equity are less likely to join organisations perceived to be exclusionary. Oswick & Noon (2014) suggest that inclusion within an organisation refers to the degree to which individuals feel a part of critical organisational processes and have the ability to participate and influence the decision-making processes, therefore incorporating all employees' differences into business practices and thereby helping to realise value. According to Oosthuizen & Naidoo (2010) the level of inclusion within an organisation can support transformation, as it involves the extent in which members within the organisation participate.

2.7 Relevance of the problem to South Africa

The slow progress of transformation within South African organisations in comparison to the prescribed targets by the Department of Labour fails to align to the numbers of economically active individuals within the economy (Booysen, 2007; Commission For Employment Equity 2017-2018, 2017). These targets are set by the Labour Department include representation at different levels within organisations by race, gender and people with disabilities, specific numerical targets on promotions and training and development by race and gender. Due to the slow progress of transformation in South African organisations, amendments to the Act are in progress to try and close the gaps identified such as section 53 on the compliance

certificate obtained by businesses to work with government and the numerical targets that employers need to achieve to be deemed compliant are being reviewed. The main concern being the contrast between the banking sector and the country's demographics, with approximately 52% and 9.5% of the individuals being white. This clearly indicates the disparities between the two and shows the little impact that the Act has on transformation within the banking sector despite various amendments and changes to the Act over the years.

According to Magruder (2012), South Africa, is a growing middle-income country with one of highest inequalities in the world and the labour market continues to be biased towards previously disadvantaged individuals in South Africa backed by labour statistics in the Commission for Employment Equity report particularly in the private sector. This is evident in other low and middle-income countries, where the formal sector work is highly regulated, highly remunerated and scarce which further exacerbates labour issues.   According to Booysen (2007), South African firms face two challenges, firstly of employing and retaining competent previously disadvantaged employees given their scarcity and executing training and development strategies that will create a uniquely South African working environment that truly values everyone's contribution. These issues make the ideology of employment equity and transformation a unique case that requires corporates to actively seek a solution that addresses both internal and external factors.

While the idea of a transformation within corporate seeks to diversify the workforce and attempt to match the demographics of the country, therefore the idea of diversity particularly in corporate has been growing in research within the organisational context (Ahmed, 2012; Ahonen & Tienari, 2015). The organisational cultures in South Africa remain very westernized and male dominated which marginalizes the previously disadvantaged individuals and women that all the Acts seek to assist in moving forward a culture that embraces all individuals and will ensure that transformation occurs within corporate. Scott et al. (2011), discuss the role of an inclusive organisational culture and how organisations that embrace diversity in all actions and activities create positive outcomes. According to Gilbert, Stead, & Ivancevich (1999) changing an organisational culture in order to create greater social integration of minority employees requires diversity management as a key driver. Research conducted across various organisational contexts in SA could provide an opportunity to garner beneficial insights about the effectiveness of diversity initiatives in problem diagnosis and in employee integration, by investigating the barriers that prevent the successful implementation of transformation in corporate SA.

Organisations that emphasize on inclusion and the integration of diversity into all their policies

and practices within their organisation have the potential to benefit to a greater extent than organisations that only focus on diversity as a standalone practice, (Scott et al., 2011). Therefore, it is important for EE implementation to be supported by comprehensible employment practices that are focused on strategies that revolve around organisational culture change, human capital development, (Booysen, 2007). Organisational transformation must be systemic and external factors outside corporate including the quality of education, low levels of skills and low levels of employment opportunities must be incorporated into the implementation processes of the organisation.

The South African goal for transformation through the various legislation and the EEA specifically is not only to align the EAP to the demographics of organisations but to ensure that South Africa encourages the economic participation of all South Africans to ensure a competitive advantage through diversity and sustainable economic growth.

2.8 Conclusion

The reviewed literature suggests that factors that inhibit transformation in organisations include individuals that are meant to drive effective strategic implementation of transformation within the organisations, transformation resistant organisational cultures, low leadership commitment, lack of strategic focus on an implementation plan, lack of skills and experience, unrealistic expectations from previously disadvantaged groups and the perceived reverse discrimination and black tokenism (Booysen, 2007; Dwertmann et al., 2016; Nkomo & Hoobler, 2014; Oosthuizen & Naidoo, 2010; Scott et al., 2011; Snyman et al., 2015; Wöcke & Sutherland, 2008). These seems to highlight the importance of the role of the individuals that effect transformation from the leadership, to subject matter experts within the organisation, management that decide on recruitment and the employees that experience the implementation of the transformation within the organisation.

The latest demographic statistics from the (Commission For Employment Equity 2017-2018, 2017), show that overtime (See Table 2), that the three top occupational layers are still male and white. Which demonstrates that leadership in the banking sector is white and male, which firstly evidences the slow progress of transformation but can also be indicative of a social in-group of power positions (Stets & Burke, 2000).

The organisational cultures within South African organisations have hardly evolved overtime and are still white and male dominated Booysen (2007) and Thandiwe Matthews & Samaradiwakera-Wijesundara (2015) and Nkomo (2011), which creates perceptions that are

create further boundaries between beneficiaries and non-beneficiaries which also negatively highlights their lower order identities as defined by Hogg & Terry (2000), and affects their intergroup relations negatively and thus creates a 'transformation resistant' organisational culture. Diversity as a goal of the Act is an element that needs to be evaluated and thus necessitating a review of diversity management within the bank, due to the perceived impact it has on the employees negative perceptions of employment equity implementation (Dovidio et al., 2017). Inclusion is the level in which all employees feel that they can add value within an organisation according to Nkomo & Hoobler (2014), and the need for committed leaders to encourage participation, Randel et al. (2016) is relevant given the transformation agenda. Therefore, the combination of diversity and inclusion as part of an organisations culture creates opportunities for all employees to actively participate as described by authors Jain et al. (2012) and Lee & Kramer, 2016 and Scott et al.(2011), thus managing perceptions between beneficiaries and non-beneficiaries (Colquitt et al., 2013).

Organisation are social systems with managers and Human Resources as effectiveness custodians of employees as highlighted by Coetzee (2015), therefore perceptions of the employees form a critical base for their intergroup relations. Though previous research has found that Employment Equity implementation has resulted in significant differences in perceptions based on employees beneficiary statuses (Wöcke & Sutherland, 2008). These differences in perceptions affect employees perception of Interactional justice based on the treatment employees and Procedural justice based on the procedures of outcomes as described by Saunders & Thornhill (2003), which creates barriers for organisations to effect change. The implementation of transformation should be fairly incorporated in the Human Resources process and procedures as emphasized by Coetzee & Bezuidenhout (2011) and Vermeulen & Coetzee (2011) and Wöcke & Sutherland (2008) and supported through intentional and strategic implementation as an important piece of legislation (Snyman et al., 2015).

According to Wöcke & Sutherland (2008) Employment Equity regulations showed that there are significant differences amongst groups and in their perceptions, which has also changed the power distance and reinforced their respective social identities within the organisation. Coetzee (2015) categorizes the negative perceptions of designated groups within organisations as those employees experiencing interactional justice, which is important in understanding its contribution to the effective treatment of all employees. It is therefore important to understand employees perceptions within banks to determine if it hinders or supports employment equity implementation.

Globally the implementation of employment equity strategies have been implemented in a holistic manner that incorporates all factors including organisational culture, employees, government and business collaboration and using flexible government which have produced both negative and positive results and could provide valuable lessons for South Africa (Thomas, 2002).

The issue around transformation is still a very sensitive topic and requires in depth understanding and to relay how diversity and inclusion can benefit corporates and the SA economy. The slow progress of transformation necessitates the understanding of other factors beyond the existing legislation given the gaps between the Act and its effective implementation within the private sector to cultivate a culture that is actively moving toward diversity as an objective of the Act. Organisational cultures and the extent to which the culture promotes inclusion and diversity through organisational practices that support transformation actively and purposefully. Leadership and the influence it has on transformation within organisation in the private sector, empowerment of all previously disadvantaged individuals, breaking down of barriers and building bridges to enable better opportunities across race and gender.

The goal of this research paper is to explore possible barriers of transformation within South Africa's banking sector. Barriers that have been identified included, external forces and limitations, lack of shared understanding and implications of improved transformation within the organisations, lack of commitment from leadership, a misunderstanding of the Act itself, lack of coordination and integration into organisational practices, organisational cultural issues that hinder progress for transformation and the overall implementation practices that have limited consequences and are not effectively monitored to ensure sustainable progress.

Chapter 3 Research Questions

The literature reviewed in Chapter 2 identified what is known and what still needs to be known (Boote & Beile, 2015) on the issue being studied in this research. Specifically, the literature reviewed did not provide clarity on the barriers to effective transformation in the South African banking sector. Chapter 3 presents the research questions forming the basis for this study to provide insights on the barriers to effective transformation in the South African Banking Sector. The following research questions where formulated to answer the research questions:

RQ1: What are the barriers that impact the implementation of transformation within the banking sector?

The aim of Research Question 1 was to identify barriers that affect the implementation of transformation within banking sector in South Africa as well as their impact within the banking environment. In addition, this research question was aimed at uncovering insights that have not been considered.

RQ2: How do employees in organisations participate in the implementation of transformation within the organisation?

The aim of Research Question 2 was to understand the role that leaders and employees at various occupational levels played in complying with the stipulations of the EEA within the banking sector.

RQ3: How does the culture of the organisation [leadership, processes and procedures, change management] support EE and transformation?

The objective of this research question was to understand the existing organisational culture within the organisation and to establish whether it promoted on hindered transformation within the organisation. The question is also intended to establish the role that culture plays in ensuring inclusivity and diversity within an organisation.

The method to be followed in conducting research to answer these questions will be presented in Chapter 4.

Chapter 4 Research Methodology and design

The purpose of this chapter is to present the research strategy and methodology of this research. The literature reviewed in Chapter 2 formed the basis of the design of the methodology and informed the research questions presented in Chapter 3. The research followed an exploratory qualitative approach through semi-structured one-to-one, in-depth interviews with various individuals that work within South Africa's banking sector.

4.1 Research methodology and design

Exploratory qualitative research is described by Saunders & Lewis (2012) as answering the questions of 'why' and the 'how' in research in order to clarify and define the issue being researched. Marshall & Rossman (2014) indicate that qualitative studies are known to be descriptive and exploratory in nature as they build rich descriptions of complex circumstances that are unexplored in literature. According to Spencer, Ritchie, Lewis, & Dillon (2003), qualitative research aims to provide an in-depth view of peoples' histories, perspective and experiences within their specific context. This research aimed to ask new questions, seek new insights and assess topics in a new light as defined by Saunders & Lewis (2012)to explore barriers impacting the implementation of transformation in the banking sector in South Africa. As Birkinshaw, Brannen, & Tung (2011) indicate, qualitative methods play a vital role in interpreting and understanding the complex plurality of institutional, cultural, and organisational contexts. Therefore, an exploratory qualitative research method was adopted as it was deemed appropriate to explore the topic with the aim of gaining a broader understanding whilst developing new concepts and constructs (Saunders & Lewis, 2012; Spencer et al., 2003).

An interpretivism approach was utilized to underpin this qualitative study which related to a social phenomenon of individuals in their natural working environment to identify the barriers that impacted the implementation of transformation within the banking sector. According to Petty, Thomson, & Stew (2012), interpretivism underpins qualitative research in understanding various views of people in a particular setting to capture the variation and progressively focus on issues presented by the data. Interpretivism enabled the researcher to explore the various views of employees within the different occupational levels in the banking sector thus assisting in understanding the complex topic of the barriers that impact the implementation of transformation.

A cross–sectional research design was deployed through the semi- structured interviews conducted over a two month period from January 2019, with individuals across different banks within South Africa to gain new insights (Saunders & Lewis, 2012; Zikmund, Babin, Carr, & Griffin, 2013). This design was deemed suitable for the type of research being conducted.

Semi-structured interviews enabled the researcher to use a predetermined set of questions which made it possible to explored deeper to find out further details on the phenomena being studied. Semi-structured interviews are aligned to exploratory studies (Saunders & Lewis, 2012). New questions were asked in the context of the research problem with the aim of uncovering more themes that added value and richness to the research.

The approach of this research is deductive. Hyde (2000) defines a deductive approach as a theory testing process which looks at an established theory and seeks to see if the theory applies to s specific context. A deductive approach is used to test existing theory and concepts in a particular population literature as defined by (Marshall & Rossman, 2014; Saunders & Lewis, 2012) . This allowed the testing of the applicability of the theories identified in Chapter 2 through the use of a questionnaire demonstrated in the data collection process through in-depth interviews to gain an understanding of the barriers to transformation within the banking sector. An abductive research approach could be suitable for this study but due to time constraints will not be possible.

4.2 Population

Saunders & Lewis (2012) define a population as a "complete set of group members", . The population of this research was employees of four major South African banks at the Human Resource Executive level, Executive Heads of Business units, Senior Managers, Middle and Junior Managers as well as Recruitment Managers. These banks form part of the designated employers required to comply with the stipulations of the EEA.

The selection of this population was based on the relevancy of occupational levels, expertise, knowledge and experience as they were deemed to have insights on the barriers that impact transformation implementation within the banking sector. Given that race was an important factor in the topic being explored, respondents of different ethnic and racial groups were purposively sort after to gain different perspectives. Human Resource management practitioners were interviewed as experts that have in-depth knowledge on transformation and the EEA.

4.3 Unit of analysis

Key to the research design was the unit of analysis, which in this research was individual perceptions and opinions of Human Resource Executives, Executive Heads of Business units, Senior Managers, Middle and Junior Managers as well as Recruitment Managers on the barriers to transformation within the banking sector. These were in relation to the objective of the research study identified in Chapter 1, based on the individuals who influenced, were accountable and experienced transformation implementation within the Banking Sector. The unit of analysis was the perceptions and opinions of the population analysed in the research.

4.4 Sampling Method and Size

According to Saunders & Lewis (2012) sampling techniques provide a range of methods that enable data collection by considering data from a sub-group rather than all possible cases or elements. The sampling technique that was used involved a two-layered non-probability technique, which created a subset of the entire population, which included judgemental and snowball sampling (Patton, 2002). Initially key individuals were identified within each bank and used to ensure access to the key individuals within the banks particularly in the field of transformation and EEA implementation. This enabled the researcher to select heterogeneous sample members as defined by Saunders & Lewis (2012), that would provide deeper insights into the phenomena.

The initial sample size consisted of 20 individuals. However, a total of 13 individuals were interviewed as data saturation was reached after interviewing 11 individuals. Elsesser & Lever (2011), indicate that data saturation is reached when no new themes emerge. As the interviews progressed over a one-month period, fewer codes emerged with 97% of the codes generated within the first 10 interviews. Data saturation was reached by interview ten, with one more new code generated in interview thirteen. Below is a representation of the new codes generated per interview. (See Figure 1).
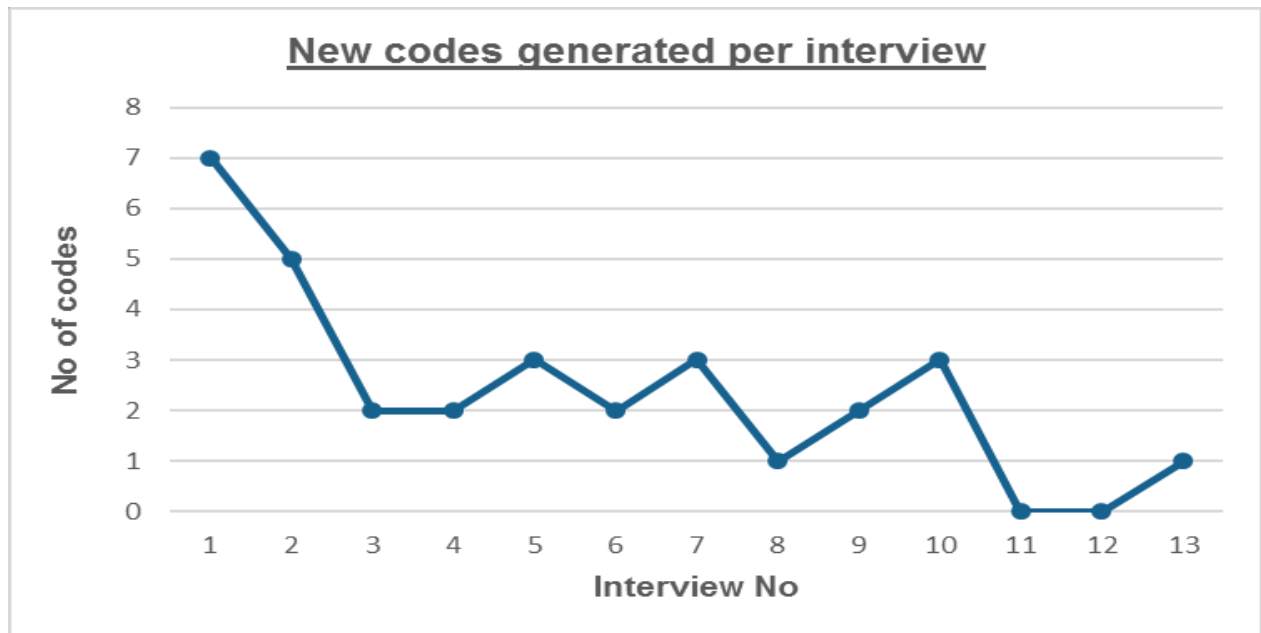
Figure 1: Emergence of new codes per interview

4.5 Qualitative Data Analysis

4.5.1 Data Collection

The data collection was through semi-structured in-depth face- to-face interviews conducted with individuals that work in four of South Africa's major banking using a semi-structured interview guide (See Appendix 2). Developing a structured interview or suitable interview guide can enable a comfortable interaction with the participant (Doody & Noonan, 2013; Mojtahed, Nunes, Martins, & Peng, 2014) to ensure that the interview process flowed smoothly.

According to Saunders & Lewis (2012), a semi-structured interview allows the researcher to cover a list of topics and themes through asking a list of questions in any order as long as all the questions are covered. This approach enabled the researcher to follow up on insights uncovered from previous interviews based on the responses given (Maxwell & Reybold, 2015; Mojtahed et al., 2014). Doody & Noonan (2013) state that some of the advantages of interviews include allowing the researcher to gain useful insights within a specific context, probe and obtain depth and the researcher can obtain clarification which will further answer the main research question. A pilot interview was conducted with one participant , which resulted in an few adjustments to the interview questions to ensure better responses from the participants and get better low of the questions.

According to Patton (2002),a good interview should reveal the knowledge, experience, thoughts, feelings to both the interviewer and the interviewee. Accordingly, the objective of the research was briefly explained to participants as well as the fact that they were free to withdraw at any time in order to ensure that they fully understood the purpose of the consent forms. Participants were also encouraged to answer the questions freely and confidentiality was reiterated.

The interviews lasted between 40 minutes and 60 minutes in duration. All participants signed a consent form prior to the commencement of the interview. Hand-written notes were taken during each interview which was also electronically recorded with the consent of participants.

4.5.2 Analysis approach

(Zikmund et al., 2013) describes data analysis as the identification of common themes and insights that emerge from data collected through the interview process. Interviews were transcribed though the use of a transcription service. The transcriptions were audited against the recordings to ensure data integrity and completeness. Data was analysed using the qualitative data analysis software, ATLAS.ti. This was done as soon as transcriptions were received which, in some cases was a day after the interviews. The use of thick descriptions during the interview allowed the researcher to add richness and depth to the analysis.

A thematic analysis was conducted to allow for theme building, trend identification and relationship mapping through code generation in analysing data to gain a deeper understanding of the themes that constitute the barriers that impact transformation within the banking sector. The method of identifying, analysing and reporting patterns (themes) within data in qualitative research is known as thematic analysis (Braun & Clarke, 2006). The phases followed in the analysis of data as described in Table 6 below:

Table 6: Source: Phases of Thematic Analysis (Braun & Clarke, 2006, p.87)

Phase	Description of the Process
1. Data familiarization	Transcribing data (if necessary), reading the data repeatedly and writing down preliminary ideas
2. Generating preliminary codes	Using a systematic method to code interesting features of the data across the entire data set, then collating data relevant to each code
3. Searching for themes	Grouping the codes into potential themes, and then gathering all relevant data to each potential theme.
4. Reviewing of themes	Assessing if the themes work in relation to the coded extracts (1) and the entire data set, (2) generating a thematic 'map' of the analysis
5. Naming and defining themes	Refine each theme using ongoing analysis and then discovering the overall

		story of the analysis, to generate clear definitions and names for each theme
6.	**Producing the report**	The final analysis will include selecting vivid and compelling extract examples. Then selecting extracts, in relation to the to the research questions and the literature, thus producing a scholarly report of the analysis

Coding allowed for the collation of data within the various banks into various meaningful categories that formed themes and created patterns and maps. To ensure that data was allocated into the relevant themes and categories, the recordings were listened to several times and the notes reread. This iterative approach throughout the phases generated initial codes and identified themes.

The data was then formulated and applied to the research questions to produce a conclusion to ensure the correct results are interpreted from the interviews, by linking and analysing the themes within the framework of the developed research questions as described in the literature by (Braun & Clarke, 2006; Saunders & Lewis, 2012).

4.5.3 Validity and reliability

Reliability and validity are two key principals that have been identified for assessing measurement (Saunders & Lewis, 2012; Zikmund et al., 2013). Validity was increased by using a judgemental sampling technique based on individuals who specifically worked in the banking sector and snowballing was used from the initial sample to remove subject selection bias. To ensure the validity, construct validity was used through to carefully design research questions for the semi-structured interviews as emphasized by Doody & Noonan (2013), to measure the presence of the construct barriers to transformation implementation within the banking sector. Reliability in research is referred to as the reliability of consistency which highlights the importance of measurement throughout the interview process (Zikmund et al., 2013). The interview guide was assessed for specificity and consistency with the research objectives and the conceptual framework throughout the process. It is critical that a researcher ensures that the research measurement used be both accurate and reliable (Patton, 2002; Zikmund et al., 2013)

According to Saunders & Lewis (2012) and Zikmund et al. (2013), the subjectivity of qualitative research is due to a number of different issues including interviewer bias and response bias which could result in interpretation bias. To ensure reliability the data collection method attempted to reduce subject bias through confidentiality agreements to ensure that participants gave honest responses and through a standard semi- structured interview guide used throughout the research process. A concerted effort was made by the researcher to

focus on the perceptions of the participants. The participants were given an opportunity to ensure that they understood the questions and clarification was seldomly offered with strict guidelines. A pilot interview provided the researcher with an opportunity to test the flow and duration of the interview (Saunders & Lewis, 2012). It was during the pilot interview that the researcher identified adjustments that needed to be made on the interview guide to improve the interview process and the outcomes. This was an additional measure to ensure validity and reliability.

4.6 Limitations

According to Marshall & Rossman (2014) the inclusion of limitations establishes that the researcher understands the complexity of reality, therefore ensuring that there will be no sweeping statements or conclusiveness relative to what is learned. The limitations of the study included:

- To avoid the risk of the sample size being too small, the researcher mitigated risk this by ensuring that the sample size was sufficient, by conducting interviews until data saturation was attained to meet the minimum requirements.
- The interviews were only conducted within the Gauteng region in South Africa, which could result in geographical bias from the participants.
- Generalisability due to the research being focused in the banking sector is not possible as the research was limited to four banks.
- Semi- structured interviews will be conducted with participants requiring them to give responses within a limited period. The interview process is laden in with an intrinsic artificiality due to the researchers' goal in attempting to decipher the social worlds by construing informants' perceptions without any feedback loop that permits negotiation and validation of the adequacy of the interpretation (Mojtahed et al., 2014).
- As there is no formal training conducted around interviewing and observation techniques, there exists a possibility of the interview bias, interpretation bias and response bias which could affect the outcomes of the collected data.

Chapter 5 Results

5.1 Introduction

In Chapter 4, the methodology for conducting this research was presented. This chapter presents the results of the research which was conducted in accordance with the methodology outlined in Chapter 4 on the basis of the research questions presented in Chapter three. This is based on the 13 face-to face, semi-structured in-depth interviews with employees of four major banks in South Africa. The chapter will start by outlining an overview of the participants including race, gender and occupation. Thereafter the results will be presented in order of the research questions.

5.2 Description of the Sample

Employees from four major banks within South Africa where invited to participate in the study. Thirteen participants were interviewed at various occupational levels within each bank. Below is an overview of the participants by race and gender (Refer Table 7) and an overview of the spilt by their occupational levels (Refer Table 8).

Table 7: Participants from the four banks by race and gender

	Bank 1	Bank 2	Bank 3	Bank 4
Female	4	1	1	2
Males	1	2	1	1
Black	3	1	1	2
White	2	2	1	1
TOTAL	**5**	**3**	**2**	**3**

*Black – Includes African, Coloured and Indian

Table 8: Participants Occupational level

Occupational level	Number	% of Total Population
Executive level	3	23%
Top management	2	15%
Senior management level	3	23%
Middle management level	4	31%
Junior management level	1	8%
Total	**13**	
Human Resource	4	

5.3 Summary of interviews

The sample consisted of employees at various occupational levels within the four major banks. The sample consisted of 62% females and 38% males, with race split as follows, 46% Africans, 38% White and 8% Coloured and Indian, this was to ensure diversity to the sample from a racial and gender perspective which is the view in which this study is examining transformation within the banks. The objective was to uncover deep insights from the main custodians of the EEA. Below is the details of the interviewees sample.

Table 9: Details of Interviewees Sample

Title	Occupational Level	Gender	Race
Executive: Head Inclusion and Diversity	**Executive level**	F	W
Executive : Human Resources	**Executive level**	F	B
Executive : Human Resources	**Executive level**	M	B
Recruitment Consultant	**Junior management**	F	C
Head : Data and Analytics	**Top management**	F	W
Head: Collections and Recoveries	**Top management**	M	W
Manager: Modelling Specialist	**Senior management**	M	B
Senior Quantitative Analyst	**Middle management**	M	W
Ecommerce Product Manager	**Middle management**	F	B
Human Resources Manager	**Senior management**	F	B
Investment Analyst	**Middle management**	F	I
Employment Equity Head	**Senior management**	F	W
Modelling Specialist	**Middle management**	M	B

5.4 Presentation of Results

The following sections will present the results as per the Research Questions in Chapter 3 and the interview questions as per the interview guide in appendix 2.

5.4.1 Understanding the ranking of Transformation as a critical issue within the Banking Sector

The first question asked in the interviews was to establish if employees within the banking sector regarded transformation as critical within the banking sector.

The question posed aimed to determine what employees regarded as critical issues within the sector and if transformation and employment equity featured as key concerns. Only four participants mentioned transformation as one of the critical issues currently facing the banking sector. Three of these worked in the Human Resources business units and one was a former member of the employment equity forum. All participants rated political instability within the country as the main concern. Other concerns included slow economic growth, new banking licences bringing in new competitors within the sector and need for banks to be agile given the changes occurring locally and globally. Participants shared how all these factors directly impacted the bottom-line of the business. One of the participants linked the factors mentioned by other participants to how transforming organisations could benefit the banking sector and the economy.

> "People don't really understand the benefits of achieving transformation and achieving an inclusive environment and economic inclusion. The fact that South Africa is a very unequal society and sometimes because of that the group focuses on Senior management (SM) as an area of focus because of the government. The Labour Department focuses on how little movement has been made in SM. But I think we should focus on touching as many South Africans. We know African is our biggest group. It's about corporates understanding the impact of transformation to South Africa especially SM and TM and the Net effect if more people had access to the economy."

It was evident that employees treated transformation as an isolated construct within the bank and didn't view it as a critical issue that could transform the business. The other issues were perceived to have a direct monetary impact on the business and were thus top-of mind for employees while transformation perceived as being enforced by government and meant to be

implemented by both beneficiaries and non-beneficiaries of the Act. Below is a view of the most prominent codes that came through in response to the first interview question in the interview guide.

Table 10: Understanding the ranking of Transformation as a critical issue within the Banking Sector

Themes/Code	Sub Categories	Occurrence
Hierarchy of issues considered most important within the banking sector	Political instability within the country	11
	Slow economic growth	11
	New competitors entering the banking sector	11
	The need for banks to be agile	11
	Transformation	4

5.5 Results for Research Question 1

Research Question 1 - What are the barriers that impact the implementation of transformation with the banking sector?

The aim of Research Question 1 as the main overarching question was to uncover the various barriers that affect the implementation of transformation within South Africa's banking sector. The five questions related to this research question were formulated with the purpose of understanding what employees within the sector perceived as barriers to transformation. Furthermore, the question sought to establish the performance of transformation within each bank based on the employees perceptions and experiences. Mainly due to the slow progress in implementing Employment Equity, and to gauge how they view their current employer in comparison to the banks chosen in this study and lastly the narrative of leaders given the status quo.

5.5.1 Barriers identified within the Banking Sector

Thirteen codes generated using ATLAS.ti were uncovered in relation to Research Question 1. These were merged into seven themes of which six contributed to the main aim of this study.

The most dominant themes were the "Lack of Leadership commitment and accountability" followed by "Negative human resource practices by employees within the bank" then "Lack of open and collaborative engagement" (See Table 11).

Table 11: Themes derived from Research Question 1

Themes	Codes	Sub-Categories	Occurrence
Slow progress of transformation prevalent within Banks	1. Slow progress identified within the banks	Occupational level disparities White and male dominated Limited number of roles with seniority.	13
	2. All banks transformation comparable and slow	All banks performing similarly with slow progress dominant	10
Weak government enforcement policies	3. Weak government enforcement policies	Low fines for non-compliance Government does not have the capabilities to properly audit banks	5
Lack of Leadership Commitment and Accountability	4. Lack of Leadership commitment	Leaders say one thing but their actions don't match Deviation signature from HR policy	13

	5. Lack of Accountability by leaders	Transformation only viewed in the scope of direct teams not throughout the bank	9
	6. Leadership is white and male dominated	The majority of senior and decision-making positions within the bank are still occupied by white males.	12
Negative management practices	7. Management practices that are negative	Some managers don't expose EE candidates to the relevant job experience to develop them for senior roles	7
Negative Human Resources Practices	8. Human Resources cannot fully influence banks on better implementation of transformation	Human Resources is more of an advisor to hiring managers and plays more of a support role, which makes their role less effective	13
	9. Hiring practices that don't consider the uniqueness in candidates	Interview panels do not represent diversity	11
	10. The lack of EE candidates in Core vs Support roles	Less employment equity candidates hired in support roles than core	8

		roles within the bank	
Lack of collaborative and open engagement	11. Lack of understanding of the EEA	Lack of understanding of the EEA by both beneficiaries and non-beneficiaries	6
	12. Lack of open and honest engagement on EE	Due to the sensitivity and the pain of	9
	13. Business case for transformation not strong enough	Employees within the banks have not bought into the transformation agenda fully.	8

5.5.1.1 Slow progress of transformation prevalent within Banks

The first two questions of Research Question 1, were posed to establish how employees perceived the progress of their organisation regarding employment equity and to compare it with other South African banks. All participants acknowledged that progress had been made since the implementation of the Act but that a lot of work still needed to be done to ensure that more change occurred especially given the gaps that still existed in the more senior levels. There was also consensus amongst participants that the occupational levels which were performing well against the prescribed targets were the Junior Management, Semi – skilled and the Unskilled levels. But the biggest gaps were identified as being in the top three occupational levels, with many roles still occupied by white males. Some of the participants noted that even though the bottom occupational levels were closer to the prescribed targets, the issue was the availability of opportunities in the higher occupational levels. Four participants noted that the Junior management level roles should ideally serve as a pipeline for the higher occupational levels but it was clear that this was not the case given that the gaps still existed 20 years post implementation of the EEA. One Senior Manager suggested that employment equity legislation was creating fear of gaining employment elsewhere amongst

non-beneficiaries and therefore remained in their positions, further exacerbating the issue of limited opportunities in the three top occupational levels.

> "So non-beneficiaries are just trying to protect what they have got right now, which is going to hurt transformation even further because now they are asking, why should they teach a new black guy my skill set, because they can go anywhere"

The participants who worked in Human Resources and were closer to the numbers, stated that Indians benefited the most from transformation and Africans the least. One participant introduced the idea that transformation needed to be viewed holistically as it was done currently but also separately when reviewing the progress between Africans, Coloureds and Indians.

The second question revealed that employees within the banking sector either didn't know the statistics of other banks enough to compare with their employer or the ones who did had decided that numerically the banks seem to be performing similarly.

> "I think the landscapes are probably more or less the same, I think with all these banks. I don't think any one bank is more ahead of another from a transformation perspective. I think that they all more or less the same"

Some participants specifically named one bank that could possibly be performing better, as it was the only one with a Black CEO and had one of the most transformed Board and Executive teams. The idea of a black CEO raised a view that Black qualified candidates were rarely placed in key roles such as Chief Financial Officer and Chief Operational Officer but were more commonly employed in support roles such as Chief Human Resources Officer and Chief Marketing Officer, especially in the banking sector. Several participants attributed this phenomenon to: lack of trust of Black candidates; the stereotype that bankers were White; the existence of the "white boys club" which was a barrier to entry for employment equity candidates; our young democracy which still had negative legacy issues; and the fact that banks in South Africa were still predominantly "White", with white individuals still holding the majority of decision-making positions. All these factors contribute to the persistent slow progress of transformation within the banking sector in South Africa.

5.5.1.2 Lack of Leadership Commitment and Accountability

The need for leadership within the banking sector to demonstrate commitment to transformation through action was brought up on several times by all participants, two participants described the leaders' narrative as below:

"The CEO has recently come to a realization on the importance of transformation, even though not all leaders are there yet. They don't realize how important transformation is, and that it's not just a bank issue but a South African issue, and this is evident in the make up or the organisation top management. There is a difference in what they say and what they do."

"We could do better and we are still not where we should, we support transformation, we support what we are trying to achieve but we are not prepared to make the hard decisions."

The one thing leaders failed to recognize was that their actions conveyed a lack of commitment. Comments such as the one made by one of the participants who was a hiring manager with an all-White management team indicates this.

"If you look at the tenures of my management team, and the skills and the knowledge and the experience they have gained here, it was a natural progression for them. So, what was I supposed to do, transform or look after my people"

The participant also stated that one of the reasons why a recent appointment in the team was of white male as a manager was due to the limited number of employment equity candidates in banking and the time it took to get a suitable candidate while the work was piling up in the team. This suggested that because transformation was a difficult process, hiring managers chose to act against transformation policies. Furthermore, in two of the banks, hiring managers who felt that finding a suitably qualified employment equity candidate was taking too long or that they had found a suitable non-beneficiary candidate, Human Resources had a form that allowed a deviation from the Transformation policy. The existence of the deviation policy suggested that the bank was willing to compromise on transformation. One participant was clear that for transformation to be accelerated within the bank, it required deliberate and committed action.

"It's being clear about what we want to achieve and what success looks like with a timeline. To state what our intention is, and that we must achieve it in five years, because then everyone knows. It then becomes a non-factor and makes conversations easier."

Participants also spoke about how leaders viewed employment equity in a narrow sense that

they were only responsible to transform their direct teams and were not concerned with transformation performance in the broad sense in the bank due to the fact they were measured against it. One participant described the lack of accountability as.

> "Leaders assume that accountability as a manager, is just for your direct team and not for the business when it comes to transformation, but when they are trying to make profit, it's for the business"

An interesting perspective from two of the participants was a view that the reason why they thought that leaders did not demonstrate commitment and accountability was a lack of understanding of the EEA and its objectives within the business. One of the two participant made the statement below:

> "Managers don't think transformation is important, and I think it's due to a lack of understanding of the Act."

5.5.1.3 Negative Human Resources Practices

The theme of negative human resources practices was overall very dominant throughout the research. All participants stated that Human Resources was the main custodian of the Act within the bank. However, participants from Human Resources expressed certain frustrations due to hiring managers complying to transformation policies within the banks. The role of Human Resources within the bank was seen as more of a support and advisory than a key function within the business. Managers still had the final decision in recruitment even when their recruitment did not adhere to the transformation objectives. One Human Resources participant stated that:

> "My role is more consultative and advisory and practice ownership through guiding and making sure that legislation is adhered to. But transformation is not top of mind for managers."

Another Human Participant said the bank did not support the Human Resources function as they thought that for legislation such as transformation, Human Resources needed an Organisational Development team to build a conducive culture and a team of Industrial Psychologists to help with the psychology of employees in relation to transformation.

Some participants who had conducted interviews within the banks described the interview

panels as lacking in diversity, which could give a negative impression to the individuals being interviewed. Furthermore, a panel that lacked diversity could also result in biases towards the candidates being interviewed. The participants stated that Human Resources needed to be more aware of the impact of an interview panel lacking diversity.

In one of the employment equity surveys one of the participants stated that employees within the bank felt that the recruitment process was not transparent. Thus, employees within the bank believed that they could not trust Human Resources to ensure that transformation policies were adhered to. Another participant said Human Resources developed programs such as learnerships and graduate programs with no clear plan on how those individuals would be absorbed into the business after completing the program. One participant was quoted saying:

"Graduate recruitment needs to play a much bigger role in transformation"

Reward, recognition and pay gaps were brought up as one participant claimed that some employment equity candidates were hired in Senior Management roles without actually having more responsibilities or the remuneration to the new role.

The presence of a deviation signature to the transformation policy was also blamed to be a flaw in the Human Resources strategy, as these two processes contradicted one another. A participant was quoted as stating:

"The deviation signature removes the accountability of both the managers and the Human Resources Business Partner. "

Another issue that was raised was that Human Resources needed to incorporate Transformation into management training so that hiring managers could fully understand the objectives of the Act and to deal with biases that still existed between non-beneficiaries and beneficiaries. In one of the banks, Human Resources Learning and Development had developed Unconscious Biases training as part of their online modules and had workshops where employees engaged in Critical Conversations around employment equity. The participant acknowledged that such initiatives opened dialogue around transformation but there was still a lot of work to be done to further encourage an environment where transformation was openly discussed.

The ineffectiveness of employment equity plans required Human resources to think of 'out of

the box" solutions to better ensure that employees within the organisation understood transformation as an important component of the business and to ensure that it was implemented effectively. One Human Resources participant supported this by stating how in their organisation they used their Employee surveys to generate a more strategic employment equity plan and also viewed the results of the survey through a gender and race lens. This resulted in the banks B-BBEEE score improving from a Level 2 to a Level 1. The measurement concept was deemed to be insufficient as it focused too much on numerical targets instead of the value added in transforming the business. One participant bluntly stated;

> "I know that the Department of Labour tracks our numbers, but as far as I am concerned simply having black faces or female faces is of no value if we don't have people feel included."

The ineffectiveness of the Employment Equity Plan appeared in continuous compromises that Human Resources and Management had to make especially in roles that were deemed scarce. One Senior manager said.

> "So, for instance, scarcity in our environment. So, then they allow us to go a little bit out of line, but then one of the other departments need to make up for it."

Therefore, compromises are made in certain business units usually in core roles and subsidized in more support business units which further extends the lack of value added especially in the quest to transform the core roles within the bank.

The majority of participants were concerned about the perceived lack of employment equity candidate pipeline, the succession planning strategy that was still dominated by white males and the fact that roles that were perceived to be Core within the business were also dominated by white males. The participants questioned why Human Resources allowed business units to operate in this manner as it sent the wrong message throughout the bank.

Some participants acknowledged that Human Resources could not fully influence the bank on a better implementation strategy of transformation as Human Resources was not seen as a key function within the bank but more of a support function.

> "The primary reason is that HR lacks independence. It falls within the structures of the business therefore mangers don't feel the need to comply"

5.5.1.4 Lack of collaborative and open engagement

Six participants indicated that one of the reasons there was slow transformation in the banking sector was because managers did not understand the EEA. Another participant added that the lack of understanding resulted in employment equity implementation being a "tick box exercise". This notion resulted in participants attempting to solve this issue by recommending that leaders and managers, especially the non-beneficiaries, be required to attend training sessions that would educate them on the EEA.

> "People don't really understand the benefits of achieving transformation, achieving an inclusive environment within the bank and economic inclusion. Especially given that South Africa has such an unequal society."

The lack of understanding the EEA in the broad and narrow sense resulted in employees preferring not to engage on the topic. One participant mentioned that:

> "Because of the nature of employment equity, by its very nature is a very uncomfortable issue"

While another participant described the sensitives as quoted below:

> "Employment Equity is meant to be a reconciliatory process, through corrective action. But the correcting is about imbalances created by South African history, which makes it very emotive."

Participants agreed that employees preferred to avoid engaging on the subject of the EEA because it was a difficult conversation that required individuals to discuss the pain of the South African history, race and the concept of unearned privilege. One participant said an open conversation would allow employees to recognize the country's history, the concept of previously disadvantaged, 'white privilege', economic exclusion that still persisted and the damage perpetuate by these factors and thus open the opportunity to heal and to understand the importance of legislation such as the EEA . Participants further linked the lack of understanding of the EEA and the lack of open dialogue as the reason why transformation within the banking sector lacks a strong business case. This was especially because employees didn't see it's benefits; there were no real consequences for not complying; and there was no clear communication and strict timelines to ensure that employees recognized the urgency and commitment that banks placed on implementing the Act. One participant said:

"Because people don't actively participate in conversation around transformation, EEA ends up being presented in a negative context. Therefore, employees feel like they are forced to comply."

5.5.1.5 Leadership is white and male dominated

When participants discussed the performance of their organisations and how they performed against their peers, a dominant construct was how roles, especially those in senior positions, were still white and male dominated.

"I found that the higher focused up the ladder in the organisation is the 'whiter' it became. There is still a lot of old school legacies in the bank and the business. Lots of old school relationships and ways of doing business that are still continuously protected. Thus, impacting the ability to transform."

One African participant reiterated a story of a White chief executive of a business advising him on how difficult it was to break down what is known in corporates as 'The White Boys club". Their power and overall decision-making positions was noted as a barrier to transformation as it was difficult to support an initiative that didn't benefit them.

5.5.1.6 Negative management practices

Seven participants stated that hiring managers perpetuated negative practices which resulted in these practices being barriers to transformation. One of the participants stated that even though transformation policy clearly stated that for core roles only African, Coloured and Indian candidates should be hired, mangers would still motivate to deviate from the policy. Another participant spoke about how more workplace exposure was given to non-beneficiaries, which meant that they were more prepared to take on senior roles.

"Development opportunities, not just specifically around training but in terms of workplace exposure. So much more exposure is given to white employees"

This practice further exacerbated issues around building a strong pipeline of experience and qualified employment equity candidates.

5.5.1.7 Weak government enforcement policies

All participants stated that given the gaps identified, the employment equity plans were not effective and some of the inefficiencies were both internal within the banks and external given the weak government enforcement policies. Internally, some participants noted that as the employment equity plan was owned by the Human Resources Business Unit it, lacked support from hiring managers thus rendering it a tick box exercise. Also, another issue with the plan was that it was focused on meeting the prescribed targets set by the Department of Labour which was too focused on numerical targets as opposed to adding real value through transformation.

> "I think the problem is that at the moment we start looking at these prescribed targets, we miss the mark. We miss the mark because we want to are looking to meet the targets and that's easy to do, because we always do."

Some participants raised a concern on the employment equity plan being just a "to do" item in the Human Resources space (See quotations below) but lacked effectiveness which was further compounded by the governments lack of capacity and capabilities to do proper audits which could add value in properly evaluating progress. The fine for non-compliance was deemed small in comparison to the profits the banks made and one participant suggested an imposition of a fine that was based on turnover percentage to encourage banks to fully engage in the transformation journey with government.

> "Numbers are really only one part and yes they are important to develop a suitably representative workforce, but if the people in the workforce don't feel able to perform at their full potential then the actual numbers don't count."

> "The plans are not effective because they are a tick box exercise. What is the biggest challenge about the plan itself is not that companies don't participate in the planning, however the DTI and Department of Labour combined don't have the structures to carefully audit the outcomes. Also, the fine for non-compliance is very small and should be a percentage of turnover if they really want to see accelerated change."

One of the interview questions sought to understand what employees experienced through the words and actions of leaders regarding transformation. A theme that came through was that there was a misalignment between leaders' narrative and their actions which showed a lack of commitment to transformation as a business prerogative. Another theme that came

through as a result of the seemingly low levels of commitment, was a lack of accountability.

One of the main questions in Research Question 1 was to determine what the employees perceived to be the barriers that impact the implementation of transformation existing within the organisation. Participants mentioned:

- The fact that succession planning within the bank was still very white and male, even given the vast pipeline of employment equity candidates in the Junior management level.
- A trend in the bank to employ employment equity candidates in support roles instead of critical roles, which sent the wrong message within the bank and demonstrated a lack of trust in employment equity candidates.
- Lack of leadership commitment exhibited in the misalignment of transformation policies and leadership actions of hiring non-beneficiaries.
- Human resource policies that allowed managers to deviate from complying with transformation policies within the bank, rendering transformation as being negotiable.
- Participants stated that business lacked a strong case in convincing all employees of the benefits of transformation and its importance to the bank.
- Unconscious biases that created barriers amongst existing amongst employees therefore not enabling the occurrence of critical constructive conversations between beneficiaries and non-beneficiaries.
- Lack of deliberate intent on an uncompromising transformation implementation strategy for a limited period to create traction and to show commitment. Which would require hard decisions and clear communication throughout the bank.
- The fact that South Africans have not really dealt with its past, thus the reminiscence of the past showed up as subtle racism that was unconscious and unearned privilege.
- Human Resources not taken seriously by hiring managers.
- Non-beneficiaries' fear of the EEA and the power they hold as hiring managers.
- Pipeline issues with regard to the perception that not enough employment equity candidates were 'ready and able' to move from Junior management roles up the ladder into more senior roles.
- The limited number of available employment equity candidates in the market especially given South Africa's young democracy.
- Blacks were given less exposure within the bank as compared to their White counter parts.

- The fact that deliberate and purposeful employment equity practices were necessary to ensure that transformation was accelerated because without this clear intent, opportunities to transform would be missed.
- The fact that numerical targets missed the opportunity to add real value in the transformation of the business.

The barriers listed above were uncovered in Research Question 1 of this study with more barriers revealed in the other two Research Questions. These will be discussed in the results sections of the related Research Questions.

The table below is a summary of sub-categories, the codes and the themes that they rolled up to and the occurrences from the interview questions in Research Question 1.

5.6 Results for Research Question 2

Research Question 2 - How do employees within organisations participate in implementing transformation within the organisation?

The aim of Research Question 2 was to understand the role that leaders and employees at various occupational levels played in implementing Employment Equity within the banking sector. Given the establishment that transformation within the sector was slow, how do employees' perceptions, as participants of the EE implementation, play a role. The interview questions pertaining to this research question were asked with the intention to establish what employees understood to be their role, their perceptions on their role and their unique perceptions as beneficiaries and non-beneficiaries. Establishing these critical factors therefore, enabled the researcher to establish which of these factors contributed to barriers of transformation implementation within the banking sector.

The table below is a summary of sub-categories, the codes and the themes that they rolled up to and the occurrences from the interview questions in Research Question 2.

Table 12: Themes derived from Research Question 2

Themes	Codes	Sub-Categories	Occurrence
Lack of engagement between employees and with the organisation	1. *HR Practices –* Employment Equity surveys non-existent or feedback not used efficiently. Employees reluctant to participate.	Employees within the bank do not fully engage with the EE Survey Organisations do not deem the survey critical for the EE plans	13
	2. Employment Equity Forum's ineffectiveness	Some participants deemed the EE Forum as disempowered which lead to a lack of engagement with their constituencies	13
	3. *Lack Engagement on Employment Equity* (Amongst employees)	A general lack of engagement between structures that are meant to support employees and the organisations through the transformation process	13
Fear from non-beneficiaries	4. Lack of knowledge share from non-beneficiaries to beneficiaries	Non-beneficiaries were perceived to not be willing to share their now with beneficiaries of the Act as they feared they would take over their positions.	6
	5. Fear that EE beneficiaries will take over		4

Negative perceptions of beneficiaries and non-beneficiaries	6. Lack of trust of EE candidates	Participants spoke about the perception that black leaders where not trusted as much as white leaders	3
	7. EE candidates not empowered – even leaders	EE candidates were not empowered to lead because of the lack of trust and the fear of non-beneficiaries	4
	8. Negative perceptions of the Act	Three of the non-beneficiaries and one beneficiary stated that they perceived the Act to unfair or lacked effectiveness	4
	9. Negative perceptions between beneficiaries and non-beneficiaries	Negative perceptions were between beneficiaries and non-beneficiaries and across race, gender and ethnic groups.	13
Unconscious Biases	10. Unconscious biases	The history of the country, the young democracy and the general differences in individuals experience leads to unconscious biases.	12

5.6.1 Employee engagement within organisations and the impact employees have on transformation implementation within the banking sector

This Research Question generated 10 codes using ATLAS.ti., which were then grouped into four main themes, see Table 12. Based on the responses from participants, the most prominent theme in this Research Question was the" Lack of engagement amongst employees and with the organisation regarding transformation". The next theme that emerged was the "Negative perceptions of beneficiaries and non-beneficiaries", followed by the "Fear of non-beneficiaries" in relation to firstly, that they were not direct beneficiaries of the Act and how this "fear" manifested itself in the workplace. Lastly the phenomenon that was mentioned by twelve of the participants was the "Unconscious Biases" that negatively impacted the relationship between beneficiaries and non-beneficiaries. All these themes contribute to the list of barriers to the implementation of transformation within the banking sector.

5.6.1.1 Lack of engagement between employees and with the organisation

The first two questions aimed to establish whether each bank conducted a specific employment equity survey and if the employees had ever reviewed the feedback of the said survey. These questions were asked firstly to understand if banks within the sector deemed such surveys necessary given the gaps identified in transformation implementation and if employees engaged in the surveys when conducted.

Two of the four banks conducted employment equity surveys, with one of the banks having conducted their first employment equity survey in late 2018. The other two banks incorporated employment equity in their General Workplace Employee survey. Some of the employees stated that they either did not participate in the surveys or never read the feedback of the surveys after the results were released. Participants who engaged with the survey results were mainly Senior managers and Executives, as the survey results within their business unit formed part of their workplace rating.

The Human Resources executive mentioned that the reason a specific Employment Equity survey was conducted recently was due to the bad results of the previous year's General Workplace Employee survey specifically around transformation.

> "So, the issues from the previous survey, was that recruitment is not transparent, there is too much favouritism in the environment. The whole issue on recognition and that there is a perception that blacks and whites are different…. Lack of

workplace exposure for black employees and the general feeling that managers

have hidden agendas."

On the other hand, the bank had a specific Employment Equity survey that had been conducted since 2014. There was a clear strategy as to why the bank needed such a survey. This was mainly to use the results to develop an Employment Equity Plan that would have actual impact. The name of the survey was changed to "Experience at Work" as the Human Resource department understood that employees were sensitive to the EEA. And once the first results came out, specific workshops were conducted with the purpose of dealing with the issues that came out and to educate employees on how to deal with them. The most recent development within the specific bank was analysing the results using different lenses to ensure that the results were used most effectively.

"We found that is you ask specific questions around EE, you get quite biased and

filtered answers. Whereas if you ask more subtle questions, but then do the

analysis by race and gender"

The third question was in relation to the Employment Equity Forums within the banks and what their role was perceived to be in implementing transformation. All banks were mandated by legislation to have an Employment Equity Forum. Many of the participants expressed that they knew that the Forum existed within the bank but did not think that it was empowered to effect change. The perception of participants, based on the fact that they deemed the Forum as a tick- box exercise led them to believe that other employees chose not to engage with the Forum either.

"I struggle with the concept of this consultative forum, as I feel like they are a tick

box exercise. They don't really have a say. Their intended role is to mirror back

the perceptions of the staff and to ask questions and then to consult HR. But they

don't feel that empowered."

Some Human Resources participants had a better understanding of the purpose of the Forum as they engaged more closely with it. They were clear on what their objectives were, the frequency of their meetings and the role they were meant to play in recruitment and holding managers accountable for the progress of transformation within each department. The one thing Human Resources mentioned as an issue with the Forum was that sometimes because of their own work commitments, the Employment Equity representatives failed to give their constituencies feedback after the meetings to ensure that employees were always informed.

"They need to make sure that they are the voice of the employees with regards to

employment equity with the employer. So, any issues that an employee can encounter, should be taken to the EE representative."

The last four questions in Research Question 2 were intended to understand the relational dynamics of employees and their varied perceptions and the impact of the varied perceptions of non-beneficiaries and beneficiaries on transformation implementation within the banking sector.

5.6.1.2 Negative perceptions between employees

When directly asked about the perceptions between beneficiaries and non-beneficiaries, participants stated a variety of negative perceptions between beneficiaries and non-beneficiaries. These perceptions included:

- Beneficiaries who had a negative perception towards the EEA as quoted by different participants below.

    "So, you have black people who say, I don't want to be an EEA recipient, because I want to be appointed on merit "

    "I don't believe that employment equity is a shared perception, there are a lot of people who are sensitive to whatever is happening and they think it is not fair. And we want equality and to be able to see a mix view at the top. Not just because of a colour thing but from a diversity perspective. And people just think that EEA is unfair."

- Non- beneficiaries had a negative perception of the Act especially because they were not beneficiaries, therefore they didn't participate.

    "We are not addressing the fact that the white managers don't care about EE, as it doesn't benefit them."

    "White people say, particularly white men, there is no chance for me because we are appointing inexperienced black people, who aren't necessarily the best for the job. Black people are saying, my path is blocked because there is this 'white boys club' that I can't get into."

- Non- beneficiaries had a superiority attitude within the banking sector.

   "The whole issue is the superiority of White individuals within the workplace."

- The belief that Black employees and leaders were incompetent and failed to perform.

   "So, incompetence versus competence. And then of course competence is always white and incompetence is black."

   "If you can address those perceptions and remove them from people's minds. Then people will be free to understand that it all starts with everyone's performance. For me race based non-performance is a bias because it has nothing to do with competence but everyone's performance."

- Black individuals were entitled within the bank because of the Act.

   "The issue of entitlement, you know, and entitlement in the sense that you think you are entitled because you are black."

- The perception that Black employees couldn't be leaders or they did not make good leaders.
- There was also a perception that banks were sufficiently transformed by the non-beneficiaries, while beneficiaries perceived that banks were not adequately transformed.

   'So, the narrative from the whites is we are really transformed, but the narrative for the blacks is nope we are not transformed? Which is quite interesting you know, and this differing narrative influences the implementation of transformation."

Three participants suggested that without a clear intervention on dealing with employees' negative perceptions, they would remain a barrier to transformation.

   "Perceptions are all in the mind, and if not dealt with, will remain sitting in the mind."

Another participant reiterated the fact that the EEA was meant to transform by hiring qualified Black individuals and if done correctly and employees started seeing Black and good leaders

within the bank, it would start to remove some of the negative perceptions while also removing the excuse for non-beneficiaries not to comply.

> "So, for me it removes the stigma created around, this notion that black people are lazy, they have certain expectations, they are expensive, they are entitled. But all these things are just an excuse to not comply."

5.6.1.3 Unconscious Biases

Twelve participants mentioned unconscious biases as an issue that did not only exist between beneficiaries and non- beneficiaries but was also present within racial and gender lines. One participant exclaimed that at the crux the Act, as a government strategy, was failing to touch and deal with people's fears and unconscious biases.

> "The barriers are deep and are linked to the history of South Africa, it's in our fears and unconscious biases. And the fears are based on which group the employee falls under."

One described it on a personal level based on individuals' upbringing.

> "I honestly believe this from the bottom of my heart, that most of the biases people have are deeply embedded and unconscious. It's in how they grew up and even when they experience different it's hard to let go of them."

Unconscious biases also exhibited themselves in recruitment, that individuals had a certain bias towards hiring individuals like them by race, gender and ethnic groups.

> "I think the white employees will hire white employees, and they still have a bias of that they are automatically more experienced, which is a form of bias."

One executive introduced the concept of role based biases within the bank and described it from a specific business units' point of view.

> "In our wealth business, they have a huge journey to go. An again it's about your wealth advisor, you know, many of the high net worth clients are white. And there is a narrative that only white wealth advisors are good and competent."

5.6.1.4 Fear from non-beneficiaries

Six participants addressed the concern that the Act was meant to directly impact the beneficiaries within the bank but the non-beneficiaries still held most of the knowledge, power and decision-making roles. Thus, creating a difficult dynamic between the two parties which led non-beneficiaries to refrain from sharing their knowledge with beneficiaries because they feared that they would take over their roles. As previously mentioned by participants, this phenomenon was also present when non-beneficiaries chose to not expose beneficiaries to certain work but rather keep the knowledge to themselves or only share it with other non-beneficiaries. This was mentioned as a big challenge that further hindered the progression on employment equity candidates.

> "And the last challenge is that you rely on non-beneficiaries to be the ones that are training and developing the potential successors. It's a huge challenge because the same people who are required to equip and train and get involved in the up-and-coming leadership happen to be non-beneficiaries."

One participants relayed this dynamic as follows:

> "There is a constant underlying tension between beneficiaries and non-beneficiaries that's affects the working culture"

5.7 Results for Research Question 3

Research Question 3 - How does the organisations culture [leadership, processes and procedures, change management] support EE and transformation?

The objective of this question was to determine existing organisational culture within each bank, the mechanisms that exist as tools to implement EEA, the level of diversity as a key objective of the Act, inclusion as the level of participation of employees and the role of leaders as the key determinants of culture within the organisation. The interview questions aimed to determine the interplay of these factors, therefore allowing participants to consider if they function dynamically or in isolation. Furthermore, this question sought to confirm, as established in Chapter 2 of this research, the importance of a conducive organisational culture and how its absence acted as a barrier to transformation within the banking sector.

5.7.1 Does the organisational culture within the banking sector support or hinder transformation implementation

Research Question 3 generated 8 codes using ATLAS.ti. These were analysed and summarized into three themes (See Table 14). The questions were intended to understand the existing organisational culture within each bank and how the culture and the mechanisms within the bank either supported or created barriers to the implementation of transformation. The theme that emerged most prominent was that the overall culture within the banking sector was more often than not a barrier to transformation. The second theme that emerged necessitated the need for banks to develop a purposeful transformation policy independent of Human Resources. The final theme was that banks needed to create a sustainable pipeline of Employment Equity candidates given the identified gaps.

The table below is a summary of sub-categories, the codes and the themes that they rolled up to and the occurrences from the interview questions in Research Question 3.

Table 14: Themes derived from Research Question 3

Themes	Codes	Sub-Categories	Occurrence
Overall culture within the banking sector is a barrier to transformation	1. Current organisational culture	Organisational cultures are either seen to be positive or negative	13
	2. No real consequences for leaders if they don't transform	Leaders and managers are measured against the banks EE targets but there are no real consequences (Remuneration, bonuses) if they don't comply	7
	3. Overall resistant culture to	The culture within the bank is seen	13

	transformation	as mostly lacking in diversity and inclusion and this breeds resistance to EE	
Gaps identified in creating a supportive pipeline	4. Insufficient pipeline of EE candidates	There is an insufficient pipeline externally and internally of EE candidates	9
	5. Availability of roles into SM & TM are limited as compared to roles JM	Less Senior Management level positions than there is Junior management and long tenures create blockages	5
	6. The retention of EE candidates difficult as they are in demand	The small pool of EE candidates results in low retention and high salaries	7
Need for purposeful transformation policy independent of HR	7. Purposeful and intentional transformation compulsory	There is a need for banks to create a purposeful and intentional EE plan to ensure real progress	12
	8. Specific transformation policies independent of	It was suggested to create transformation policies independent of HR	7

	HR necessary	due to the perceived low allocation of resources to transformation		

5.7.1.1 Overall culture within the banking sector is a barrier to transformation

Research Question 1 allowed participants to consider what was the existing culture within the bank. Various traits were identified by participants and are represented in the table below which has been divided into whether the trait was negative or positive. Then the B-BBEEE scores for 2017 is shown in an attempt to see a relation. The most pertinent views are whether an organisation is seen as diverse, as this speaks to the objectives of the Act and whether employees perceive it as such. Followed by if the employees viewed the organisation to be inclusive, this relays the level at which they feel they can engage within the bank.

Table 13: Organisational Culture Traits across the four banks

Perceived culture traits	Bank 1	Bank 2	Bank 3	Bank 4
Positive	• Culture depends on business unit • Supportive • Highly competitive • Professional	• Fast moving • Culture depends on business unit • Family orientated	• Inclusive • Team spirit promoted • Competitive • High performance • Hard work • Innovative	• Biggest BU the most diverse • Relationships are very important • Feels like home • High standards
Negative	• Not enough diversity • Borderline inclusive • People are forced	• Inclusive to a degree and based on occupational level • Lacks Diversity	• Fear • Not good at holding individuals accountable	• Not inclusive • Lacks diversity in some BUs • People stay

	to assimilate to fit in	• Too strict • Dependent on business unit (some not inclusive) • No social cohesion between • Too many office politics	• Blame • Not much fun • No flexibility • Fake • People are forced to assimilate to fit in	long with the bank • Internal nepotism
B-BBEEE Score	**Level 2**	**Level 2**	**Level 1**	**Level 1**

The perceptions of organisational cultures differed per participant even for those who worked in the same bank. This could suggest that the banks' cultures might not have been adequately embedded into the organisations. Participants also seemed to be more inclined to disclose the negative traits of the culture and found it difficult to state the more positive traits. Three of the four banks were described as lacking diversity and inclusion. Two respondents described one bank as inclusive. One of these said:

> "I think it's very inclusive because when you look at it. I have always said to people. To judge a culture of an organisation, no has to tell you, you see I, you know and that's why we talk about it at induction."

Even with the inclusion described, the other respondent said this was because, the environment made Black individuals feel pressured to assimilate. Therefore, in assimilating, they had a false sense of inclusion.

> "It's an unconscious culture. So, as a black guy you have two choices, you can either assimilate or be ostracised. So, you have to be careful."

Bank 2 which was described as not inclusive enough and lacking diversity, especially at the senior level, was described by one participant:

> "You see two sides, firstly different races work well but the actions of the different races are not translated socially, in the canteen, at office parties and in the corridors. And the lack of action causes a block due to the fact that the issues are

under the radar."

5.7.1.2 Need for purposeful transformation policy independent of HR

Twelve participants mentioned that the saw progress in transformation implementation if it was influenced at the right level, if it was seen in key appointments made within the bank and when it was prioritised given restructures or resignations within the bank. Therefore, it was not only a Human Resources initiative but it was necessary for employees to see it in action within the bank.

An Employment Equity Head noted that:
> "We are on the right track, and you can see by the senior appointments we are making. Therefore, the decision is being influenced on the right level."

An employee noted that:
> "Recently within the organisations there have been key promotions for employment equity candidates, and these kinds of actions change the perceptions within the bank."

A Human Resources Executive stated that the policy stated that:
> "Whenever there is a resignation, the priority is given to employment equity candidates that are suitable"

While Human Resources Executive and a different bank stated the quote below to substantiate their diverse leadership structure:
> "I think in the bank we have worked hard on our top leadership, especially in placing employment equity candidates in strategic and core roles. It's a concerted focus of ours"

This stance suggested that participants were aligned in understanding that action transformation was much more impactful that just policy and talk of transformation. Especially in convincing employees how serious the bank was in implementing transformation.

A Human Resource executive described effective employment equity implementation as being purposeful, intentional and requiring hard decisions.

In agreement but with regard to creating an effective Employment Equity Plan, another

Human Resource executive noted:

> "I have driven a really coherent substantive structured approach to Employment
> Equity planning. So, the purpose is to give structure to your employment equity
> initiatives, and I mean it's not rocket science. When you say you must address
> Employment Equity across a range of Employment Equity drivers, you know you
> in appointing, retention, learning and development, etcetera. So, each business
> area has their own plan. Which rolls up to the banks one. And so, what this does
> is first of all makes people get concrete about what they are doing, not just saying
> we set a target and in three years we will see if we meet it or not. And it also gives
> them something to track themselves against."

5.7.1.3 Gaps identified in creating a supportive pipeline

Throughout the interviews, lack of a talent pipeline was an issue frequently mentioned by all
respondents as a barrier to transformation. One respondent mentioned that the issue around
pipeline gaps and aligning the pipeline of the bank to available external resources especially
in critical roles was the base at which the bank should seek to address this issue:

> "Employment Equity is a broad solution and it covers every profile, which is
> misguided because you cannot expect the required statistics to be the same at
> Branch Level and at a Quantitative Analyst level as compared to the EAP. If you
> think about a pool, of were the potential candidates are coming from it is not
> representative of the country. For, example very few people do maths, for example
> 50%, now you trying to fit the 50% who do maths into the expectation of the 80%
> target that's set. But you also need to look at people who study further for example
> an MBAs and Management and what percentage of those people are available be
> able to match back to your organisation targets."

The question on the allocation of resources demonstrated that employees didn't know exactly
if and where resources where allocated to support transformation.

A recruitment consultant with concern noted the lack of effective resource allocation as quoted
below:
> "I think the resources that are allocated are for writing reports, they are only for
> reporting but are not to help implement transformation."

While the Human Resources Executive noted her need for more resources to better implement transformation within her organisation as quoted below:

> "No, we don't allocate enough resources, as an HR executive I would like a whole team"

One participant qualified her concern in the misalignment in lack of resource allocation versus the narrative within the bank as follows:

> "No, we need to put our money where our mouths are."

Another participant who noted that transformation deteriorated with seniority, stated that for transformation to be effective, a purposefully development of a group of people in a program was needed to create a pool of 'ready' candidates and at all occupational levels. This would also be beneficial for the bank not just the candidates.

> "With my organisation in particular, the issue is more in the top end, so with all companies trying to implement it, you kind of see the change happening at the bottom end but not fast enough at the top end. And I think it has a lot to do with planning, in the sense that, most organisations use the excuse that no one was suitable for the role. And I think in order for someone to be suitable for the role, you need to start prepping them, exposing them and training them. And it starts at the bottom."

Issues on impact of the economy on the banks meant that the opportunities within the bank were limited, which was raised as a concern.

> "It's a particularly difficult in an environment where headcount is not growing. Which is not happening at any bank. So, it's a very difficult space to navigate and negotiate "

The limited Senior Management roles was brought up by five participants and how

> "However, struggles with transformation you see coming through in terms of management, tends to happen when people don't leave, then the opportunities within the Senior Management roles are already not a lot, therefore creating no opportunities for growth."

5.8 Summary of Results

This study sought to understand the barriers that impact transformation implementation within the banking sector, and thus the interplay between these barriers with employees as participants and the organisational culture as the environment in which the transformation was implemented.

5.8.1 A summary of the identified Barriers to Transformation from the Research Question

The table below is a summary of the barriers to transformation identified by each Research Question.

Table 12 : Identified Barriers to Transformation

Research Question	Identified Barriers to Transformation	Overall Occurrences
1. **What are the barriers that impact the implementation of transformation with the banking sector?**	• Leadership is white and male dominated	12
	• Weak government enforcement policies	5
	• Lack of leadership commitment and accountability	22
	• Negative management practices	7
	• Negative Human Resources practices	32
	• Lack of collaborative and open engagement	23
2. **How do employees within organisations participate in implementing transformation within the organisation?**	• Lack of honest engagement between employees and the organisation	39
	• Fear from non-beneficiaries	10
	• Negative perceptions between employees	24
	• Unconscious Biases	12

3. How does the organisations culture [leadership, processes and procedures, change management] support EE and transformation?	• Overall culture resistant within banking sector	33
	• Need for purposeful transformation policy independent of Human Resources	21
	• Gaps identified in creating a supportive pipeline	19

5.9 Conclusion

The results of the 13 semi-structured interviews conducted are presented in the chapter. The analysis of the in-depth interviews produced codes and sub-categories which were then summarized into themes. These themes supported by the existing literature in Chapter 2, formed the results to the research study on the barriers to transformation within the banking sector. There were thirteen barriers identified to transformation within the banking sector (see Table 15), and the top three barriers based on the participants responses are as follows:

1. There is a lack of honest engagement amongst employees and the with the organisation
2. The overall culture within the banking sector is resistant to transformation
3. There are too many negative Human Resources practices either perpetuated by employees or 'allowed' by Human Resources.

All the thirteen barriers identified contributed to uncovering insights in the transformation implementation within the banking sector. The following chapter will discuss the research findings from this chapter in detail and will also incorporate the theories and the literature from Chapter 2.

Chapter 6 Discussion of Results

6.1 Introduction

In Chapter 5, the results of this research were presented. In this chapter, the results will be discussed with a view to establish any convergence or divergence to the concepts in the literature review. Linkages with the problem question identified in Chapter 1, the theories and the literature in Chapter 2 and the Research Questions proposed in Chapter 3 will be made. This will be made with a view of getting a deeper understanding into the barriers that impact transformation implementation in the South African Banking sector. The results will be discussed in the following sections per research question and presented based on the themes that emerged in this study.

6.2 Discussion of Results for Research Question 1

The purpose of Research Question 1, which served as the overarching question for this study, was to identify the various barriers that impacted the implementation of transformation within South Africa's banking sector. It was imperative to identify what participants understood to be the barriers of transformation within the sector, prior to identifying what they deemed to be their role and how they perceived organisational cultures within banks to be creating a supportive or hindering environment to the implementation of transformation within the banking sector. Research Question 1 sought to establish participants' perceptions on the performance of each bank relative to its employment equity targets and its peers. This was followed by a direct question on what they perceived as barriers within the bank as well as the narrative from leaders and management regarding transformation. There was a consensus amongst participants that transformation within the banking sector was slow in bridging the gap between the targets prescribed by legislation, especially in the top three occupational levels. Below are the main barriers identified by participants.

6.2.1 Leadership is white and male dominated

 Twelve participants described the top three occupational levels as white and male dominated within the bank. This was in line with the report of the Commission for Employment Equity Annual Report for 2017 (Refer to Table 2), (Commission For Employment Equity 2017-2018, 2017) and the bank demographics data (Refer to Table 5). The leadership structure depicted in these reports supports that findings of this research that progress on transformation in the banking sector in the 20 years since the EEA was promogulated has not met targets. The

research established that there were perceptions that the domination of white males in positions of power and critical roles created a barrier as there was a perceived division of labour across racial lines which perpetuated the stereotypes and dynamics of ingroup/outgroups the ingroups created entry barriers to leadership positions and positions of power. The ingroups were said to be white males who maintained their exclusivity through their numerical superiority and seniority in those positions. Crane & Ruebottom (2011) as well as Stets & Burke (2000) suggests that this negatively affects intergroup relations while Hogg & Terry (2000) suggests that it impacts the level to which employees interact. The pay gaps were brought up with the most prevalent issues present along racial and gender lines. The hiring practices such as interview panels were also seen as lacking diversity and therefore biased towards the identity of panellists. Scott et al. (2011) point out the importance of the ability of Human Resources to be able to recruit diverse employees.

6.2.2 Weak government enforcement policies

Some of the participants were not convinced that the banks will transform effectively as they believed that there was no inducement for them to do so. Booysen (2007) agreed that employment equity legislation was merely the beginning of transformation, but was not enough given its limited impact on the progress of diversity in the workplace. This was further supported by Jain et al. (2012) that organisations comply by largely employing African individuals at lower occupational levels versus the majority of White males still being recruited in the top three occupational levels at twice the rate of Africans. They suggested that the fine imposed by the Department of Labour on banks for non-compliance with the Employment Equity Legislation was too little and therefore it did not encourage banking employers to fully comply with the objectives of the EEA. Moreover, Jain et al. (2012) agreed that for regulation such as the EEA to shape how organisations respond there was a need for increased enforcement in order to make a significant impact. They raises the questioned the capabilities of the Department of Labour to thoroughly holistically analyse the performance banks on an annual basis. They also suggested that the monitoring of non-compliance could influence future amendments to the Act and therefore make it more effective.

6.2.3 Lack of Leadership Commitment and Accountability

It was specifically found that leaders and hiring managers in the banks lacked commitment and broad accountability regarding the implementation of transformation. Leadership as defined by Neubert et al. (2013) and Rost & Barker (2007) is the power and influence of leaders on their followers, which in this study relates to the influence leaders have on the

employees to impact transformation implementation within the bank. Some participants accused leaders and hiring managers of incongruency in what they spoke about on transformation and what they did. The majority of participants suggested that meeting prescribed targets was one side of transformation while meeting targets at critical places was another. They suggested that banks focused on meeting numerical targets instead of really transforming the bank and adding value at the leadership levels. Some participants saw leaders and hiring managers as lacking an understanding of the EEA and therefore failed to recognized its validity within their organisation. Five participants blamed the ineffectiveness of transformation plans to lack of support Human Resources Managers received from hiring managers.

Furthermore, the lack of pipeline of competent and qualified employment equity candidates was an issue that required a firm and uncompromising strategy so that in its effectiveness it can support transformation implementation within the banking sector.

Furthermore, the existence of a deviation policy was perceived as contradicting the Employment Equity mandate within the banks giving a perception that the implementation of transformation could be compromised. Some participants noted the performance appraisals of leaders and managers did not reduce benefits if they failed to comply to the Employment Equity plan. The employment equity plan as defined in the EEA requires designated employers to identify responsible and accountable employees within the organisation that will be implementing and monitoring the plan (Department of Labour, 2012; Leonard & Grobler, 2006; Republic of South Africa, 1998). Where such individuals are Human Resource Managers, the absence of leadership support on their activities would clearly undermine the objectives of the Act.

Managers were also perceived to be only concerned with the transformation agenda within their immediate teams rather than as a strategic objective of the bank. Such a myopic perspective could affect organisational commitment to the implementation of transformation as leaders and managers were not aligned. Nkomo (2011) suggested that for the long-term objectives of the Act to be met within an organisation, leadership and management commitment was a pre-requisite.

6.2.4 Hiring Managers as Barriers to transformation

Hiring managers form a critical function within the bank regarding the processes that Human Resources use to recruit, select and promote individuals within an organisation. Therefore, when managers choose to compromise transformation implementation in their hiring practices, especially in core roles, they demonstrate a lack of trust in employment equity candidates. They also further reinforce this perceived lack of trust by exposing more white candidates to key developmental opportunities within the bank thus compromising the competency improvement of employment equity candidates. This affects the promotion of employment equity candidates within the bank and results in a continued subtle exclusion of employment equity candidates in core and decision-making roles thus limiting their opportunities within the bank to advance to higher occupational levels. These negative management practices go against the systems and the processes and procedures put in place to enable effective employment equity implementation as discussed by Booysen (2007) and Leonard & Grobler (2005) and Oosthuizen & Naidoo (2010) and Vermeulen & Coetzee (2011), within the bank.

6.2.5 Human Resources Practices as Barriers to Transformation

Human Resources practices was the second most dominant theme (see Table 15) that emerged as a barrier to transformation. All the participants acknowledged that the Human Resources department the main custodians of employment equity implementation within the banks. According to Coetzee (2015), Human Resources and managers form a social system within an organisation and require both to be custodians of the effectiveness and efficiencies of employees. Snyman et al. (2015) suggest that an inclusive human resources management and management support is critical for the effectiveness of the EEA . However, participants indicated that in practice, leaders and managers made the final decisions on recruitment, selection and promotions. This results in a conflicting dynamic between Human Resources and managers, because even with an employment equity plan in place, deviation policies enabled hiring managers to circumvent Human Resource Managers and hire whomever they wanted to hire.

The role of Human Resources was seen as that of gate keepers for ensuring that employment equity candidates were hired in both support and critical roles, but were failing to advance the employment of Black candidates into critical roles that affect the strategy of banks. Therefore, role of the Human Resources department was seen as too often an advisory and support function. This rendered its role in implementing transformation ineffective.

6.2.6 Lack of collaborative and open engagement

Six participants suggested that there was a lack of shared understanding of the EEA between targeted beneficiaries and non-beneficiaries. This lack of a shared understanding was perceived as having the potential of rendering transformation implementation as a "tick-box exercise" instead of a legislation meant to create a diverse workforce and add value. The lack of a shared understanding was evident throughout the interviews based on the negative perception of both beneficiaries and non-beneficiaries of the Act. Booysen (2007), reiterated that a lack of shared understanding and communication of the value and objectives of the Act rendered the Act itself a barrier to transformation implementation. To develop a shared understanding and address the negative perceptions of the Act, Booysen (2007), Nkomo (2011), Oosthuizen & Naidoo (2010), Snyman et al. (2015) and Wöcke & Sutherland (2008), recommend communication mechanisms that would enable engagement between employees. Gilley et al., (2009) confirm that using an effective communication mechanism is associated with effective change implementation.

Nine participants raised lack of engagement on the Act itself and its broad objectives as a barrier to the implementation of transformation. This lack of engagement is attributed to the perception that the subject is emotive. Beneficiaries viewed the act as fair while non-beneficiaries saw it as discriminatory. The consequence of both the lack of shared understanding of the Act and lack of open engagement between beneficiaries and non-beneficiaries resulted in banks seemingly lacking a strong business case for effective transformation implementation as there was no shared understanding of the value of employment equity within the sector thus creating resistance to the implementation and creating a barrier to transformation.

The lack of a shared understanding of the Act was seen by Booysen (2007) as a strategic deterrent of effective employment equity transformation. Moreover the lack of open and honest engagement amongst beneficiaries and non-beneficiaries removed an opportunity for employees to communicate and engage. These negative perceptions were due to the fact that the EEA as an attempt to address the imbalances of the past through the distribution of wealth and for the Act to be effective it needed to be accepted by a majority of employees within an organisation (de Beer et al., 2016).

6.2.7 Conclusion of Findings for Research Question 1

The results in Research Question 1 identified the main barriers to transformation implementation within the banking sector as determined by the participants of this research.

The barriers identified in Research Question 1 in order of frequency were as follows (See Table 11) :

1. Negative Human Resources practices
2. Lack of collaborative and open engagement
3. Lack of leadership commitment and accountability
4. Leadership is white and male dominated
5. Negative management practices
6. Weak government enforcement policies

Coetzee (2015) and Snyman et al. (2015), highlight the importance of transparent and strategically effective Human Resource practices. The Human Resources practices were said to lack transparency by the participants of this research especially in recruitment, selection and promotion of employment equity candidates. The findings in this study suggests that employees in the banking sector distrusted Human Resource practitioners and managers and ineffectual in promoting good overall Human Resources practices. This is of concern as Human Resources and manages are perceived to be the main custodians of the efficacies of employees (Coetzee, 2015).

Government's role through monitoring, measurement and the enforcing of legislation that is sufficient to ensure that banks not only comply to the EEA but add value through transformation implementation is important to ensure that these barriers are removed.

6.3 Discussion of Results for Research Question 2

Employees form a critical part of the mechanisms of the employment equity plan and transformation implementation within an organisation (Leonard & Grobler, 2006; Oosthuizen & Naidoo, 2010; Snyman et al., 2015). Research Question 2 sought to understand the role that leaders and employees at various occupational levels played in implementing Employment Equity within the banking sector and the level to which they engaged with the bank. Participant responses to this research question established what they perceived their role to be and the differences between perceptions of beneficiaries and non-beneficiaries.

Both beneficiaries and non-beneficiaries had negative perceptions of transformation implementation within the banks mainly due to lack of open and honest communication and engagement, pre-existing unconscious and conscious biases and fear from non-beneficiaries, which is aligned to the findings of (Coetzee, 2015; Coetzee & Bezuidenhout, 2011; Snyman et al., 2015; Vermeulen & Coetzee, 2011; Wöcke & Sutherland, 2008).

6.3.1 Lack of honest engagement between employees and the organisation

The main purpose of interview questions in Research Question 2, was to establish the level to which employees engage within the bank through surveys and the employment equity forum as prescribed by the Act (Republic of South Africa, 1998) and amongst themselves. Furthermore an the questions were intended to understanding of how the engagement affected their perceptions, biases and role in implementing transformation within the bank.

Employment Equity plans within the banks and all designated employers are mandated by legislation to support transformation implementation (Republic of South Africa, 1998). The legislative requirement on a five year employment equity plan includes Human Resources measures on recruitment, selection and promotion of beneficiaries of the Act as well as policies that prohibit unfair discrimination and conducting an analysis externally and internally compared to its workforce on all occupational levels in the South African context (Department of Labour, 2012). Designated employers are required to share their employment equity plans with all employees and employees are meant to actively engage with the organisation thus creating a partnership between employees and Human Resources, which was also supported by (Horwitz & Jain, 2011) . The analysis of the results of this research revealed that only two of the four banks being studied had specific employment equity surveys. Some of the participants noted that they did not really engage with the feedback from the surveys unless it was part of their employment KPI. Furthermore, it emerged that one of the banks conducted the survey based on negative feedback from the General Workplace Employee survey. This suggests that the banks and the employees did not consider the surveys important, especially in informing the employment equity strategy within the bank. This could be a missed opportunity for both the bank and the employees given that employees should be able to communicate openly and honestly in the survey and Human Resources and managers should utilize the information more effectively to implement transformation within the bank. Booysen (2007) advocates for effective coordination between the management and the implementation of employment equity strategies and plans. The coordinated use and analysis of the specific employment equity survey in one of the banks, in relation to the level of transformation especially in the top level occupational levels, indicates that it is critical for banks to effectively

use available information to make informed decisions.

The employment equity forum, as prescribed by law, was meant to form a critical part of the consultative process within organisations (Department of Labour, 2012). 92% of the participants failed to see the value that employment equity forums added to transformation implementation within the bank. The Human Resources participants were much more clear about the role of the forums within the bank as part of their jobs but not as employees. This disengagement between the forum and employees seems to have reduced the effectiveness of the forums in implementing transformation.

This further highlights the need for engagement between the employees and the banks to ensure that engagement to best inform employment equity plans and strategies existed within the bank. Booysen (2007) states that not only is it necessary that organisations define the employment equity plan and business case, but it is critical that they used all communication avenues within the business to deal with concerns and fears and to influence employment equity strategies. The combined effect of these prescriptions without proper use of information garnered from available resources will reduce the effectiveness of implementing transformation within the bank. As emphasized by Horwitz & Jain (2011) and Thomas (2002), stakeholder involvement is key in ensuring effective employment equity implementation as seen in one of the most transformed banks demographics.

6.3.2 Fear from non-beneficiaries

Six participants indicated that non-beneficiaries, in particular white males, were afraid that EEA would result in job-insecurities for them and for their children in the future. Some perceived it as reverse discrimination (Booysen, 2007; Hideg & Ferris, 2014; Nkomo, 2011; Oosthuizen & Naidoo, 2010; Wöcke & Sutherland, 2008). de Beer et al. (2016), agree that the perception of fairness amongst non-beneficiaries leads to job insecurity which could lead to lack of buy-in from non-beneficiaries and thus result in the resistance to transformation implementation. The resistance of transformation implementation in these non-beneficiaries was strengthened by the fact that they still held most of the knowledge, power and decision-making roles within the banks (Commission For Employment Equity 2017-2018, 2017); Financial Sector Charter Council, 2016). This impacted knowledge sharing between beneficiaries and non-beneficiaries, and thus the opportunity to improve their competencies.

It is therefore important for the banks to deal with the fear of non-beneficiaries to overcome the resistance to change. According to Bateh et al. (2013) managers within organisations need

to openly engage employees on the need for change otherwise fear and uncertainty remain and thus impacts the successful implementation of the change. Therefore, banks must encourage communication and awareness training as a Human Resource initiative and engage in forum discussion to provide knowledge and a better understanding of the Act. Moreover, the alleviation of these fears will enable better knowledge sharing to beneficiaries and thus better transformation implementation.

6.3.3 Negative perceptions between employees

The results in Chapter 5 regarding the perceptions of beneficiaries and non-beneficiaries demonstrated a variety of negative perceptions across racial lines. The existence of these perceptions create internal barriers that impact transformation implementation within the banking sector.

The findings below on the negative perceptions of beneficiaries and non-beneficiaries affirm the work of Hideg & Ferris (2014) that when employees react negatively to policies, it renders the policies ineffective.

Negative perceptions against beneficiaries can be summarized as follows:
- Black employees are incompetent therefore cannot be trusted with core and critical roles
- Black employees lack leadership capabilities therefore cannot be trusted to hold leadership positions within the bank
- The EEA makes Black employees entitled therefore they don't work as hard as their white counterparts
- Black candidates become "tokens" in their roles as they are perceived to not be empowered to make real decisions
- Some beneficiaries don't want to be perceived to receive token appointments, therefore have a negative perception towards the Act.

Negative perceptions against non-beneficiaries can be summarized as follows:
- Non- beneficiaries do not participate in transformation implementation as they do not benefit from the Act.
- White males don't see a future for themselves within the bank because they are not beneficiaries of the Act despite the fact that they still hold the most positions of power within the bank.
- Non-beneficiaries are perceived to have a superiority complex as they still have the most knowledge base within the banks.

- Non- beneficiaries perceive the banks to be sufficiently transformed therefore there is no need to further transform despite the gaps identified between targets and the numbers within the bank.

de Beer et al.(2016), agree that the perception of fairness amongst non-beneficiaries leads to job insecurity which could lead to a lack of buy-in from non-beneficiaries, and thus result in the resistance to transformation implementation.

Three of the participants recognized that the negative perceptions of employees were deeply ingrained in their minds and if not actively dealt with would remain a barrier to the implementation of transformation. Furthermore, Wöcke & Sutherland (2008) confirm that employees within an organisation have varied perceptions of EEA implementation which creates power distances amongst employees. These varied perceptions impact individuals within the organisation as facilitators and beneficiaries of the EEA as described by Coetzee (2015) and Coetzee & Bezuidenhout (2011) and Horwitz et al. (2002) and Snyman et al. (2015) and Wöcke & Sutherland (2008). Therefore as Bateh et al. (2013) recommends, to overcome resistance to change and facilitate employee readiness, it is critical for employees within an organisation to perceive the processes as fair.

The negative perceptions across racial lines further perpetuate the dynamics of in/out groups within the bank. This results in inter group conflict and a lack of integration between groups which could assist in transformation implementation (Crane & Ruebottom, 2011; van Zomeren et al., 2008). The need for employees to communicate and engage could create opportunities to overcome negative perceptions (Booysen, 2007; Nkomo, 2011; Oosthuizen & Naidoo, 2010; Snyman et al., 2015; Wöcke & Sutherland, 2008).

6.3.4 Unconscious Biases

Respondents described the biases as linked to the history of the country, individual fears and the upbringing of the individuals. This manifested itself within the banks through the recruitment, selection and promotion processes. Therefore, creating a barrier in the Human Resources processes and procedures and the engagement between non-beneficiaries and beneficiaries impacted the implementation of transformation.

Twelve of the thirteen participants raised the issue of employees' unconscious biases as a barrier based on their beneficiary or non-beneficiary status. Leonard & Grobler (2005) state that for a society to transform, individuals need to commit to the appreciation of human dignity

as opposed to their biases. Based on the findings, unconscious biases require employees within an organisation to deal with their biases through training to allow employees to engage with their own biases through a Human Resource intervention.

6.3.5 Conclusion of Findings for Research Question 2

The findings in Research Question 2 relate to the greatest influences on the implementation of transformation within the banking sector, which is employees. Employees as leaders, managers and Human Resources regardless of their beneficiary or non-beneficiary status perform a critical function within the organisation as facilitators of transformation implementation. The results presented in Table 12 demonstrate a disconnect amongst employees across racial lines and their beneficiary statuses. The disconnect is represented in deeply formed layers of biases and negative perceptions between employees based on the country's history (Coetzee, 2015; and de Beer et al., 2016; and Oosthuizen & Naidoo, 2010; and Wöcke & Sutherland, 2008) and perceptions based on individuals experiences and upbringings. This is further exacerbated by the lack of shared understanding of the Act which influences the level of communication within an organisation (Booysen, 2007; Leonard & Grobler, 2006).

The lack of shared understanding of the Act, the unconscious biases and negative perceptions lead to barriers to transformation within the baking sector in the following ways:

- No shared understanding of the Act or clarity on the communication of the value of the Act results in the EEA been seen as a compliance issue.
- Moreover, racial fault lines created by the negative perceptions and biases result in the reinforcement of in and out groups within the bank which impacts human recourses processes and procedures that are meant to promote diversity though the recruitment, selection and promotion of employment equity candidates especially in top occupational levels and critical roles.
- White fears due to the negative perception of the Act, lead to resistance and the impact is present in transformation implementation due to the top decision- making roles still held by white males.

Therefore the banks need to invest in creating opportunities for employees to have a shared understanding of the Act that will to ensure an effective transformation strategy through effective communication, consultation and feedback at all occupational levels. Therefore these findings concur with Coetzee (2015) and Hideg & Ferris (2014) and Oosthuizen & Naidoo (2010) and Vermeulen & Coetzee, (2011) that a transformation implementation strategy needs

to be focused, coordinated and integrated into the existing employment equity plan and strategy to ensure its effectiveness

6.4 Discussion of Results for Research Question 3

The purpose of Research Question 3 was to determine the existing organisational culture and the mechanisms that play a role in the implementation of transformation within each bank. It was necessary to determine the level of diversity within each bank as it is the key objective of the Act. While inclusion determines the level of participation, employees engage and feel they add value (Lee & Kramer, 2016). Furthermore, the Research Question sought to identify the mechanisms that co-exist including leadership, the processes and procedures and the allocation of resources and the extent to which they play a role in implementing transformation. The interview questions aimed to determine the interplay of these factors, therefore allowing participants to consider if they function dynamically or in isolation, as identified in chapter 2 (Booysen, 2007; Nkomo, 2011; Watkins, 2013).

6.4.1 Overall culture within the banking sector is a barrier to transformation

According to Lee & Kramer (2016), the organisational culture is influenced by the national culture mainly through the employees of the organisation. The analysis of data collected from the interviews supported this as the culture within the banks was described by eleven participants as 'white', while twelve participants mentioned that leadership within the bank was white and male dominated. This and the exclusionary nature of the national culture in which the banks where formed has thus resulted in banks that are predominantly more "white" in their culture. Leonard & Grobler (2006) and Randel et al. (2016), support this as they define the role of leaders as key in developing and communicating the culture within the organisation. Neubert et al. (2013) emphasize that the extent of leaders' power and influence on their followers can shape the culture within an organisation and thus influence the implementation of transformation. The culture was also described as requiring other racial groups to assimilate in order to fit in. Booysen (2007) and Nkomo (2011) suggest that such a culture is 'transformation resistant' as it does not accommodate all employees. The authors found that a "transformation resistant" organisational culture and a low level of leadership commitment could collectively hinder employment equity implementation (Booysen, 2007; Nkomo, 2011). The lack of cohesion amongst employees within a particular bank relates to the lack of embedment of the organisational culture as each participant experienced a very different view of what the culture was. Watkins (2013) states that for a culture to be embedded within an organisation, it was necessary for the evolution of the culture to be a sum of the values, a

products of its incentives and a collaborative process.

The majority of the positive traits of the banks cultures: Highly competitive, professional, high performance, high standards, innovative, team work focused and hardworking related more to the bank achieving its financial goals. While some of the other positive traits such as family orientated, team spirit promoted, relationships were very important and supportive could form a base for the employees in creating a culture that supports transformation implementation. The majority of the organisational traits throughout the interviews were negative (See Table 13). This demonstrated the negative view that employees perceived the culture. The negative traits included lack of social cohesion, fear driven, too strict, internal nepotism, lack of flexibility, individuals not accountable, lack of inclusion and diversity. These negative perceptions informed various factors within the banks. Internal nepotism and the lack of diversity could be perceived as a lack of fairness that existed within the banks by both beneficiaries and non-beneficiaries of the Act. Therefore as Wöcke & Sutherland (2008) have stated, if the perception of fairness varies amongst employees, it could result in employees rejecting the interventions put in place to implement the Act. This is further supported by Coetzee & Bezuidenhout (2011) who suggest that negative perceptions of individuals and their role as facilitators of the Act can hinder the progress of transformation, thus creating a 'transformation resistant' culture. The lack of inclusion and social cohesion describes the low level of engagement and participation amongst employees and with the banks. The lack of inclusion within an organisation reduces the degree to which employees feel part of critical organisational processes such as transformation. This reduces their perceived ability to participate and influence decisions within the bank. Oswick & Noon (2014) deem this critical in creating value by incorporating all employees within the organisation. The lack of diversity, especially in the higher occupational levels, is contradictory to the objectives of the Act, while the lack of accountability and a fear driven culture further hinders transformation implementation within the banks. Adopting a culture of diversity and equality beyond the response to EEA legislation merges the intent and the objective of the Act as emphasized by Nkomo (2011). This has the potential to support transformation implementation within the banking sector . Furthermore, Gilbert et al. (2009) emphasizes the importance of diversity management as a key driver in changing the organisational culture to a more integrated environment.

Three of the four banks were described as lacking in both diversity and inclusion by the majority of the thirteen participants. One bank was described as inclusive but not diverse. Lee & Kramer (2016) advocate that inclusion and diversity within an organisation should be prioritized over focusing on only one aspect. Given that diversity is the objective of the Act,

diversity management should be incorporated in all the Human Resources processes and procedures to continuously encourage diversity as advocated by Randel et al. (2016) to build diverse and inclusive banks within South Africa. Furthermore, Lee & Kramer (2016) reiterate that an inclusive organisational culture should be based on diversity beyond tangible features, as this would provide an environment where individuals engage beyond their perceptions. This is critical as it is known that perceptions vary across race, gender, occupational level and tenure Coetzee & Bezuidenhout (2011). Thus an organisational culture built on inclusion and diversity has the ability develop a collective identity between beneficiaries and non-beneficiaries. Thus, it is important for the banks to create an organisational culture that is inclusive and diverse and can overcome negative perceptions, especially those of non-beneficiaries, in decision-making roles. Therefore, a transformation conducive organisational culture would include procedures that are deemed to be fair based on inclusion and diversity. Therefore, as described by Saunders & Thornhill (2003) in the Organisational justice, the perception of fairness in an organisation's procedures based on procedural justice, can potentially remove the resistance to transformation within the banking sector. Scot et al. (2011) emphasize the importance of an integrated strategy that includes both inclusion and diversity in implementing all policies and procedures within an organisation to have a greater potential benefit than one that only focuses on diversity.

6.4.2 Need for purposeful transformation policy independent of HR

In the responses on the mechanisms that are meant to support transformation within the banks, 92% of the participants acknowledged that Human Resources was the custodian of the Act within the bank. Human Resources could not implement the legislation without the support of a conducive organisational culture and employees that actively participate beyond the mandate of Human Resources. Numerous authors agree with the notion that, for transformation and employment equity implementation to be progressive, all mechanisms within an organisation need to collaborate to support it (Booysen, 2007; Leonard & Grobler, 2006; Oosthuizen & Naidoo, 2010; Republic of South Africa, 1998; Snyman et al., 2015).

The existence of contradictory concessions to the implementation of transformation within two of the banks, as mentioned by the participants, is an indication of a lack of commitment by hiring managers and Human Resources. One participant reiterated how the deviation signature rendered the employment equity plan ineffective. This is in contradiction with the mandate of an employment equity plan as prescribed by the EEA (Department of Labour, 2012; Republic of South Africa, 1998). The signatories of this contradictory policy within the bank are hiring managers and leaders mandated my Human Resources to sign- off out-of-

policy hires. As already stated by twelve of the thirteen participants and supported by the demographic statistics of banks in the   Commission For Employment Equity 2017-2018 (2017), the top three occupational levels are mostly occupied by white males who are excluded by the Act as non-beneficiaries. This further affects their negative perceptions and increases their lack of commitment to the implementation of transformation within the banking sector. This negatively affects the social identities and interactions between beneficiaries and non-beneficiaries and has an impact on their perceptions of their treatment in the implementation of the Act Hogg & Terry (2000) and Stets & Burke (2000). Actively seeking to break down barriers to transformation within the banks requires organisations to implement processes and procedures that are focused on meeting the intended outcomes of the Act which is advocated by Snyman et al. (2015) in a strategic manner that will ensure that the implementation of the Act is a priority for all employees within the bank. In researching the attitudes and experiences towards employment equity, Oosthuizen & Naidoo (2010) recognized that within organisations, non-managers see the implementation of transformation as more concerned with reaching numerical targets than adding real value This in turn has a negative impact on the organisation. Furthermore, banks need to ensure that all employees within the organisation become custodians of the Act and play an active role in transformation in their varied capacities in order to create momentum. This can be achieved by firstly changing the negative perceptions that were previously mentioned as an issue by all the participants. This can be done through engagements to deal with the existing negative perceptions as recommended by a Human Resources head. This is critical for changing the landscape and can be achieved by building more inclusive participation and diversity as defined by Dovidio et al. (2017). The involvement of all employees can create momentum in transformation implementation through a relativity in numbers of socially and different individuals as defined by Kanter (1977) in her Critical Mass Theory. In this study, this would relate to more individuals participating beyond the leadership and the members that occupy senior positions within the bank.

"Leaders lack of commitment", as a theme in Research Question 1 was mentioned as a barrier to transformation by all participants. Therefore, Horwitz & Jain (2011) suggest that leaders within an organisation need to prioritize employment equity implementation and lead by example to demonstrate to employees the importance of the objectives of the Act. Furthermore, leaders need to engage in their roles beyond their lower order identities as defined by Hogg & Terry (2000) and encourage communication of employment equity implementation to enable open and honest engagement on any negative perceptions and biases on the objectives of the Act to create a shared understanding amongst employees (Booysen, 2007). Leaders and Human Resources need strategies that don't allow

concessions to the employment equity plan to avoid a confusing narrative on the imperative on the plan. Leonard & Grobler (2006), emphasize the importance of strategic employment equity communication as a tool to strategically aligning the employment equity plan with the corporate strategy thus facilitating the understanding of policies and ensuring that employees understand their roles in the process.

Therefore for Employment Equity to be more purposeful and intentional within the bank independent of Human Resources, it requires a committed leadership, a clear and direct no concession employment equity plan, continuous engagement within the bank to breakdown negative perceptions, buy-in from a majority of stakeholders within the bank and an employment equity communication strategy to ensure all stakeholders are aligned. The concept of a purposeful and intentional employment equity implementation is similar to the combined approach. Nkomo (2011) advocates that the implementation should be both literal and intentional to achieve better results. Similarly Dwertman et al. (2016), Nkomo & Hoobler (2014), Oosthuizen & Naidoo (2010), and Randel et al. (2016) concur that an organisational strategy that incorporates purposeful diversity and an inclusive strategy should include a conducive culture and processes that support strategic employment equity implementation .

6.4.3 Gaps identified in creating a supportive pipeline

Nine out of the thirteen participants rated the lack of pipeline externally and internally as a barrier to recruitment and selection. The question here is what are the banks proactively doing to improve this pipeline absence. Booysen (2007) thus recommends that organisations need to firstly focus more on the true intent of valued diversity instead of just complying to EEA legislation and, secondly, incorporate training and development initiatives for beneficiaries to accelerate their competencies to support the pipeline. de Beer et al. (2016) agree that an organisation's employment equity plan must include initiatives that involve retention as a strategy and development and training for designated groups. Furthermore, Jain et al. (2012) links these retention initiatives to employment equity success. Five of the nine participants noted that given the young democracy of South Africa, there is a need for banks to collaborate with schools and tertiary institutions to ensure that an external pipeline is created, especially for skills required within the sector and more diverse skills given the changing landscape. This is backed by Roth & Ritter (2015) who suggest that a diverse faculty creates a diverse knowledge production, which in the context of this research would be threefold: diversity in demographics terms, diversity on a skills level and thus resulting in the production of diverse solutions for the bank. Another issue brought up by participants that affects the lack of pipeline is the lack of exposure to critical work that beneficiaries receive within the banks and

individuals. This which affects their readiness, and thus the pipeline. de Beer et al. (2016), advises that managers within organisations need to actively engage beneficiaries, especially those identified as talent, in initiatives that involve career guidance and planning to increase their retention.

A pipeline strategy needs to start externally, be involved internally to include retention and a training and skills development strategy. This should be at every occupational level to ensure that there is enough pipeline of employment equity candidates to fill in positions as they come.

6.4.4 Conclusion of Findings for Research Question 3

The results in Research Question 3 demonstrate the importance of a conducive organisational culture as the environment in which transformation can be implemented swiftly. The results indicate that the culture of an organisation is the foundation in which individuals and mechanisms within the organisation function. Therefore, it is imperative that the culture is representative of its objectives such that it is inclusive in nature, so that all employees feel valued and that they can add value. That the culture supports diversity in its tangible and intangible form such that it is seen across all the occupational levels and it is valued through its presence in key positions within the bank. The need for a more purposeful and intentional transformation plan is important as this would be driven from leaders within the bank and entrenched through getting buy-in from employees such that it becomes part of the organisational culture and all relevant Human Resources processes and procedures. Furthermore, creating a pipeline strategy, that is both externally and internally focused, will support the initiative to have a transformation plan that is purposeful, intentional and thus effective as it would be supported by a conducive organisational culture and an employment equity plan that is entrenched within the bank beyond the Human Resources mandate. All these factors are interlinked and cannot work in isolation. Therefore their effectiveness is dependent on them working dependently and supporting each other through the transformation implementation within the banking sector.

Therefore for Employment Equity to be more purposeful and intentional within the bank, independent of Human Resources, it requires a committed leadership, a clear and direct no concession employment equity plan, continuous engagement within the bank to breakdown negative perceptions, buy-in from a majority of stakeholders within the bank and an employment equity communication strategy to ensure all stakeholders are aligned.

Chapter 7 Conclusion and Recommendations

7.1 Introduction

This Chapter outlines the conclusion of this research which addressed the Barriers to transformation in the South African Banking Sector. In addition to the conclusions, the implications for management, limitations of the research and suggestions for future research which will be discussed below.

7.2 Principals findings

The key findings of this study indicate that barriers to transformation within the banking sector in South Africa still exist and continue to hinder effective and progressive transformation of the sector. This study identified thirteen barriers to the implementation of transformation. These were discussed in Chapter 6.

Table 13 below is a summary of the Barriers linked to the authors in Chapter 2, followed by a discussion of the principal findings of this research study.

Table 13: Summary of Principal Findings - The Barriers to transformation in the Banking Sector in South Africa

Identified Barriers to Transformation	Authors
1. **Lack of honest engagement between employees and the organisation**	(Booysen, 2007; Department of Labour, 2012; Horwitz & Jain, 2011; Leonard & Grobler, 2006; Oosthuizen & Naidoo, 2010; Republic of South Africa, 1998; Snyman et al., 2015; Thomas, 2002)
2. **Overall culture resistant within banking sector**	(Booysen, 2007; Coetzee & Bezuidenhout, 2011; Gilley et al., 2009; Lee & Kramer, 2016; Leonard & Grobler, 2006; Nkomo, 2011; Oswick & Noon, 2014; Randel et al., 2016; Saunders & Thornhill, 2003; Scott et al., 2011; Watkins, 2013; Wöcke & Sutherland, 2008)
3. **Negative Human Resources practices**	(Coetzee, 2015; Snyman et al., 2015)

4.	**Negative perceptions between employees**	(Coetzee, 2015; Coetzee & Bezuidenhout, 2011; Crane & Ruebottom, 2011; Gilley et al., 2009; Hideg & Ferris, 2014; Horwitz et al., 2002; Oosthuizen & Naidoo, 2010; Snyman et al., 2015; van Zomeren et al., 2008; Vermeulen & Coetzee, 2011; Wöcke & Sutherland, 2008)
5.	**Lack of collaborative and open engagement**	(Booysen, 2007; de Beer et al., 2016; Gilley et al., 2009; Nkomo, 2011; Oosthuizen & Naidoo, 2010; Snyman et al., 2015; Wöcke & Sutherland, 2008)
6.	**Lack of leadership commitment and accountability**	(Coetzee & Bezuidenhout, 2011; Department of Labour, 2012; Leonard & Grobler, 2006; Neubert et al., 2013; Nkomo, 2011; Randel et al., 2016; Republic of South Africa, 1998; Rost & Barker, 2007; Saunders & Thornhill, 2003; Vermeulen & Coetzee, 2011)
7.	**Need for purposeful transformation policy independent of Human Resources**	(Booysen, 2007; Commission For Employment Equity 2017-2018, 2017; Department of Labour, 2012; Hogg & Terry, 2000; Kanter, 1977; Leonard & Grobler, 2006; Oosthuizen & Naidoo, 2010; Republic of South Africa, 1998; Snyman et al., 2015; Stets & Burke, 2000)
8.	**Gaps identified in creating a supportive pipeline**	(Booysen, 2007; de Beer et al., 2016; Jain et al., 2012; Roth & Ritter, 2015)
9.	**Leadership is white and male dominated**	(Booysen, 2007; Commission For Employment Equity 2017-2018, 2017; Crane & Ruebottom, 2011; Financial Sector Charter Council, 2016; Oosthuizen & Naidoo, 2010; Stets & Burke, 2000)
10.	**Unconscious Biases**	(Leonard & Grobler ,2005; Elsesser & Lever, 2011)
11.	**Fear from non-beneficiaries**	(Bateh et al., 2013; Booysen, 2007; Commission For Employment Equity 2017-2018, 2017; Financial Sector Charter Council, 2016; Hideg & Ferris, 2014; Nkomo, 2011;

	Oosthuizen & Naidoo, 2010; Wöcke & Sutherland, 2008)
12. Negative management practices	(Booysen,2007; Leonard & Grobler, 2005; Oosthuizen & Naidoo, 2010; Vermeulen & Coetzee, 2006),
13. Weak government enforcement policies	

7.3 Barriers to transformation in the South African Banking Sector

7.3.1 Lack of honest engagement between employees and the organisation

The lack of honest engagement between employees and the organisation is attributed firstly to lack of a shared understanding of the EEA and its objectives between beneficiaries and non-beneficiaries. The sensitivity of the topic of the country's history and the fact that the legislation is corrective in nature thus, defining employees as beneficiaries and non-beneficiaries, resulted in negative perceptions of the Act amongst the employees. This made it difficult for employees to engage in formal (Employment Equity forums and surveys) and informal (amongst employees) structures within the bank. This lack of open and honest engagement further hindered transformation implementation as it did not allow employees to seek a shared understanding and thorough engagement to remove negative perceptions and biases about each other and the EEA.

7.3.2 Overall culture resistant within banking sector

Similar to the leadership, the organisational culture within banks is still predominantly white and male. Furthermore, the lack of inclusion due to the negative perceptions amongst employees perpetuated the narrative that some employees added more value than others which affected both the beneficiaries and non-beneficiaries. Moreover the reduced diversity especially with seniority in the occupational levels sent the wrong narrative regarding the progressive transformation implementation within the banking sector. Black employees were expected to assimilate in order progress and to be 'seen'. The cultures within the banking sector lack the sensitivity in creating an organisational culture that is suited to all employees regardless of their race or gender, thus demonstrating an overall 'transformation resistant culture'.

7.3.3 Negative Human Resources practices/ Management practices

Human Resources was the perceived primary custodian of the EEA with leaders, managers and employees as a support to the effective implementation of transformation. This division in roles weakened transformation implementation as it placed Human Resources as the 'sole' custodian, with leaders, managers and employees as support. In reality, however, the roles were reversed as the final decisions on recruitment, selection and promotion were made by leaders and managers. Furthermore, participants also mentioned that Human Resources was seen as more of a support function within the bank with hiring managers more often than not having the final say. The existence of the deviation signature which overrode transformation policy made the role of Human Resources managers difficult in implementing transformation policies. The majority of respondents recommended that transformation should not only be affected by Human Resources but more in the business through a purposeful, active and informed strategy. The first layer that participants mentioned as a tool to create an intentional and purposeful strategy was through a diverse executive team and the narrative they portrayed within the bank across all occupational levels.

The purpose needs to be clear and understood by everyone within the bank so that it could garner support. The intent must be evident in how the bank appointed and promoted. And the mandate should not only be the sole responsibility of Human Resources but of all employees with the bank especially those with the responsibility of hiring and leading through action.

7.3.4 Negative perceptions between employees

Numerous negative perceptions between beneficiaries and non-beneficiaries formed the basis in which employees engaged with the Act and each other . This resulted in beneficiaries and non-beneficiaries reacting negatively to transformation policies, rendering the policies ineffective based on their beneficiary and non-beneficiary status. Non- beneficiaries were fearful of their future within the banks due to the need to transform the demographics of the bank therefore resulting in resistance to the objectives to the Act. These negative perception also expanded already existing power distances between employees, making transformation implementation more misaligned to the objectives of the Act. The negative perceptions and fears that non-beneficiaries experienced disabled the ability of non-beneficiaries to be willing to share in their knowledge with beneficiaries.

7.3.5 Lack of collaborative and open engagement

The negative perceptions and biases of beneficiaries and non-beneficiaries, coupled with the perceived view that the Act had direct beneficiaries while non-beneficiaries were set to loose, resulted in employees not collaborating or engaging in constructive conversations to build a bridge between the past and the future. Furthermore, employees did not openly and honestly engage with the consultative forums to allow the banks to make informed decisions to improve transformation implementation.

7.3.6 Lack of leadership commitment and accountability

In addition to the 'transformation resistant' organisational culture, leaders and managers within were seen to lack commitment and thus accountability to transformation . This was due to the difference in the implementation in practice versus implementation within the transformative policies in the banks that resulted in contradictory narratives and revealed a lack of commitment to transformation. Leaders and managers were also seen to have a narrow view of their level of accountability within the bank with few consequences for noncompliance which further negatively impacted transformation implementation. Leadership commitment is critical to drive real change for initiatives such as transformation implementation.

7.3.7 Need for purposeful transformation policy independent of Human Resources

Negative Human Resources practices, lack of commitment and accountability from leaders and managers and a 'transformation resistant' organisational culture requires banks to develop a purposeful and intentional transformation strategy that is independent of the Human Resources mandate. The strategy needs to be embedded in the organisational culture because without it the transformation implementation strategy will remain insufficient, uncoordinated, compromised and lacking in making a real impact in progressive transformation within the banking sector.

7.3.8 Gaps identified in creating a supportive pipeline

A gap in the pipeline of suitable employment equity candidates was identified as an issue especially in filling roles in the top three occupational levels. The gap was further widened by the exclusive organisational culture, negative perceptions of black leadership, performance and competencies and a limited external pool of employment equity candidates . Moreover, Human Resource practices that didn't actively support transformation impacted the pipeline;

white and males succession planning that still existed; recruitment practices that didn't support diversity; deviations to the transformation implementation policies; and the absence of a retention strategy of employment equity candidates further exacerbated the pipeline issues.

7.3.9 Leadership is white and male dominated

Leadership within the banking sector, particularly in core roles and positions of power, in South Africa is still White and male dominated (Commission For Employment Equity 2017-2018, 2017; Financial Sector Charter Council, 2016). The dynamic of "white and male dominated leadership" showed that despite the implementation of EEA twenty years ago, banks have made slow progress in creating diverse workforces particularly in the top three layers and in core roles within the banks. This skewed view racial and gender leadership perspective created perceptions of distrust in Black leadership, performance and competence, thus forming negative dynamics of in and out groups, negative intergroup relations. Banks need to demonstrate commitment to the EEA through a more diverse leadership that is representative of the EAP to overcome inconsistencies in the implementation of transformation. A more racially and gender diverse leadership will also saliently influence the rest of the business to buy-in to a transformed organisation and also create more advocates for transformation. Without a concerted effort by banks to change the narrative and the structure of what leadership within the organisation looks like, there will be continued exclusion of black leaders, managers and critical role plays within the South African banking sector.

7.3.10 Unconscious Biases

Biases exist between non-beneficiaries and beneficiaries within the sector creating unseen barriers to the implementation of transformation. These biases are attributed to the discriminatory and unequal history of South Africa. This, as well as the newly inclusive nature of the country's democracy and the general differences in individual experiences contributes to this. The inter-group biases create barriers that impact transformation implementation, and the absence of open and honest engagement means that biases remain unaddressed.

7.3.11 Fear from Non-beneficiaries

The fear of non-beneficiaries was attributed to their limited view as indirect beneficiaries of the EEA. This was due to the misunderstanding of the Act; their perception of fairness of transformation implementation process; and the fear that they did not have a future in banking. This raised job-insecurities that were possibly generational as the EEA might also affect the

future of their children in the banking sector . This fear seems to be unfounded based on the reported non-beneficiaries statistics in comparison to their demographic presence in most banks against their EAP (Commission For Employment Equity 2017-2018, 2017).

7.3.12 Weak government enforcement policies

Transformation implementation is focused primarily on numerical targets as prescribed by the legislations but fails to monitor, measure and realign legislations based on the value added by transformation implementation within the banking sector. The fines are minimal and don't seem to encourage banks to fully comply to legislation and seek progressive transformation implementation strategies.

The weak government enforcement policies did not encourage the banking sector to progressively transform and to do so beyond compliance. The white and male leadership, the fear of non-beneficiaries resulted in a lack of leadership commitment and accountability , which indirectly created a 'transformation resistant 'organisational culture. Within the culture exists unconscious biases and negative perceptions which vary across beneficiaries and non-beneficiaries. Furthermore, these culminated in practice though management and Human Resources processes and procedures that hindered the implementation of transformation within the banking sector. Given all these barriers, the impact on employees leads to a lack of honest, open and collaborative engagement amongst with the bank. Together with the negative Human Resources and management practices, creates pipeline gaps in suitable employment equity candidates. The lack of coordination, integration and focus in the transformation implementation necessitates the need for a purposeful and intentional transformation implementation strategy which is not only the sole mandate of Human Resources but requires all leaders, managers and employees to actively participate to ensure progress.

Below is a Diagram demonstrating the interlinked relationship between the Barriers identified in the study:

Weak Government enforcement policies			Need for purposeful transformation policy independent of Human Resources
Leadership is White and Male dominated	Fear from Non-beneficiaries	Lack of leadership commitment and accountability	
Overall organisational culture resistant within banking sector			
Unconscious Biases / Negative Perceptions	Negative Management practices	Negative Human Resources practices	
Lack of honest engagement between employees and the organisation	Lack of collaborative and open engagement	Gaps identified in creating a supportive pipeline	

Figure 2: Diagram representation of the Barriers to transformation within the South African banking sector

7.4 Recommendations for management

The recommendations are based on the findings of this research and are summarized into four main themes discussed below:

7.4.1 Leadership and Management

Leaders and managers, including the Human Resources department, need to demonstrate a committed effort in transformation implementation. The commitment needs to be demonstrated through an aligned narrative and implementation strategy. This would require leadership to themselves change their perception on the EEA. This can be achieved through management training , critical conversation workshops where leaders discuss their concerns and come up with solution based strategies to better implement transformation (Coetzee & Bezuidenhout, 2011; Department of Labour, 2012; Leonard & Grobler, 2006; Neubert et al., 2013; Nkomo, 2011; Randel et al., 2016; Republic of South Africa, 1998; Rost & Barker, 2007; Saunders & Thornhill, 2003; Vermeulen & Coetzee, 2011).

7.4.2 Organisational Culture

- Managers need to understand that transforming an organisational culture should follow a systemic approach and complying with legislation was merely the beginning of the change process (Booysen, 2007; Jain et al., 2012).

- The organisational culture within the banking sector needs to be both inclusive and supportive of diversity as it would create a culture where all employees felt valued and saw diversity as a core competency of the bank (Dovidio et al., 2017; Lee & Kramer, 2016).

- Transformation implementation needs to be embedded into the organisational culture such that it obtains buy-in from all employees (Snyman et al., 2015; Watkins, 2013)

7.4.3 Human Resources

Human Resources policies and procedures

- Human Resources need to place effort in ensuring that the EEA and is objectives are clearly understood by employees to create a shared understanding of the Act and obtain buy-in of its objectives (Booysen, 2007; Oosthuizen & Naidoo, 2010; Snyman et al., 2015; Wöcke & Sutherland, 2008).

- Utilizing the information garnered in the employment equity or general employee surveys and the employment equity forums to inform the transformation strategy will assist in creating well informed strategies.

- Human Resources need to incorporate the feedback of the Employment Equity forums and the surveys into the employment equity plan to improve the effectiveness of the plans through analysed information.

- The monitoring of progress by credible authorities to ensure that employment equity policies and practices remain relevant and are continually striving to meet targets through evolving holistic processes (Booysen,2007; Vermeulen & Coetzee, 2006).

- These should include transparencies in HR practices and processes, purposeful pipeline development through training and development programs and improved education and skills development programs targeted at EE beneficiaries supported by the individuals within the organisation (Booysen, 2007; Dwertmann, Nishii, & Van Knippenberg, 2016; Nkomo & Hoobler, 2014; Oosthuizen & Naidoo, 2010; Wöcke & Sutherland, 2008)

- Deliberate and an uncompromising transformation implementation strategy for a limited period could create traction and show commitment. This would require hard

decisions and clear communication throughout the banks.

- Banks need to actively create a supportive pipeline taking into consideration external qualified candidates, leveraging the organisations resources to build a pool of candidates that the organisation needs. This external pipeline could then feed into the internal pipeline to be purposefully driven internally through programs, Human Resources, Management and leaders to build a pipeline that supports transformation

- Compliance to the banks employment equity plans should form part of leaders and management employment contracts to create commitment and accountability.

- Effective communication mechanisms need to be utilized within the bank to relay the imperative of transformation and discussion forums need to allow a space were employees can contribute to the employment equity strategies (Booysen, 2007; Nkomo, 2011; Oosthuizen & Naidoo, 2010; Snyman et al., 2015; Wöcke & Sutherland, 2008).

- Diversity and inclusion training should be part of the organisational development and culture development strategy to enable dialogue that would transform the culture and employees (Adamson et al., 2016; Dovidio et al., 2017; Horwitz & Jain, 2011; Jain et al., 2012; Nkomo & Hoobler, 2014; Oswick & Noon, 2014; Randel et al., 2016; Wöcke & Sutherland, 2008).

7.4.4 Employees within the bank

- A shared understanding of the Act will allow employees to work together in implementing transformation

- Leadership commitment is important to ensure effective and efficient transformation implementation (Leonard & Grobler, 2006; Randel et al., 2016), this commitment needs to be shared with employees within the bank to ensure buy-in.

- Active and honest participation in the consultative forums and surveys should be encouraged to better inform the employment equity plans.

- Open and honest conversations need to be encouraged to ensure that any negative perceptions and biases do not continue to remain a barrier to transformation.

- Employees need to understand that regardless of their beneficiary status they constitute an important part of transformation implementation

7.4.5 Model to more effectively implement transformation

The model below is based on the findings in this research study based on the recommendations to management. The model is split into the four main themes namely: Human Resources policies and procedures, Leadership and management, Organisational culture and employees. Each theme is driven by the key mechanisms to implement the strategy more effectively as described below:

Table 14: Key Mechanisms of the Transformation Implementation Model

Key Mechanisms	
Employment Equity Act Awareness	To ensure a shared understanding of the EEA and its objectives and obtain buy-in of from all employees within the bank.
Coordination and Integration	It is critical that all mechanisms are coordinated and integrated to ensure focus in implementation phase.
Implementation, monitor, review and realign	Implementation of all the mechanisms of the EE plan require (Internal & external) monitoring, reviewing and realignment to ensure continuous effectiveness throughout the bank .

Below are diagrams that describe how the key mechanisms will be driven in each theme and the combined proposed transformation implementation mode. The themes are interlinked and it is critical for the organisations to recognize that to ensure effectiveness all the themes are integrated, interlinked and interdependent.

Human Resources policies and procedures

EEA Awareness
- Create EEA and unconscious bias training,
- Encourage participation in EE Forums and EE surveys
- Conduct workshops
- Inclusion of employment equity into employment contracts (Critical)
- Establish timeframes

Coordination and integration
- Analysis of all information through various lenses
- Incorporate analyzed information into EE Plan
- Transparent processes
- HR to incorporate EE Plan into KPI's
- Effective communication mechanisms need to be utilized to relay the imperative of transformation

New Employment Equity Plan
- Create an informed, focused, cordinated, and integrated Employment Equity implementation strategy
- HR should monitor, review and realign the stratgy continuosly to ensure effcitiveness
- Report progress and realignments to business

Figure 3: Human Resources Transformation implementation strategy

Leadership and management

EEA Awareness
- EEA training
- Critical conversation workshops
- Consultations with EE Forums
- Analysis of EE surveys and forum information

Coordination and integration
- Incorporate information from anlayisis into EE Plan
- Establish clear objectives
- Allocation of resources
- Corrective measures and assigning responsibilities

Leadership commitment and accounatbility
- Implement New EE plan with HR
- Leaders and managers should continuously monitor, review and realign the transformation implemenattion strategy
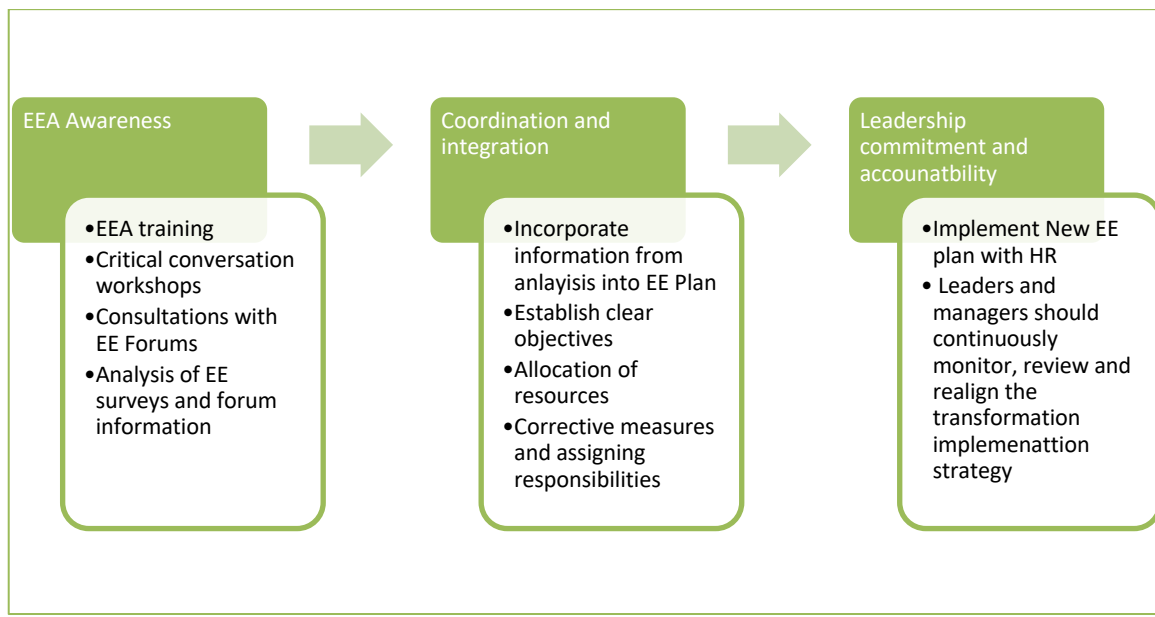
Figure 4: Leadership and Management Transformation implementation strategy

99

Creating an Inclusive and Diverse Organisational Culture

EEA Awareness
- Communicate and create awareness on the importance of employment equity
- Creation of a culture within the bank where all employees feel valued and diversity is seen.

Coordination and integration
- Embeddment of Transformation into organisational culture
- Obtain employees buy-in through active implementation and a consistent narrative.

A conducive organisational culture
- The banks need to ensure that transformation implementation is both seen across all occupational levels and effectively communicated

Figure 5: Organisational Culture Transformation implementation strategy

Employees

EEA Awareness
- EEA training
- Participation in EE Forums and EE surveys
- Critical conversation workshops and unconscious biases training

Coordination and integration
- Leaders, managers and HR need to work together to obtain buy-in from employees and creat platforms that encourage open, honest and collaborative engagement

Engaged and involved employees
- All employees need to understand that they constitute an important part of transformation implementation within the bank
- Consistent engagement amongst employees and the bank will ensure constructuve feedback into the EE plan

Figure 6: Employees Transformation implementation strategy

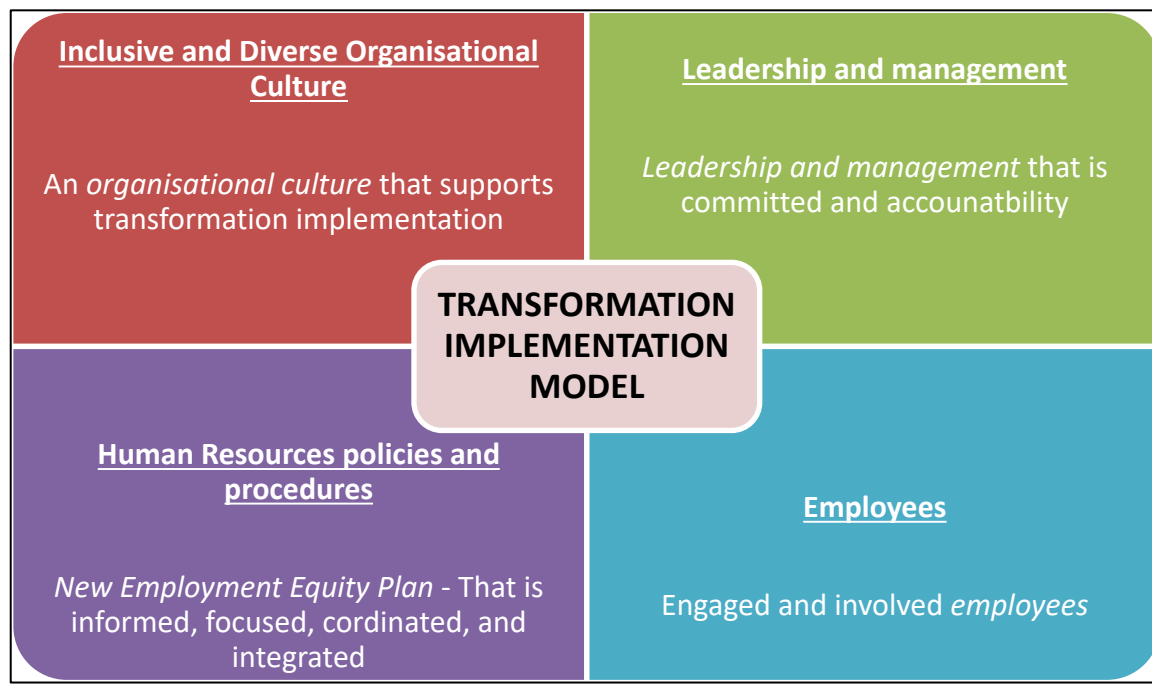|	
Inclusive and Diverse Organisational Culture An *organisational culture* that supports transformation implementation	**Leadership and management** *Leadership and management* that is committed and accounatbility
Human Resources policies and procedures *New Employment Equity Plan -* That is informed, focused, cordinated, and integrated	**Employees** Engaged and involved *employees*

Figure 7: Transformation Implementation Model

7.5 Suggestion for future research

This topic is a key imperative beyond a diverse workforce especially if one reviews the broad objective of the EEA and the statistics of the workforce particularly in the three top occupational layers of the banking sector. Furthermore, little research has been conducted on the barriers of transformation within the context of South African organisations especially those that contribute the most to employment. Further research would enable better transformation implementation and inform legislation amendments.

- A recommendation would be a large scale study on the topic to determine if there are additional barriers and if they are similar to those identified in this research.
- A further study can be used to create a model within the banking sector on how to implement transformation more effectively.
- A study on the deep embeddedness of the negative perceptions and biases of corrective legislations and how it indirectly renders the legislation insufficient. Therefore, informing how legislation can be amended to make it more effectively.

7.6 Limitations of the research

As discussed in Chapter 4 of this study, the subjectivity of qualitative research is at the risk of

being affected by a number of different issues including interviewer bias and response bias which could result in interpretation bias (Saunders & Lewis, 2012; Zikmund et al., 2013). Below is a list of limitations identified in the process of this study.

- The researcher was not a trained interviewer. This could have had an impact on the results of this research.
- The sample size of the study was relatively small as a result of the in-depth nature of this study. However, to ensure that that the sample size was sufficient the researcher conducted the interviews until data saturation (See Figure 1).
- The limited number of individuals in the sample within Johannesburg could therefore have led to geographical bias from the participants.
- Furthermore, generalisability due to the research being focused in the banking sector is not possible as the research was limited to four banks.

REFERENCE LIST

Adamson, M., Kelan, E. K., Lewis, P., Rumens, N., & Slíwa, M. (2016). The quality of equality: thinking differently about gender inclusion in organizations. *Human Resource Management International Digest*, *24*(7), 8–11. https://doi.org/10.1108/HRMID-04-2016-0060

Ahmed, S. (2012). On being included: Racism and diversity in institutional life. *Sociological Research Online*. https://doi.org/10.1080/19496591.2017.1358630

Ahonen, P., & Tienari, J. (2015). Ethico-politics of diversity and its production. In *The Routledge Companion to Ethics, Politics and Organizations*. https://doi.org/10.4324/9780203566848

Barclays Africa. (2017). *Barclays Africa Group Limited 2017 Integrated Report Our reporting suite*. Johannesburg.

Bateh, J., Casteneda, M., & Farah, J. (2013). Employee Resistance To Organizational Change. *International Journal of Management & Information Systems – Second Quarter*, *17*(2), 113–116. https://doi.org/10.19030/ijmis.v17i2.7715

Birkinshaw, J., Brannen, M. Y., & Tung, R. L. (2011). From a distance and generalizable to up close and grounded: Reclaiming a place for qualitative methods in international business research. *Journal of International Business Studies*. https://doi.org/10.1057/jibs.2011.19

Blumenthal, B. B., & Haspeslagh, P. P. (1994). OPINION: TOWARD A DEFINITION OF CORPORATE TRANSFORMATION Blumenthal, Barbara;Haspeslagh, Philippe Sloan Management Review; Spring 1994; 35, 3; ProQuest pg. 101.

Boote, D. N., & Beile, P. (2007). Scholars Before Researchers: On the Centrality of the Dissertation Literature Review in Research Preparation. *Educational Researcher*, *34*(6),

3–15. https://doi.org/10.3102/0013189x034006003

Booysen, L. (2007). Barriers to employment equity implementation and retention of Blacks in management in South Africa. *South African Journal of Labour Relations*, *31*(1), 47–71.

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*. https://doi.org/10.1191/1478088706qp063oa

Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*. https://doi.org/10.1016/j.obhdp.2005.03.002

Childs, S., & Krook, M. L. (2008). Critical mass theory and women's political representation. *Political Studies*, *56*(3), 725–736. https://doi.org/10.1111/j.1467-9248.2007.00712.x

Coetzee, M. (2015). The perceived treatment of employees from designated groups in the workplace. *South African Journal of Economic and Management Sciences*, *18*(1), 56–69. https://doi.org/10.17159/2222-3436/2015/v18n1a5

Coetzee, M., & Bezuidenhout, M. (2011). The fairness of affirmative action : In the eye of the beholder. *Southern African Business Review*, *15*(2), 75–96.

Colquitt, J. A., Scott, B. A., Rodell, J. B., Long, D. M., Zapata, C. P., Conlon, D. E., & Wesson, M. J. (2013). Justice at the millennium, a decade later: A meta-analytic test of social exchange and affect-based perspectives. *Journal of Applied Psychology*, *98*(2), 199–236. https://doi.org/10.1037/a0031757

Commission For Employment Equity 2017-2018. (2017). *Commission for Employment Equity Report 2015-2016*. Retrieved from http://www.labour.gov.za/DOL/downloads/documents/annual-reports/employment-equity/1999-2001/CEE Annual Report.pdf

Crane, A., & Ruebottom, T. (2011). Stakeholder Theory and Social Identity: Rethinking

Stakeholder Identification. *Journal of Business Ethics*. https://doi.org/10.1007/s10551-011-1191-4

De Beer, J. (1998). *Development Paradigms: From Paternalism to Managing Diversity*. Knowledge Resources.

de Beer, Rothmann, S., & Pienaar, J. (2016). Job insecurity, career opportunities, discrimination and turnover intention in post-apartheid South Africa: examples of informative hypothesis testing. *International Journal of Human Resource Management*, *27*(4), 427–439. https://doi.org/10.1080/09585192.2015.1020446

Department of Labour. Labour Relations Amendment Act, Government Gazette § (2012).

Doody, O., & Noonan, M. (2013). Preparing and conducting interviews to collect data. *Nurse Researcher*. https://doi.org/10.7748/nr2013.05.20.5.28.e327

Dovidio, J. F., Abad-Merino, S., & Tabernero, C. (2017). General Concepts About Inclusion in Organizations: A Psychological Approach to Understanding Diversity and Inclusion in Organizations. https://doi.org/10.1007/978-3-319-66393-7_2

Dwertmann, D. J. G., Nishii, L. H., & van Knippenberg, D. (2016). Disentangling the Fairness & Discrimination and Synergy Perspectives on Diversity Climate: Moving the Field Forward. *Journal of Management*, *42*(5), 1136–1168. https://doi.org/10.1177/0149206316630380

Elsesser, K. M., & Lever, J. (2011). Does gender bias against female leaders persist? Quantitative and qualitative data from a large-scale survey. *Human Relations*. https://doi.org/10.1177/0018726711424323

Financial Sector Charter Council. (2016). *2016 Annual Report Transformation of the South African Financial Sector*.

FirstRand Bank. (2017). *Report to Society*. Retrieved from

http://www.firstrand.co.za/Sustainability/ReportsToSocietyRMB/2016 RMB report to

society.pdf

Gilbert, J. A., Stead, B. A., & Ivancevich, J. M. (1999). Diversity management: A new

organizational paradigm. *Journal of Business Ethics.*

https://doi.org/10.1023/A:1005907602028

Gilley, A., Gilley, J. W., & McMillan, H. S. (2009). Organizational change: Motivation,

communication, and leadership effectiveness. *Performance Improvement Quarterly.*

https://doi.org/10.1002/piq.20039

Hideg, I., & Ferris, D. L. (2014). Support for employment equity policies: A self-enhancement

approach. *Organizational Behavior and Human Decision Processes*, *123*(1), 49–64.

https://doi.org/10.1016/j.obhdp.2013.11.002

Hideg, I., & Ferris, D. L. (2017). Dialectical thinking and fairness-based perspectives of

affirmative action. *Journal of Applied Psychology*. https://doi.org/10.1037/apl0000207

Hogg, M. A., & Terry, D. J. (2000). Social identity and self-categorization processes in

organizational contexts. *Academy of Management Review.*

https://doi.org/10.5465/AMR.2000.2791606

Holt, D., & Littlewood, D. (2015). Identifying, Mapping, and Monitoring the Impact of Hybrid

Firms. *California Management Review*. https://doi.org/10.1525/cmr.2015.57.3.107

Horwitz, F. M., Browning, V., Jain, H., & Steenkamp, A. J. (2002). Human resource practices

and discrimination in South Africa: Overcoming the apartheid legacy. *International

Journal of Human Resource Management*, *13*(7), 1105–1118.

https://doi.org/10.1080/09585190210131320

Horwitz, F. M., & Jain, H. (2011). An assessment of employment equity and Broad Based

Black Economic Empowerment developments in South Africa. *Equality, Diversity and*

Inclusion, *30*(4), 297–317. https://doi.org/10.1108/02610151111135750

Hyde, K. F. (2000). Recognising deductive processes in qualitative research. *Qualitative Market Research: An International Journal*.
https://doi.org/10.1108/13522750010322089

Jain, H. C., Horwitz, F., & Wilkin, C. L. (2012). Employment equity in Canada and South Africa: A comparative review. *International Journal of Human Resource Management*, *23*(1), 1–17. https://doi.org/10.1080/09585192.2011.606115

Kanter, R. M. (1977). Some Effects of Proportions on Group Life : Skewed Sex Ratios and Responses to Token Women Author (s): Rosabeth Moss Kanter Source : American Journal of Sociology , Vol . 82 , No . 5 (Mar ., 1977), pp . 965-990 Published by : The University of Chicago. *American Journal of Sociology*, *82*(5), 965–990.

Lee, Y., & Kramer, A. (2016). The role of purposeful diversity and inclusion strategy (PDIS) and cultural tightness/looseness in the relationship between national culture and organizational culture. *Human Resource Management Review*, *26*(3), 198–208.
https://doi.org/10.1016/j.hrmr.2016.01.001

Leonard, A., & Grobler, A. (2005). Communicating affirmative action in three South African organizations: a comparative case study perspective. *Journal for Communication Sciences in Southern Africa*, 17–46. Retrieved from
http://repository.up.ac.za/handle/2263/6091

Leonard, A., & Grobler, A. F. (2006). Exploring challenges to transformational leadership communication about employment equity: Managing organizational change in South Africa. *Journal of Communication Management*, *10*(4), 390–406.
https://doi.org/10.1108/13632540610714827

Magruder, J. R. (2012). High unemployment yet few small firms: The role of centralized bargaining in South Africa. *American Economic Journal: Applied Economics*.

https://doi.org/10.1257/app.4.3.138

Mariotti, M., & Fourie, J. (2014). The economics of apartheid: An introduction. *Economic History of Developing Regions*, *29*(2), 113–125. https://doi.org/10.1080/20780389.2014.958298

Marshall, C., & Rossman, G. B. (2014). *Designing qualitative research*. *Designing Qualitative Research (3rd edition)*. https://doi.org/10.2307/2072869

Matthews, T., & Samaradiwakera-Wijesundara, C. (2015). The Fiction of Transformation: An Analysis of the Relationship Between Law, Society and the Legal Profession in South Africa. *South African Journal on Human Rights*, *31*(3), 553–578. https://doi.org/10.1080/02587203.2015.12035717

Maxwell, J. A., & Reybold, L. E. (2015). Qualitative Research. In *International Encyclopedia of the Social & Behavioral Sciences: Second Edition*. https://doi.org/10.1016/B978-0-08-097086-8.10558-6

Mojtahed, R., Nunes, M. B., Martins, J. T., & Peng, A. (2014). Equipping the constructivist researcher: The combined use of semi-structured interviews and decision-making maps. *Electronic Journal of Business Research Methods*. https://doi.org/10.1007/s10551-016-3149-z

National Treasury. Financial Services Charter South Africa (2003).

Nedbank Limited. (2017). *Transformation_Report_7-3-2011*.

Neubert, M. J., Wu, C., & Roberts, J. A. (2013). The Influence of Ethical Leadership and Regulatory Focus on Employee Outcomes. *Business Ethics Quarterly*, *23*(02), 269–296. https://doi.org/10.5840/beq201323217

Nkomo, S. (2011). Moving from the letter of the law to the spirit of the law: the challenges of realising the intent of employment equity and affirmative action. *Transformation: Critical*

Perspectives on Southern Africa, *77*(1), 122–135. https://doi.org/10.1353/trn.2011.0046

Nkomo, S., & Hoobler, J. M. (2014). A historical perspective on diversity ideologies in the

United States: Reflections on human resource management research and practice.

Human Resource Management Review, *24*(3), 245–257.

https://doi.org/10.1016/j.hrmr.2014.03.006

Ntim, C. G., & Soobaroyen, T. (2013). Black Economic Empowerment Disclosures by South

African Listed Corporations: The Influence of Ownership and Board Characteristics.

Journal of Business Ethics, *116*(1), 121–138. https://doi.org/10.1007/s10551-012-1446-

8

Oosthuizen, R. M., & Naidoo, V. (2010). Attitudes towards and experience of employment

equity. *SA Journal of Industrial Psychology*, *36*(1), 1–9.

https://doi.org/10.4102/sajip.v36i1.836

Oswick, C., & Noon, M. (2014). Discourses of diversity, equality and inclusion: Trenchant

formulations or transient fashions? *British Journal of Management*, *25*(1), 23–39.

https://doi.org/10.1111/j.1467-8551.2012.00830.x

Patton, M. Q. (2002). *Qualitative Research and Evaluation Methods. Sage Publication Inc.*

https://doi.org/10.2307/330063

Petty, N. J., Thomson, O. P., & Stew, G. (2012). Ready for a paradigm shift? Part 1:

Introducing the philosophy of qualitative research. *Manual Therapy*.

https://doi.org/10.1016/j.math.2012.03.006

Randel, A. E., Dean, M. A., Ehrhart, K. H., Chung, B., & Shore, L. (2016). Leader

inclusiveness, psychological diversity climate, and helping behaviors. *Journal of*

Managerial Psychology, *31*(1), 216–234. https://doi.org/10.1108/JMP-04-2013-0123

Republic of South Africa. Employment Equity Act No 55, 1998, Government Gazette §

(1998). https://doi.org/www.acts.gov.za [accessed 12 October 2015]

Rost, J. C., & Barker, R. A. (2007). Leadership Education in Colleges: Toward a 21st Century Paradigm. *Journal of Leadership Studies*. https://doi.org/10.1177/107179190000700102

Roth, K. R., & Ritter, Z. S. (2015). *Diversity and the Need for Cross-Cultural Leadership and Collaboration*. https://doi.org/10.4018/978-1-4666-8376-1.ch012

Rouse, W. B. (2006). A Theory of Enterprise Transformation. *Enterprise Transformation: Understanding and Enabling Fundamental Change*, 39–68. https://doi.org/10.1002/0470007826.ch3

Saunders, M., & Lewis, P. (2012). *Doing Research in Business & Management: An Essential Guide to Planning Your Project*. Essex: Pearson Education Limited.

Saunders, M. N. K., & Thornhill, A. (2003). Organisational Justice, Trust and the Management of Change: an Exploration. *Personnel Review*, *32*(3), 360–375. https://doi.org/10.1104/pp.108.128769

Scott, K. A., Heathcote, J. M., & Gruman, J. A. (2011). The diverse organization: Finding gold at the end of the rainbow. *Human Resource Management*. https://doi.org/10.1002/hrm.20459

Snyman, A., Ferreira, N., & Deas, A. (2015). The psychological contract in relation to employment equity legislation and intention to leave in an open distance higher education institution. *South African Journal of Labour Relations*, *39*(1), 72–92.

Spencer, L., Ritchie, J., Lewis, J., & Dillon, L. (2003). *Quality in Qualitative Evaluation : A framework for assessing research evidence A Quality Framework*. *Government Chief Social Researcher's Office*. https://doi.org/10.1093/eurpub/ckv219

Standard Bank. (2017). *The Standard Bank of South Africa*.

Stets, J. E., & Burke, P. J. (2000). Identity Theory and Social Identity Theory. *Social Psychology Quarterly*. https://doi.org/10.2307/2695870

Thomas, A. (2002). Employment equity in South Africa: Lessons from the global school. *International Journal of Manpower*, *23*(3). https://doi.org/10.1108/01437720210432211

van Zomeren, M., Postmes, T., & Spears, R. (2008). Toward an integrative social identity model of collective action: a quantitative research synthesis of three socio-psychological perspectives. *Psychological Bulletin*, *134*(4), 504–535. https://doi.org/10.1037/0033-2909.134.4.504

Vermeulen, L. P., & Coetzee, M. (2011). Perceptions of the Dimensions of the Fairness of Affirmative Action: A Pilot Study. *South African Journal of Business Management*, *37*(2), 53–64.

Watkins, M. (2013). What is organizational culture? And why should we care? *Harvard Buisness Review*. https://doi.org/10.1017/CBO9781107415324.004

Wöcke, A., & Sutherland, M. (2008). The impact of employment equity regulations on psychological contracts in South Africa. *International Journal of Human Resource Management*, *19*(4), 528–542. https://doi.org/10.1080/09585190801953525

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). Business research methods. Cengage Learning. *Business Research Methods.*

Appendices

8.1 Appendix 1: Consent Form

Topic: Barriers to transformation in the South African Banking Sector

Researcher: <u>Nthabiseng Weeto, MBA Candidate at the Gordon Institute of Business Science, University of Pretoria</u>

Dear Participant

I am conducting research on the barriers that influence the successful implementation within corporate South Africa given the slow progress of transformation. The purpose of this research is to uncover insights in relation to what factors within the corporate environment is hindering the progress of transformation implementation.

The interview will last approximately one hour, and the insights and information uncovered during the interview will enable me to better understand the factors that prevent the successful implementation of transformation within corporate and which factors have the greatest negative impact on slow transformation.

Your participation is voluntary and you can withdraw at any time without penalty. With your consent I would like to record the interview which will be later transcribed in order to develop insights for my research. All the data including your identity will be stored confidentially and any quotes will be anonymous.

Please feel free to contact my supervisor and I, with any of your concerns. Contact details provided below:

Nthabiseng Weeto	Hayley Owens
Nweeto@gmail.com	Pearsonh@gibs.co.za
083 470 9500	076 930 2170

Signature of participant   : _____

Date   : _____

Signature of researcher   : _____

Date   : _____

8.2 Appendix 2: Interview Guide

Introduction - Name

Purpose of interview and encourage interviewee to speak freely as interview will be confidential

Signing of interview consent form to reinforce confidentiality

Interview duration should be 1 hour – I'll be taking notes and can I record the interview

Feel free to ask questions as we go along in the interview

Opening question:

In your opinion, what are the most critical issues your organisation is faced with currently?

1. **What are the barriers to that impact the implementation of transformation with the banking sector?**
   a. In your opinion, how do you think your organisation is performing regarding employment equity? Why?
   b. How would you rate your organisations performance in comparison to its peers regarding EE?
   c. Do you think that the EE Plan within your organisation is effective? Why?
   d. What barriers do you think exist within your organisation that affect the implementation of transformation within your organisation?
   e. What is the narrative from leaders and management regarding transformation?

2. **How do employees within organisations participate in implementing transformation within the organisation?**
   a. Does your organisation conduct Employment Equity surveys?
   b. Do you know what the is feedback?
   c. What type of consultative forum exists within the organisation for the purpose of EE?
   d. How is Employment Equity perceived amongst employees within your organisation?
   e. What biases exists between white and black employees regarding Employment Equity within your organisation?
   f. What has been your experience of Employment Equity within your organisation?
   g. In your opinion what is your role in implementing Employment Equity? / How do you think your organisation can implement EE better?

3. **How does the organisations culture [leadership, processes and procedures, change management] support EE and transformation?**

   a. How would you describe your organisational culture?

   b. Do you think your organisational culture is inclusive?

   c. How does the organisational culture support diversity ?

   d. What is the role of leaders in implementing transformation? How has their role affected the implementation of transformation within the organisation?

   e. What mechanisms are in place in your organisation to support the implementation of EEA and transformation?

   f. Does your organisation allocate enough resources to the objectives of EE – graduate programs, talent management and succession planning? What are resources allocated to?

8.3 Appendix 3: Occupational Levels Definitions

OCCUPATIONAL LEVELS	Paterson Classic (levels)	Paterson Modern (bands)	ReMeasure ©(points)	Hay Units ©(points)	Hay Decision Tree (© points)	Peromnes ©(points)	Task © (levels)	JEasy © (levels)	DESCRIPTION
Top Management/ Executives	F+1 – F+5	G Band[1]	300-349	3581-7160		1++			Controls the functional integration of the business. Determines the overall strategy and objectives of the business. Directs the company into the future. The nature of the work and focus is long-term. Sign-off on policy or strategy
	F1 – F5	F Lower-F Upper	250-299	1801-3580	225-275	1 to 1+	23-26	6a-6e	
Senior Management	E1-E5	E Lower-E Upper	200-249	735-1800	175-224	4-2	18-22	5a-5e	Knowledge of entire business area/BU/company or group. Provide inputs for/formulation of the overall Organisational strategy. Translates the overall strategy into business plans for BU/Functional Unit, thereby operationalising organisational strategy. Implements and manages business plan, goals and objectives and ensures the achievement of overall key Organisational/BU/Functional outputs. Manages the development of innovation and change
Professionally Qualified & experienced specialists/mid-management	D1-D5	D Lower-D Upper	150-199	371-734	125-174	7-4	14-18	4a-4e	Professional knowledge of sub-discipline or discipline. Provide input in the formulation of Organisational/Functional Unit business plans. Formulate and implement departmental/team plans that will support the BU business plans. Optimisation of resources (finances, people, material, information and technology) to achieve given objectives in most productive and cost-effective way.
Skilled Technical & Academically Qualified/ Junior Management/ Supervisors/ Foremen/ Superintendents	C1-C5	C Lower-C Upper	100-149	192-370	75-124	11-7	9-13	3a-3e	Applies broad knowledge of products, techniques and processes. Evaluates procedures and applies previous experience. A good solution can usually be found. Determines own priorities. What has to be done is stipulated; but may require initiative in terms of how it should be done
Semi-Skilled & discretionary decision-making	B1-B5	B Lower-B Upper	50-99	85-191	25-74	15-11	4-8	2a-2e	Accountable for direct product, process or service quality. Incremental improvement of existing processes and procedures according to clear guidelines. Choosing of correct action on the basis of set standards, training procedures and past experience
Unskilled &	A1-A3	A	20-49	54-84	0-24	19-16	1-3	1a-1c	Steps to accomplish work or processes are clearly defined and understood. Tasks are sometimes repetitive and uncomplicated, and

defined decision-making								the work cycle is short