

Chapter 3

Affirmative Action in South Africa: Development approaches and legislative requirements

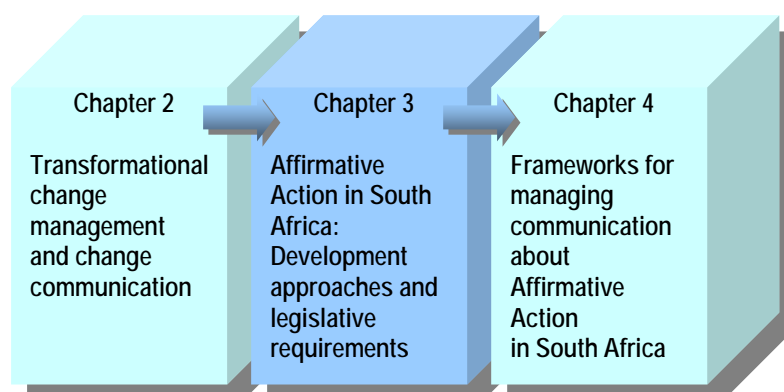
3.1 INTRODUCTION

This chapter provides an overview of definitions of and approaches to Affirmative Action within the South African context. The historical origins of five human capital development approaches emphasise key societal and organisational dimensions that have undergone dramatic changes since the late 17th century. It also focuses on defining Affirmative Action as a phenomenon from both a paradigmatic, legal and pragmatic perspective.

This chapter also explores the relationship between the concepts of Affirmative Action, Employment Equity, diversity management and black economic empowerment. Finally, it highlights key issues that complicate the implementation of the Employment Equity Act (EEA) as a transformational phenomenon. Figure 3.1 illustrates Chapter 3 in relation to the other theoretical chapters.

Figure 3.1

Chapter 3 in relation to other theoretical chapters



3.2 THE MULTI-DIMENSIONAL NATURE OF AFFIRMATIVE ACTION IN SOUTH AFRICA

Affirmative Action (henceforth referred to as AA), like any social phenomenon, requires a contextual description. The first half of this chapter describes AA against the background of different human

capital development approaches in relation to specific historical periods, as well as the impact of these approaches on corporate values, corporate culture and the wider South African society. This understanding of the evolution of the South African employment environment is of paramount importance.

Two dimensions of the EEA confirm that its implementation process is transformational. Firstly, the EEA is aimed at bringing about lasting societal transformation by means of enforcing certain measures on designated employers. Appointing employees from designated groups is not merely a temporary, superficial or structural change issue. De Beer (2002:ii) and Thomas and Robertshaw (1999:9) not only view these measures as mechanisms for facilitating equitable representation of previously disadvantaged groups in society, but also as measures which will result in a workforce which represents diverse individual and group values, cultures and contributions (cf. De Beer & Radley, 2000). In this context diversity encompasses race, gender, disability, culture, education/training, language and religion. Diversity *per se* cannot be reversed: once it is embedded in an organisation, it affects every fibre of organisational life (De Beer, 2003).

Secondly, individuals and groups across different race groups often have to alter deep-seated beliefs about one another in accepting AA measures in South African organisations. Such a process requires a paradigmatic transition as described by De Beer (2002:ii), Grobler (in Verwey & Du Plooy-Cilliers, 2003:192) and Madi (1993:ix). These changes cascade downward through an organisation.

De Beer (2002:ii) differentiates between individual, group and organisational levels of transformation. Individual attitudes, values, stereotypes/prejudices and personality factors need to be transformed in accordance with the desired (or acceptable) paradigm. Cultural differences, ethnocentrism and intergroup conflicts need to be addressed at group level. At organisational level, human resources management systems and procedures need to reflect the legislative requirements, while structural and informational integration should also occur (cf. De Beer, 2002; De Beer, 2003; De Beer & Radley, 2000; and Thomas and Robertshaw, 1999). The information to be communicated internally is aimed at helping individuals make a transition, as was suggested by French and Delahay (cf. 1996).

The normative, overarching vision for organisations that implement the EEA, is the fair reflection of the South African population demographics based on tolerance, mutual respect and trust between all individuals. Even though the EEA is currently enforced as a top-down process, organisations realise

that the successful implementation thereof requires a change in the “hearts and minds” (spiritual essence) of employees, mainly by means of accepting a new set of values (De Beer, 2003).

This transformational effort should incorporate the two underlying themes of AA, as described by Van Jaarsveld (2000:7-8). The first is justice and the second, equality. Although this author emphasises the fact that these legal and philosophical concepts are open to debate, they need to be accepted in the wider society in order for related legislation to function properly.

Finally, this description of the impact of the EEA on organisations and specifically the people in organisations, is congruent with Cummings and Worley’s (2001:498), Gouillart and Kelly’s (1995:6), Grobler’s (in Verwey & Du Plooy-Cilliers, 2003:192), as well as Jick and Peiperl’s (2003:xvii) conceptualisation of transformational change.

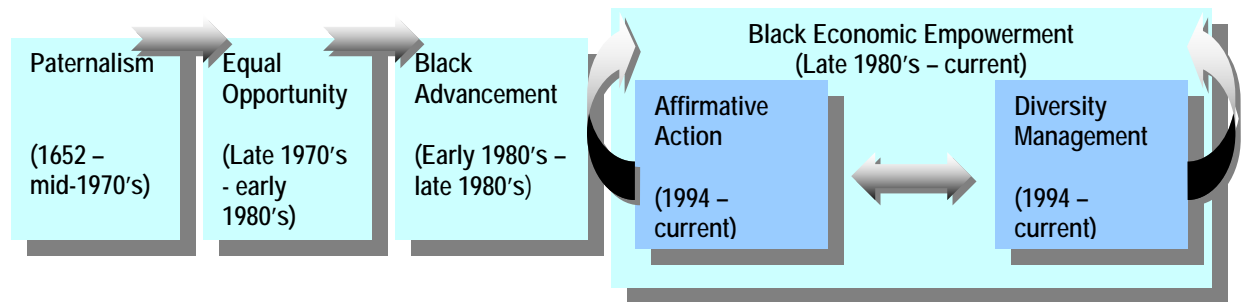
3.3 HUMAN CAPITAL DEVELOPMENT IN SOUTH AFRICA: A HISTORICAL PERSPECTIVE ON SIX ERAS

Understanding current thinking about the development of South Africa’s human capital requires an overview of the historical realities and previous development approaches. Such an overview will also sketch current thinking about the development of South Africa’s human capital against the ideals of the International Labour Organisation. (Since Chapter 1 refers to the philosophy of human capital development as a paradigm, the different historical eras and the subsequent approaches to development are not labelled as paradigms.)

South African history, specifically the principle of racial segregation, dictated the development of six human capital development eras. De Beer (cf.1998), De Beer and Radley (cf. 2000), Denton and Vloeberghs (cf. 2003), Horwitz *et al.* (cf. 1996), Edigheji (cf. 1999), Engdahl and Hauki (cf. 2001), King Report II (cf. 2002) and Thomas and Robertshaw (cf. 1999) describe these as Paternalism, Equal Opportunity, Black Advancement, Affirmative Action, the Management of Diversity and Black Economic Empowerment. These six eras are illustrated in figure 3.2 on the next page. This figure further highlights the perspective that AA and diversity management are embedded in current thinking about Black Economic Empowerment.

Figure 3.2

Human capital development eras in South Africa



Finally, although the Affirmative Action and Diversity Management approaches are often compared for their relevance within and impact on South African organisations, they are viewed as of equal importance within organisational transformation.

3.3.1 Paternalism (1652 – mid-1970's)

De Beer (1998:3-11), Engdahl and Hauki (2001:11) and Van der Walt (1994:21-24) describe the paternalistic approach as a result of the feudal system of the Middle Ages when workers (serfs) had to work for landowners. In the South African context, property owners and employers were mainly white. Laws that segregated people on the basis of race, governed all spheres of life. Organisations did not always agree with these laws, but benefited financially – it was viewed as “unwise” to integrate “black people” into business if they were not integrated into government.

The meaning of the concept paternalism becomes evident when the underlying beliefs about the non-white workforce are considered. The primary belief was that such workers were not able to function independently, and therefore needed someone who “knew best” (De Beer, 1998:3; Van der Walt, 1994:21-24). Government’s migrant labour policies strengthened the perception that non-white employees were only acceptable as temporary in a “white environment”.

Finally, non-white employees were restricted to mainly unskilled jobs and very few training opportunities. Three categories of negative stereotypes about these employees influenced every aspect of organisational life, namely that these employees had inferior cognitive characteristics, their inferior scholastic training did not prepare them properly for the working environment, and finally that cultural differences would pose insurmountable problems (De Beer, 1998:5; De Beer & Radley, 2000:28-41; and Engdahl & Hauki, 2001:11-13).

Anstey (in De Beer, 1998:6) describes the corporate culture during this era as based on “unitary Westernisation” – Western values were deemed superior to any other values and enforced upon all constituents of organisations. The majority of white employees in management positions ensured that these values were enforced. These values also shaped the general notion of modernisation. Modernisation pertains to economic, social, educational, political, individualistic, intellectual and religious spheres (Moerdyk and Coldwell quoted in De Beer, 1998:17).

Non-white employees who wished to find more lucrative job opportunities, had to structure their lives in terms of urbanisation and take on the outwardly aspects of Western values. Employee participation for both white and non-white employees was minimal, while the latter was never expected to be involved in decision-making (De Beer, 1998:9-10). Negotiation committees in the workplace became reality in the sixties and seventies, but this system often failed as a result of mistrust and low credibility among employees since management often appointed such committee members.

Finally, the social role of organisations within this approach was divided along racial lines. Upliftment of the “poor whites” was the focus of government and business. Organisations rarely involved themselves in upliftment since their *raison d’etra* was business and not society, Government developed the infrastructure for self-development in the black homelands. However, this did not lead to the same degree of development regarding education, job creation and housing as was the case in white areas where “vast amounts of money was spent” (De Beer, 1998:11).

3.3.2 Equal Opportunities (Late 1970’s to early 1980’s)

The underlying philosophy of the equal opportunities approach originated from an increased awareness of community leaders about the moral right of all humans to be treated equally. As part of the relaxation of apartheid legislation, the Wiehahn Report (Madi, 1993:4; Van Jaarsveld, 2000:17-18) of the late seventies formalised the principle that all employees are equal before the law. Therefore all employees should also have had the opportunity to progress to senior positions in organisations (De Beer, 1998:13).

The macro-economic policy still depended on Apartheid laws, but the realisation that all race groups were economically interdependent, dawned. Non-white residents in cities were viewed as permanent, rather than temporary. But they had limited social rights. Government realised that the separate non-

white education system had to be improved and attempts were made to address some of the issues following the 1976 and 1983 riots (De Beer, 1998:14). The introduction of the Labour Relations Act and abolishment of legislation pertaining to work restriction signalled improvements of human rights (De Beer, 1998:14; Denton & Vloeberghs, 2003:84 - 85).

A philosophy of the Expectancy theory was adopted regarding non-white employees' careers. This theory postulates that employees are able to calculate the effects of their actions on desired outcomes (cf. Orpen, 1976). Employees would have to formulate expectations about the future and value of the future reward(s). According to De Beer (1998:15) and Madi (1993:8-9) this approach failed since many non-white employees had poor educational levels, low aspirations, low confidence levels and lacked support from management.

Furthermore, resistance to special development programmes for non-whites in organisations was threefold: training was seen as unrelated to the "business of business", white managers feared a white backlash and both white and non-white employees resented the notion of being singled out for such training or development efforts (De Beer, 1998:15; De Beer & Radley, 2000:28-40). Madi (1993:4) and Van Sittert-Triebel (1996:73) refer to this approach as the "peacock approach" since non-white appointees were more often than not appointed in client service, community relations, industrial relations and public affairs positions during this era.

Organisations reflected the assimilation of non-white employees' values. Western work ethic, capitalism and the free market system were still unquestioned. White managers started to appreciate the reality of cultural diversity (De Beer, 1998:16-18). In this approach very few non-white employees were considered to have advanced sufficiently on all dimensions of modernisation (as described in the previous section) to fill senior management positions.

White employees were also of the opinion that work and production standards should not have been lowered to accommodate more non-white employees into advanced high-level positions. De Beer (1998:19) describes the type of consultation in organisations during this historical era as limited, but real. Non-white employees were mainly consulted in production issues and while labour unions (predominantly for non-whites) became more prominent. Consultation with employees was very structured and " ... spontaneous participation of black people in decision-making ... " was almost unheard of (De Beer, 1998:19).

Finally, organisations' involvement with their communities was more advanced, but still excluded non-white employees. The schemes included housing subsidies, medical insurance and pension funds. However, many organisations focused on the grassroots development approach in non-white areas by building schools and providing transport from non-white residential areas to the workplace. Frustration about the limiting effect of apartheid laws regarding the involvement in non-white communities, forced business to lobby with government to lift these laws (De Beer, 1998:19).

3.3.3 Black Advancement (Early 1980's to late 1980's)

The macro environment underwent "radical changes" during this era. De Beer (1998:22) describes this as " ... the breaking down of grand Apartheid in all seriousness ... ". The Tri-cameral system and Presidents' council were introduced as forms of power-sharing and consultation, but both excluded blacks. Negotiations with black political leaders were initiated within this decade (De Beer, 1998:22; Madi, 1993:4).

Restrictions on individual freedom were removed, which meant that non-white residents were viewed as legitimate, permanent residents in urban areas. Mixed marriages were legalised and access for non-white learners was granted at white educational institutions under certain reservations (De Beer, 1998:22-24). According to De Beer (1998:22) and Van Sittert-Triebel (1996:73-74) the development from the equal opportunity approach to the black advancement approach was brought about by three factors: politicians' realisation that the political and economic futures of all races are "interwoven", enormous international pressure through economic sanctions, and the realisation that organisations should take responsibility for remedial and development programmes instead of government.

The provision of basic education became a cornerstone of organisations' social responsibility (De Beer, 1998:22). Internal training or development efforts were budgeted for the under social investment account and viewed as " ... an investment to rectify ... the past injustices to the community" (De Beer, 1998:24).

De Beer (1998:21) describes this era as vital to the realisation of the skills gap that existed between white and non-white employees. Most of the legislation that separated races in the workplace were abolished by now. But non-white employees were not yet represented on managerial level. Van Sittert-Triebel (1996:75) mentions that non-white employees thus reached a glass ceiling relatively quickly.

De Beer (1998:23) further claims that human resource practitioners realised during this period that each employee's early home and school environments form a whole with the work environment. The detrimental effects of disadvantages in either of these, as far as non-white employees were concerned, were slowly being recognised by organisations (De Beer, 1998:23). In an attempt to bridge these gaps, organisations implemented mentorship programmes that facilitated informal learning/education to those individuals who aspired to managerial positions.

Perceptions about the required duration of such training programmes varied between organisations. Van Sittert-Triebel (1996:75) claims that non-white appointees were very often sent on one development course after another, without a clear career path that would usually be associated with training and development. Many organisations also contended that it was almost impossible to measure progress within this system objectively, therefore they opted not to measure black advancement programmes at all (De Beer, 1998:24).

Values within organisations still reflected a dominantly unitary modern system, with some tolerance for non-Western values. The focus was on a relatively homogeneous modern value system amongst senior management (De Beer, 1998:24). White managers also viewed the relatively slow progress of internalising modern work values by potential high-level employees from the non-white ranks, as a major obstacle. Japanese examples regarding the internalisation of modern production values and manifest modern work behaviour, without the loss of traditional oriental identity, were often cited to explain that a similar transition was possible for non-white employees (De Beer, 1998:25-26). De Beer (1998:26-34) also refers to the myriad of development models/frameworks organisations implemented to address these issues.

Compared to the previous approaches to human capital development, inputs from non-white employees were actively sought for decision-making within the black advancement paradigm. De Beer (1998:35) also argues that participative management was introduced to South African organisations, but this failed in the majority of instances. He ascribes this failure to the fact that too few managers were well prepared to deal with these changed dynamics. Middle and lower level management often also misunderstood this approach and " ... manipulated employees to improve their productivity" (De Beer, 1998:35). Madi (1993:4) describes the mentorship programmes of this era as being aimed at " ... taking the township out of the assigned protégés".

Unions were the main vehicle for negotiation with management during this era, while non-white employees started to enjoy the same fringe-benefits as those their white counterparts were used to, e.g. medical and pension schemes and later bursary schemes. Profit-sharing with and shareholding by non-white employees were new practices within this era (Bishop, 2004; De Beer, 1998:35).

Finally, the concept of social responsibility was replaced by social investment – investment was understood as an investment in the future. According to De Beer (1998:36) most organisations came to the realisation that they had to get directly involved with their dependent communities and improve the quality of life. This, according to De Beer (1998:36) is the major difference between social investment in South Africa and elsewhere. Compared to South Africa, these activities were rather diverse in Europe and the USA.

3.3.4 Affirmative Action (1994 – beyond)

Affirmative Action, like diversity management, is defined and managed based on the unique dynamics of each country (cf. Bissessar, 2002; Cassell, 1997; Engdahl & Hauki, 2001; Finnegan, 1998; Gunderson, 1994; Human, 1993; Hutchings, 2000; Jain & Ratnam, 1994; Madi, 1993; Sagie & Weisberg, 2001; Sheridan, 1998; Sloane & McKay, 1997; Thomas, 1996; Upadhyaya, 1998; Valle & Romero, 2001; Wiersma & Van den Berg, 1999; and Wingrove, 1993). De Beer (1998:37) describes the era from 1994 as still reflecting " ... deeply-rooted, informal racial discrimination ... " in South African organisations. The advancement of non-white employees was hampered by these biased views, thus alternative means to achieve transformation of the employment environment had to be pursued purposefully. Preferential treatment regarding recruitment, selection and promotion of all categories of non-white employees was the only realistic approach to address this situation (De Beer, 1998:38; Madi, 1993:4). The overarching approach was broadly referred to as Affirmative Action. But before these details are described, some lessons from two other countries deserve to be mentioned.

3.3.4.1 Lessons from the United States of America

De Beer (cf. 1998), Engdahl and Hauki (cf. 2001), Van der Walt (1994:57-54) Van Jaarsveld (2000:25-26) agree that the South African and American legislation aimed at achieving Employment Equity, are closely related. The major difference between these two countries is that minorities in America drive the process, while the transformation of the employment environment toward equality is a relatively new

constitutional right for the majority of South Africans. Secondly, the economic debate governs AA in America, while it tries to “ ... tackle the complexities of social rights ... ” in South Africa.

3.3.4.2 Lessons from Malaysia

According to Van der Walt (1994:73-75) the South African minority dominance and ensuing AA is very similar to the Malaysian experience. After independence in 1967, the vast majority of ethnic Malaysians were rural farmers and on the verge of being totally marginalised by the Chinese, Indians and other groups. During talks about the political future of that country, it was also agreed that specific quotas of jobs would be reserved for the Malaysians. However, the disparity between the economically advantaged and the poor could not simply be overcome with this initiative. Initial AA initiatives therefore failed (Van der Walt, 1994:72-73).

However, after the “New Economic Policy” was implemented, many Malaysian citizens were economically empowered. This policy guaranteed that government departments/public sector would employ only one non-Malaysian for every four it appointed (Van der Walt, 1994:73). Though the country started to experience tremendous economic growth thereafter, new and unexpected trends emerged: Malaysians were viewed as being too reliant on government jobs, while the career choices of students of different ethnic groupings also changed. Eventually, Chinese students were predominantly interested in science and technology, which also led to financially rewarding careers (Van der Walt, 1994:74).

As was mentioned in Chapter 1, two approaches existed within the South African context, i.e. bottom-up and top-down AA measures. Understanding the current legislative framework for AA, necessitates a description of the differences between these approaches.

3.3.5 Bottom-up Affirmative Action (1990 – mid-1990's)

According to De Beer (1998:39) this approach flourished during the leadership era of F.W de Klerk. Grand apartheid was abolished, but the black community was not yet participating fully in the governing of the country. Thus the new political dispensation would be based on power-sharing and ultimate majority rule by non-whites (De Beer, 1998:39). Black liberation movements insisted that AA should be applied to government, thus affording black people the opportunity to occupy the majority of senior

positions in a new unitary state (De Beer, 1998:39). Although political negotiations would progress slowly, the integration of non-whites into previously exclusive structures, including state schools, the diplomatic corps, sports and the arts, occurred rapidly (De Beer, 1998:39).

Social integration also occurred with more non-whites buying property and establishing businesses in traditionally white areas. Within this approach organisations would be left to bring about changes to their employee profiles and thereby also addressing organisational culture and structure (De Beer, 1998:38).

Rosmarin (cf. 1992) identifies three reasons for the bottom-up approach, i.e. the recognition of social and economic pressures as a long-term competitive advantage; recognition of the fact that legislation could be introduced; and the relative cost effectiveness of utilising the manpower pool of qualified minorities, since the cost of doing so later, would merely escalate. Compared to the previous three development approaches, organisations were now aggressively implementing policies aimed at the advancement of non-whites (De Beer, 1998:40).

These policies encompassed two components, i.e. the elimination of forms of overt, indirect or direct discrimination against disadvantaged employees and the accelerated development of scholastic and work skills for both high and low potential non-white employees. Mainly black consciousness movements and labour unions (De Beer, 1998:41) contested this practice by insisting that such employees should be accommodated in special development programmes.

Conversely, the “levelling of the playing fields” became common practice in strategy formulation in organisations. Such strategies included at least two types of AA measures (De Beer, 1998:41-43). The first measure entailed short term preferential policies that focused on the recruitment and promotion of black employees, in comparison of white employees with equal potential and ability, for a limited period of time. De Beer (1998:45-46) refers to this as the escalator model – black employees are promoted to managerial positions when white employees are promoted, retire, resign or when organisations expand naturally.

The second measure entailed short term output policies that aimed to reflect the population composition of a specific region in an organisation’s employee profile within a specific time limit. Some organisations adopted the 80:20 principle, thus appointing 8 black people for every two whites, and

vice versa (De Beer, 1998:41). According to De Beer (1998:41-42) this approach forced many organisations to follow the route of “headhunting” in the open market, the pro-active development of skills in high schools or both of these approaches at the same time.

Afrocentric values were tolerated as long as these did not have a negative impact on organisational objectives and productivity – preference was thus still given to black individuals who adopted a strict Western, modern work ethic (De Beer, 1998:42). Organisations, however, also learnt that AA could only succeed if and when the “white male” value system was not the dominating system. Madi (quoted in Van Sittert-Triebel, 1998:76) highlights the underlying resistance within organisations during this era, in the following manner: “... malicious compliance, outright sabotage and underground resistance became a new way of life in organisations.”

According to Wingrove (cf. 1993) organisations set out to address this issue through various means of consultation between managerial and non-managerial levels of staff. The focus of this type of consultation was on dialogue, understanding different perspectives and gaining commitment to the change process from all parties.

The importance of consultation is also stressed by the fact that black employees were no longer merely individuals who had to be “developed”, but viewed as partners whose personal attributes and decisions were instrumental in modernisation (De Beer, 1998:43). This researcher emphasises the fact that modernisation in this context refers to the relative degree to which any employee has adopted modern work values at a given time.

Participation in decision-making, profit-sharing and challenges to traditional leadership control through unionised strike actions characterised this era in South Africa (De Beer, 1998:46). According to De Beer (1998:46) strikes were an example of how employees tested their decision-making power. Finally, the social investment arena was also transformed during this era, mainly with organisations aligning their involvement in such projects with their strategic objectives and greater co-operation between the public and private sectors in this arena (De Beer, 1998:44-47; cf. Thomas, 1996).

3.3.6 Top-down Affirmative Action (Emerging from 1994)

As was briefly explained in Chapter 1, government started to enforce the transformation of the employment environment through legislation shortly after the first democratic political elections in 1994. As was the case for the preceding approaches, the compilation of the government of the time had an immense impact on the nature of expectations from the electorate and changes in all societal spheres.

De Beer (1998:48-49) cites two election promises as pivotal to understanding the top-down approach to AA. The first was the promise of a “better quality of life for the deprived groups” and the second was the “redress of past discrimination”. As a result of these promises and expectations, many black graduates expected to get jobs which would provide growth, promotional and developmental opportunities, including remuneration packages that would cater for their basic and esteem needs (cf. Umlow, 1992).

Conflicting views across the board existed (and still exist) about the relevance of AA in a post-apartheid South Africa. For example, Mbatha (1992:14) claims that the empowerment of blacks occurs at a macro level, through a combination of government and private sector initiatives. Government efforts focused on, amongst other, the preferential allocation of funds for addressing the backlog in black communities regarding housing and education. Furthermore, government tapped into “wealth taxation” for additional funds for such programmes (De Beer, 1998:49).

Despite conflicting views or ideologies, government approved the Employment Equity Act during 1998, which effectively labels AA in South Africa as a top-down practice. The rationale for the top-down AA sub-approach was that organisations would not empower sufficient numbers of black employees through their free will (De Beer, 1998:47). The number of such employees should approximate the general population demographics. The EEA therefore differentiates between “designated groups” (Africans, Coloureds, Indians and people with disabilities) and “non-designated groups” (Whites). Individuals from designated groups should get preferential treatment in terms of recruitment and selection, while reasonable adjustments to jobs (as a developmental effort) for candidates from these groups are also ensured by the EEA.

It should also be emphasised that gender issues and issues of disability representation are equally important to race issues within the framework of Employment Equity. The EEA refers to the

appointment of both an Employment Equity Commission and a Gender Commission. The recent addition of a Code of Good Practice for Dealing with HIV/AIDS (Department of Labour, 1999a) in the workplace confirm that much attention is given to ensuring that employees' constitutional right to equality is protected.

The top-down approach to AA is of significance for this study, since this is still the approach that governs the EEA. De Beer (1998:48) compares the two approaches by means of a table (below). Three points of criticism against the top-down approach to AA, are highlighted by this comparison.

Edigheji (1999:2) views the emphasis on the achievement of power within organisations as minimalist. Instead, the focus should be on the collective empowerment of non-white employees.

Table 3.1

Differences between bottom-up and top-down Affirmative Action

Bottom-up	Top-down
Enforcement by consent	Enforcement by legislation
Power primarily obtained through personal growth and work skills development	Power primarily obtained through positional advancement
Productivity and work standards usually considered in the empowerment of the disadvantaged	Productivity and work standards often not considered in the empowerment of the disadvantaged
Senior management / organisation-driven	Government driven
Work skills, empowerment and personal growth as important as positional empowerment	Positional empowerment more important than work skills
Pro-active interventions	Reactive interventions
Both input and output policies equally important	Output policies slightly favoured above input policies

Source: De Beer (1998:48)

Resistance against AA may also be validated if the perception that AA does not take productivity and work standards into consideration, is not addressed within organisations (De Beer, 1998:47; cf. Human, 1993; Madi, 1993; and Thomas, 1996). Since the implementation of EEA is also linked to punitive measures for organisations that do not achieve their annual EE targets, the forced appointment of employees from designated groups may once again lead to racial polarisation and mistrust (Furh quoted in De Beer & Radley, 2000:3).

The top-down approach to AA would have an unpredictable influence on corporate culture and the focus on modernisation (De Beer, 1998:53-54). The number of black employees to be included in

organisations by means of the EEA is unknown, while the timeframe for ending this practice, is unspecified (EEA, 55/1998). But Mbigi (1993:11) is of the opinion that Africanisation of organisations, through appreciating African values and norms within corporate culture, would be a strong motivating factor for African employees:

“South Africa’s global competitiveness may continue to be elusive unless black employees can practice their cultural traditions and live their collective historical experiences. Without self-pride employees cannot be effective.”

And while the preferential funding of development programmes were tolerated, resistance toward this approach in organisations was gaining momentum since white employees resented the “ ... sacrifices they had to make regarding their positions and opportunities” (cf. De Beer, 1998:49; De Beer & Radley, 2000). Resistance toward this approach also came from the so-called “ ... previously disadvantaged ranks” (Edigheji, 1999:2). A minimalist approach to AA often enabled the creation of a “ ... filthy rich black business class without addressing the extreme poverty of the majority of the black population ... ” (Edigheji, 1999:2). Therefore, according to this author, a maximalist approach became necessary. Such a maximalist approach should focus on the collective empowerment of the majority of the black community.

The black economic empowerment approach is viewed as potentially more successful than the previous approaches (cf. Edigheji, 1999; Engdahl & Hauki, 2001 and BEEA, 53/2003). De Beer and Radley’s (cf. 2000) and De Beer’s (cf. 1998) description and the international emphasis on the management of diversity as a development approach, necessitates a similar overview as for the other approaches. Therefore, it is described as both embedded in and as a precursor to current black economic empowerment thinking.

3.3.7 Diversity Management vs. Affirmative Action

Diversity management, like Employment Equity and AA, is an international phenomenon. The reasons for and perceptions of the management of diversity are unique to each country and continent (cf. Abdulai, 2000; Bissesar, 2002; Cassell, 1997; Charlton & Van Niekerk, 1994; Finnegan, 1998; Humphries & Grice, 1995; Hutchings, 2000; Jain & Ratnam, 1994; Sheridan, 1995; Sheridan, 1998; Sloane & Mackay, 1997). Furthermore, the management of diversity is a top strategic priority

internationally (cf. Gröschl & Doherty, 1999; Kersten, 2000; Maxwell, Blair & McDougall, 2001; and Swanson, 2002).

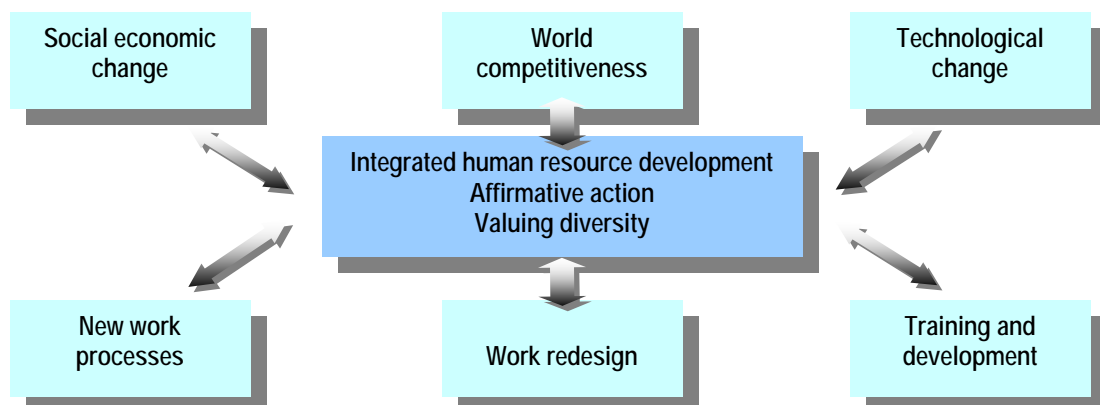
According to De Beer (1998:54), De Beer and Radley (2000:3) and Horwitz *et al.* (1996:135-139) the diversity management approach is more appropriate for South African organisations since it signals a move away from the focus of AA and focuses on dimensions like religion, physical ability, age, sexual orientation, functional and educational background, tenure with an organisation, lifestyle and geographic origins.

Horwitz *et al.* (1996:135;138 – 139) also view the development of human resources as requiring an integrated approach, as illustrated in figure 3.3. They emphasise the need for a holistic approach to AA and diversity management: these two approaches need to be integrated. They view the skills required of any manager to utilise the diverse talents/characteristics of employees as essential for understanding both ethnic and corporate culture.

Frost (quoted in De Beer & Radley, 2000:3) contends that far from being a problem, " ... the diversity of South African people is perhaps its biggest strength". AA focuses almost exclusively on race and gender. The management of diversity should also be regarded as an investment rather than a cost (Horwitz *et al.*, 1996:139). Human (cf. 1993) and Thomas (cf. 1996) also support this view.

Figure 3.3

Integrated human resources development



Source: Horwitz *et al.* (1996:139)

Horwitz *et al.* (1996:140) further argue that the management of diversity could have indirect positive effects on employees' performance, compared to AA. In the opinion of the same authors, employees' performance, level of contribution and personal growth are directly related to how they fit into and are treated in the work environment. According to them, the accommodation of uniqueness would enable the development of individual capacity, which should be a long term objective.

De Beer (1998:54) views this approach as more appropriate in the South African context since it encompasses dimensions such as extended employee participation, social investment, education, economic empowerment and general welfare of the previously disadvantaged population groups. He also prefers this approach for three related reasons: Firstly, the ability of this approach to accommodate the true differences of employees, while building trust and tolerance among employees is the first reason.

Secondly, it allows for the psychological processing of deep-rooted emotional changes pertaining to race and racism. Finally, it will allow all managers the opportunity to develop the knowledge and skills to accommodate the differences of all subordinates/colleagues – a reality of the transformed South African organisation (De Beer, 1998:54–56).

A comparison of the AA and diversity management approaches are summarised in Table 3.2 on the next page. The comparison highlights the differences between these approaches on the basis of goals, motives, focus, benefits and challenges. Supporters of diversity management approach favour it for being a more advanced approach, since the underlying goal, motive and focus are less robust than AA or Employment Equity (Horwitz *et al.* 1996:140; cf. Jones, Pringle & Shephard, 2000; Kramar, 1998:135; McDougall, 1996:64-66 and cf. Teicher & Spearitt, 1996).

Thomas (cf. 1996) further views diversity management as a mechanism for achieving cohesiveness, rather than possible division between groups. De Beer (1998:73) also favours diversity management since it focuses on the full utilisation of all human resources, as opposed to selectivity and implied short-term goals, pertaining to targets and compliance. Seopa (2004) also supports this perspective. Based on the previous comparison and views from other researchers, practitioners and academics, this study supports the perspective that AA measures form part of the EEA and are implemented as a top-down process. Diversity is a result of having a fully representative workforce, but the management of diversity is not necessarily the approach all organisations embrace when implementing the EEA.

Table 3.2

Comparison of Affirmative Action and Diversity Management approaches

Variable	Affirmative Action	Managing diversity
Goal	Creation of diverse workforce Upward mobility for minorities	Creation and management of diverse workforce Establishment of quality interpersonal relationships Full utilisation of human resources
Motive (primary)	Legal, moral and social responsibility	Exploration of 'richness' that can flow from diversity Attainment of competitive advantage / effective service
Primary focus	Acting affirmatively through "special efforts"	Understanding, respecting and valuing differences Creating an environment appropriate for full utilisation (culture and systems) Inclusion of white males
Benefits (primary)	Upward mobility for minorities/blacks and women	Mutual respect among groups Enhanced overall management capability Natural creation of diverse workforce Natural upward mobility Greater receptivity to Affirmative Action Escape from frustrating cycle Sustained benefits
Challenges	Artificial Creates own backlash Requires continuous intense commitment Cyclical benefits	Require long-term commitment Requires mindset shift Requires modified definitions of leadership and management Requires mutual adaptation by company and individual Requires systems change

Source: De Beer (1998:72 – 73)

3.3.8 Black Economic Empowerment (1980's to current)

A multitude of interpretations also exist for the concept of Black Economic Empowerment (henceforth referred to as BEE²). Authors describe this approach from both a minimalist and maximalist perspective, while also exploring the core of empowerment. Edigheji (1999:3) states that the core of black economic empowerment is based on an "alternative approach to development" which aims to redress a historical process of systematic disempowerment of the majority of South Africans.

Similar to the evolution of the previous development approaches, BEE has also evolved continuously since the late 1980's (cf. Engdahl & Hauki, 2001). According to these authors, white business initially regarded BEE as a mechanism for creating a black middle class that would have an influence on the economy. The apparent logic was that blacks would get access to the economy without affecting "the underlying structures of the economy" (Engdahl & Hauki, 2001:13). They also view the appointment of blacks into managerial positions without any real management responsibility, as part of the same

² The Broad-based Black Economic Empowerment Act No. 53 of 2003 is henceforth referred to as the BEEA.

process. This view is similar to De Beer's (cf. 1998) description of the inclusion of blacks in organisations during the same era.

This situation changed toward the end of the 1980's – early 1990's with major business anticipating dramatic political changes. Bishop (2004) cites examples of financial services companies that involved political advisers in discussions with their clients and other stakeholders in preparation for changes to come. Together with the first democratic elections in 1994 and the granting of full political rights to all, suspicion about BEE seemed to subside. The ANC's position on the matter was instrumental in creating trust in this (Engdahl & Hauki, 2001:13).

According to the same authors, following the general election, the Government of National Unity focused much effort and resources on reconstruction and reconciliation. Economic inclusion during this period was aimed at broadening the economic base. The Reconstruction and Development Plan (RDP) and the promotion of small, medium and micro enterprises (SMME's) were central to this phase (Engdahl & Hauki, 2001:14). Whereas the EEA only stipulate regulations for the inclusion of previously marginalized/disadvantaged individuals, the BEE perspective focuses on the inclusion of the broad community of people who were previously excluded from economic empowerment (BEEA 53/2003). The purpose of the BEEA is summarised in seven points:

- ❑ The increase in the number of black people that manage, own and control enterprises and productive assets;
- ❑ The facilitation of ownership and management of enterprises and productive assets by communities, workers, co-operatives and other collective enterprises;
- ❑ The development of human resources and skills ;
- ❑ Achieving equitable representation in all occupational categories and levels in the workforce;
- ❑ Preferential procurement; and
- ❑ Investment in enterprises that are owned or managed by black people.

The fourth point refers to the current place of the EEA within the broader context of human capital development. The BEEA also emphasises the shift of empowerment from one race group to another. A "substantial change" needs to occur in the racial composition of ownership and management structures of all organisations (BEEA 53/2003). Finally, the objectives of this Act are summarised in six related points:

- The promotion of economic transformation in order to enable “ ... meaningful participation of black people in the economy”;
- The increase of access to economic activities, infrastructure and skills training by those individuals/groups previously mentioned;
- The empowerment of rural and local communities by enabling access to economic activities, land, infrastructure, ownership and skills;
- The promotion of investment programmes that lead to broad-based and meaningful participation in the economy; and
- The increase in the extent to which black women own and manage existing enterprises and to increase their access to economic activities, infrastructure and skills training.

Similar to the EEA, several tools exist for the broad implementation of BEEA. The first is an advisory council, which is chaired by the President and includes the appropriate Minister (Department of Trade and Industry), three Cabinet Ministers and between 10-15 members who are appointed by the President. The second is the Minister of Trade and Industry’s BEE strategy, which should ensure an integrated and uniform approach across all stakeholders.

Each sector must also reflect its intended transformational efforts by means of a charter which will be published by the aforementioned Minister in the Gazette. Finally, Codes of Good Practice which may include specific measures, targets and timeframes related to any aspect of the Act (BEEA, 53/2003). After comparing these approaches it would only be appropriate to indicate which of these is/are viewed as the most suitable for South African conditions.

3.4 THE EMPLOYMENT EQUITY ACT AND AFFIRMATIVE ACTION MEASURES

The EEA (55/1998) comprises of five chapters that focus on the following topics: the clarification of definitions, interpretations and application contexts, prohibition of unfair discrimination, AA, the commission for Employment Equity and monitoring, enforcement and legal proceedings. The AA measures described in Chapter 4 of this Act, are the legal solutions to effect the aforementioned “redress[ing] of the effects of discrimination”.

Contrasting views exist regarding the approach that should govern the redress process (cf. De Beer, 1998 & 2003; De Beer & Radley, 2000; Denton & Vloeberghs, 2003; Horwitz *et al.* 1996; Human, 1993

& 1996; Madi, 1993; Thomas, 1996; and Van der Walt, 1994). These include Black Advancement and Diversity Management, both of which are described in the next section. Since AA measures are required by law and at the centre of this study, a definition of these measures is critical.

3.4.1 The purpose of the Employment Equity Act

A discussion of the three dimensions of AA (paradigmatic origins, legislative framework and influence on organisations) would not be realistic without clarifying the purpose and scope of this policy within the South African context. The preamble to the EEA (55/1998) expresses the sentiment that the discriminatory laws of apartheid had created such disadvantages for certain categories of people that "... simply repealing those laws will not effect the constitutional right to equality and the exercise of democracy".

The EEA was therefore tabled during 1998 and the AA measures described in this Act, came into effect on 1 December 1999. The goal of the EEA is fivefold:

- The elimination of unfair discrimination in employment;
- The implementation of Employment Equity to redress the effects of discrimination;
- The achievement of a diverse workforce, broadly representative of the South African population demographics;
- The promotion of economic development and efficiency in the workplace; and
- Compliance with the obligations for members of the International Labour Organisation.

3.4.2 Key concepts within the Employment Equity Act

Five concepts are central to the EEA and thus need clarification, namely "black people", "designated group", "designated employer", "employment policy" and the "prohibition of unfair discrimination". Black people is the generic term used when referring to either Africans, Coloureds and/or Indians. Designated group refers to black people, women and people with disabilities (EEA 55/1998). Designated employer refers to five components, as stipulated in the EEA . These are:

- Any employer (person/institution) that employs more than 50 employees;

- Any employer (person/institution) that employs fewer than 50 employees, but has a total annual turnover that is equal to or above the applicable annual turnover of a small business in terms of Schedule 4 of this Act. R2 million in the Agricultural sector and R25 million in the Wholesale, Commercial Agents and Allied Services sectors (Engdahl & Hauki, 2001:56);
- A municipality, as defined in Chapter 7 of the Constitution;
- An organ of state, as defined in Section 239 of the Constitution, but excluding local spheres of government, the National Defence Force, the National Intelligence Agency and the South African Secret Service; and
- An employer bound by collective agreement in terms of Section 23 or 31 of the Labour Relations Act, which appoints it as a designated employer in terms of this Act, to the extent provided for in the agreement.

According to the EEA (55/1998), employment policy refers to, but is not limited to the following: recruitment procedures, advertising and selection criteria, appointments and the appointment process, job classification and grading, job assignments, the working environment and facilities, training and development, performance evaluation systems, promotion, transfer, demotion, disciplinary measures other than dismissal, and dismissal.

The prohibition of unfair discrimination forms an equally important part of the EEA. All employers are required to take steps to eliminate any form of unfair discrimination on the basis of race, gender, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth (EEA, 55/1998).

3.4.3 Specific Affirmative Action measures

The goal of AA in South Africa is to ensure that designated groups are represented equitably in all work categories and levels of the workforce. No preferential ranking of these categories is provided in the Act (Du Plessis *et al.*, 2002:80; King Report I, 1994:24; Thomas & Robertshaw, 1999:143; and Visagie, 1999:150-151), but designated employers are responsible for implementing the following specific measures, as formulated in the EEA (55/1998):

- Measures to identify and eliminate employment barriers, including unfair discrimination, which adversely affect people from designated groups;
- Measures designed to further diversity in the workplace based on equal dignity and respect of all people;
- Making reasonable accommodation for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workforce of a designated employer. Reasonable accommodation means any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment;
- Measures to ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels of the workforce; and
- Measures to retain and develop people from designated groups and to implement appropriate training measures.

The EEA (55/1998) also refers to two key sub-regulations, which both assist any reader of the Act with the interpretation thereof, while also addressing some of the common misunderstandings about AA measures.

The EEA (55/1998) firstly states that the aforementioned measures include preferential treatment and numerical goals, but excludes quotas. Secondly, designated employers are not required to take decisions regarding the formulation of employment policies, which will establish absolute barriers to the prospective or continued employment or advancement of people who are not from designated groups.

3.4.4 Mechanisms for the implementation, monitoring and reporting of Employment Equity

Several mechanisms exist that should help to promote the EEA or provide technical assistance to designated employers. The Commission for Employment Equity was the first such mechanism and started its work in the middle of 1999 and served as an advisory board to the Minister of Labour (EEA, 55/1998). This commission consisted of nine individuals appointed by the Minister and was responsible for the development of all codes of good practice, regulations and policy matters related to the EEA in conjunction with the Minister of Labour. A key responsibility was to research norms and benchmarks for the process of target-setting (numerical goals) in various sectors.

Chapter 3 of the EEA further deals exclusively with AA. It not only describes seven AA measures, but also prescribes obligations of designated employers regarding mechanisms for the implementation of this process. These include consultation with employees, employment profile analysis, the compilation of an EE Plan, as well as and EE Report (EEA, 55/1998).

Organisations' EEA planning and reporting are supplemented by three codes of good conduct that focus on implementation and communication matters, dealing with disability and HIV/AIDS respectively (Department of Labour, 1999a, 1999b & 1999c). In short, the EE Plan pertains to cyclical (annual) and five-year targets that designated employers are obliged to set. On the other hand, an EE Report about organisation's actual progress, must also be completed. Both the EE Plans and EE Reports need to be submitted to the Department of Labour by 1 October every year.

It is important to explain that EE Plans and EE Reports are closely related, with the latter containing a compulsory checklist description of the various areas of communication, namely activities pertaining to the "duty to consult and inform" that is described in the EEA (55/1998) and the Code of Good Practice for the EEA (Department of Labour, 1999b).

The compilation of a communication strategy for this transformational process is not required or described in either the legislation or supporting guidelines. However, transformational change theory and change communication theory suggest that the EEA would need to be incorporated into a corporate strategy and supported by means of a communication strategy (and various programmes).

The King II Report (2002:115) also emphasises that these mechanisms will be central to the management of relationships with stakeholders. All of these mechanisms are significant within the context of this study, since they pertain to both internal and external communication efforts of designated employers. Chapter 4 of this study considers the utilisation of these mechanisms in the overall management of communication about AA.

3.5 MOTIVATING FACTORS FOR FAVOURING THE DIVERSITY MANAGEMENT APPROACH IN SOUTH AFRICAN ORGANISATIONS

Although this study is not aimed at validating either of the development approaches, the impact of the Diversity Management approach, as opposed to the AA approach, is obvious. Several authors suggest

that the Diversity Management approach is the ideal approach to the implementation of equality and fairness in the South African working environment (cf. De Beer, 1998; De Beer & Radley, 2000; Horwitz *et al.*, 1996; King Report II, 2002; Maxwell *et al.*, 2001; and Thomas & Robertshaw, 1999). As was indicated previously, many fear that the racial tension (and division) could refute all previous attempts of reconciliation, thus limiting the potential impact of the EEA on societal development.

The King Report II (2002:115-116) proposes that the ideals of equality in the workplace, fairness and diversity and empowerment should transpire simultaneously. This perspective suggests that the transformation of South African society must be sustained rather than pose a threat to interracial harmony.

De Beer (1998:72-73) also favours the diversity approach since it focuses on the creation and appreciation of core values, while no single racial group is being excluded by definition. Furthermore, De Beer and Radley (2000:19) and the King Report II (2002:116) argue that organisations can become only more flexible and adaptable to change (or transformation) when the appreciation of diversity is a core value.

De Beer's (1998:72-73) comparison of the AA and Diversity Management approaches reflect the aforementioned views. In his opinion, competitive advantage could flow from diversity, while AA measures are seen as "artificial or special efforts" to transform the working climate (culture and values). He also emphasises the sustainability of diversity, as opposed to the cyclical benefits of AA. (AA measures and plans must be reported annually by means of several mechanisms stipulated by legislation.)

Organisational transformation per definition involves and relies on changes in the mindset of all attached to an organisation, as would be the case within the Diversity Management approach (De Beer, 1998:72-73). Since diversity requires long-term commitment, this approach would also require a new appreciation of leadership and overall management. This view also governs this study since the appreciation of diversity of people seems to lie at the core of societal transformation and reconciliation between different races – a process that continues even after ten years of freedom for all South African citizens and the third democratic elections.

3.6 EMPLOYMENT EQUITY CHALLENGES FOR ORGANISATIONAL TRANSFORMATION IN SOUTH AFRICA

A description of the EEA in South African organisations would not be complete without reference to three factors that may have an impact on the implementation of this process as a transformational change phenomenon. These are the debate about the continuation of the EEA; broad information efforts about details of the EEA; the formulation of corporate transformation and corporate communication strategies, as well as leadership challenges. Although these factors implicitly affect all communication efforts, communication about the EEA is the focus of Chapter 4.

3.6.1 Debates about the continuation of the Employment Equity Act

The debate about this issue is as complex as any other issue pertaining to the EEA. The EEA (55/1998) does not describe any timeframe that would signal the end of the implementation of this Act. While reversed racism seems to be the key political argument against the EEA, it seems that gender representation in organisations and the inclusion of disabled people, fall by the wayside.

At a political level, the appropriateness of prolonging the EEA in South Africa seems to be questioned mainly from the non-designated group, whites. This seems to be a major theme in the 2004 general election campaigns of so-called minority parties, including the *Vryheidsfront Plus*. This party, by means of its chairman, has expressed its concern about the employment future of white students during campaign meetings at institutions of higher education. In SABC television news broadcasts about the third democratic elections, he called for a cut-off date for the implementation of AA, so as to afford white graduates a reasonable opportunity to compete for employment on the basis of expertise. This party labels AA as a form of reversed discrimination.

The preamble of the EEA (55/1998) and statistics by the Department of Labour about the South African pool of expertise reflect a different picture than the one sketched by the aforementioned politician. The preamble and the statistics can be interpreted as the rationale for the current top-down approach to this matter. These statistics describe dimensions of society in terms of the four race groups and fields of study. According to these statistics, the majority of graduates (both university and technikon) are still white. Whites (both male and female) outnumber Blacks, Coloureds and Indians by far in all fields of study. The total number of graduates currently listed are 666 597, of which 458 943 are white

(Department of Labour, 2004). (These statistics also depict the current and future pool of employees in terms of disability, gender and age.)

The second largest number of graduates per field are Indian males in the field of Engineering and African females in the fields of Medicine, Arts, Education and Social Work. African males represent the second largest number of graduates in the fields of Agriculture, Natural Sciences, Law, Theology, Military Science, as well as Economic and Management Sciences (Department of Labour, 2004). These statistics seem to confirm the validity of the argument that the pool of potential employees from designated groups is often still small.

Institutions of higher education also report their current EE numbers (profile of learners) to the Department of Education. According to these statistics, more African students (both male and female) are currently enrolled than Whites. Roughly 180 000 African students vs. 137 000 White students. Since Africans make up roughly 31 million and Whites roughly 4.4 million of the total population, the discrepancy between the proportion of individuals from these two groups who have access to higher education, is apparent (Department of Labour, 2004). The total population consists of more females than males, i.e. 21 062 685 vs. 19 520 886 (Department of Labour, 2004). These facts further confirm the emphasis on gender equality, as described in the EEA.

Since this study does not attempt to validate arguments for or against the EEA, the aforementioned arguments and statistics are merely cited to illustrate some of the complexities surrounding the issue of terminating the implementation of AA. Furthermore, these views indicate the complexities of sentiments from both so-called designated and non-designated groups within organisations. Such diverse sentiments have obvious implications for communication and transformational efforts.

3.6.2 Information about the Employment Equity Act

Reactions to AA measures throughout different human capital development approaches seem to have one common element: varied degrees of resistance against the inclusion of persons of colour or persons who represent a different set of values/worldviews than the dominant perspective at any given point in time. The underlying tension in these views may stem from the fact that AA measures are enforced, rather than allowed to emerge from a diverse workforce.

Although the current legal framework has standardised the terminology for these measures, emotionally charged views (both latent and covert) still exist (cf. De Beer & Radley, 2000). It seems that misgivings about issues like target-setting within a timeframe vs. "quotas", are still prevalent. Recent media reports about quotas in sports teams may have strengthened these perceptions. The recent row about tennis medals that need to be returned by provincial teams that do not have the prescribed number of non-white players, is one such an example.

The EEA (55/1998) specifically states that no designated employer is under any obligation to implement "quotas" for employees from designated groups, or to limit the career development opportunities of employees from non-designated groups. The public debate or rumour mongering about quotas should be understood as a result of the fear of job losses, as described by De Beer and Radley (2000:32).

According to De Beer and Radley (2000:29-40) fear between different race groups often still lead to both latent and covert resistance or scepticism about AA. They also list the fear of revenge/retribution from non-whites, loss of standards, punitive taxation and nationalisation among the fears from whites. Black South Africans, according to the same authors, share different fears, including being a sell-out, being sold out, white manipulation, victimisation, tokenism and marginalisation.

De Beer and Radley (2000:33-34) thus suggest that the management of this process must be based on sensitivity for these fears. This implies that any manager responsible for the implementation of an EE policy, should keep the potential for further polarisation between race groups in mind. They contend that all decisions in this regard carry meaning and the impact thereof on individual or group relations are therefore not to be taken lightly. This view has obvious implications for the management of communication about AA at organisational level. The most important implication is that management training about these issues should be a top priority (Thomas quoted in De Beer and Radley, 2000:34).

From these facts it seems that organisations would have to place special emphasis on the management of communication about the EEA, specifically legal definitions and content. As was indicated previously, common knowledge (or rather common misunderstandings) about this legislation, and organisational implications, could possibly be detrimental to societal development and organisational transformation.

3.6.3 From cyclical to strategic communication efforts

As was indicated previously, the planning and reporting of progress regarding the EEA may reduce this process to cyclical communication with internal and external stakeholders. Overcoming this potential problem requires the integration of well-planned communication into the transformational strategy. The suggestion from Chapter 2 is that a communication strategy must be aligned with a corporate strategy, thereby articulating the strategic intent of the organisation.

In addition to requirement, suggestions from the Code of Good Practice (Department of Labour, 1999b) regarding consultation, awareness and monitoring efforts need to be central to any corporate communication strategy and/or related communication plans. The ideal way of assisting the organisation in this effort is to integrate all divisions into corporate communication strategies and plans. A fully integrated approach would firstly involve all role players and secondly empower the entire organisation. The empowerment of all employees reflects the chaos perspective ideal of decentralisation and subsequent organisational learning. An integrated strategic communication approach could also assist organisations in managing (nurturing) the relationships with internal and external stakeholders, instead of merely informing them of developments.

It is also important to understand the notion of “integrated communication” in this transformational context: all organisational departments (divisions) should be involved in the communication of the transformational vision as recipients and participants. The key departments responsible for messages would be the departments that are traditionally responsible for the policies or structures associated with this transformational area, while the Corporate Communication and the Marketing functions would manage internal and external communication in relation to the objectives of the transformational strategy.

The underlying principles of such an approach are co-operation across traditional departmental divides, as well as flexibility in all dimensions in order to enable the organisation to pursue the broad transformational vision amidst possible sudden changes in both the internal and external environments. (A conceptual framework for communication in this context is proposed in the latter half of Chapter 4.) The centrality of communication in this specific transformational effort is emphasised by the suggestions in the aforementioned documents. This also confirms the necessity for research about this

topic in the South African context. Therefore, the next chapter focuses exclusively on communication frameworks (even strategies) that have been suggested to facilitate this transformational process.

3.6.4 Transformational leadership within the context of Employment Equity matters

The final challenge organisations face with transformation because of the EEA (55/1998), and arguably also wider society, is transformational leadership. Without commitment, organisations may embark on this journey merely to comply with legislation and not focus on transformation. But, according to Denton and Vloeberghs (2003:92), the challenges of being a transformational leader in the South African context are complex. According to the same authors, leaders are involved with the " ... tensions and drama of transformation ... " on a daily basis. The transformation of organisations as a result of the EEA is but one of the contributing factors to this drama.

Denton and Vloeberghs (2003:87-91) further describe organisational structuring, downsizing, outsourcing, empowerment of employees and systems thinking as challenges that occur simultaneously. This description reflects Gouillart and Kelly's (cf. 1995) view that organisations, by means of its leaders, should be able to balance the focus on both the details of day-to-day business and the wider environment. It also confirms the truism that the turbulence of the external (and internal) environment only increases, thus defying any notion of stability or long-range predictability.

However, Denton and Vloeberghs (2003:91) argue that many of these organisational challenges have left managers and employees with negative and destructive emotions such as fear, stress, denial, mistrust and resistance. The same authors view the sudden attempts to compete globally as the overarching reason for the types of organisational change and transformation that were mentioned previously.

From this description it would seem that the transformational agenda as a result of the EEA may perhaps not be a top priority for all leaders. The possibility arises that the EEA may be reduced to legal compliance or a strategy that is driven by senior corporate leadership or the Employment Equity Office. When viewed from the perspective of transformation management theory, such a situation would be detrimental to the transformational effort.

Perhaps the conceptualisation of transformational leadership by both Anderson and Ackerman Anderson (cf. 2001) in Chapter 2, Godard and Lenhardt (1999:69-71), as well as Tichy and Devanna (1986:271-280), could assist South African leaders in this balancing act.

The “new bread” of transformational leaders are required to be courageous, lifelong learners and visionaries. These qualities are directly tied to the notions of “knowing, being and doing” and depend on the ability of such leaders to communicate purposefully about the organisation’s transformational vision. And although these requirements still focus on the “thinking perspective” on transformational leadership, they also have clear pragmatic value.

According to Tichy and Devanna (1986:271-280) courage refers to the ability and willingness to take risks for the greater good of the organisation, but in a well thought through manner. Balance between advocacy and the status quo, as well as “ ... emotional stability and a sharp intellect ... ” lies at the heart of this quality.

Translated to the context of AA, it means that leaders would have to be willing and able to challenge attitudes and opinions, often also misunderstandings, that will severely hamper the implementation process. However, this does not mean a purely one-sided effort, rather a well thought through effort based on situational requirements. Here the value of combining intellect and emotions is critical: knowledge of and respect for each individual in a team would dictate how communication about the transformational effort should be managed. This understanding of individuals would also help to facilitate contributions about the process. The ideal of two-way symmetry would be served in both instances.

Lifelong learning requires a mentality of openness about mistakes and commitment to the learning of all individuals in work teams. Tichy and Devanna (quoted in Denton & Vloeberghs, 2003:92) further defines this inclination as being a catalyst for transformation. When people view themselves as lifelong learners, they would arguably also view transformation as an infinite process. Leaders who operate from this perspective would also value transformation as an on-going responsibility. This stands in contrast to the idea that non-managerial employees’ view change or transformation as “ ... something the organisation is doing and which would not affect or involve us”. Leaders who can successfully bring about this mental (psychological) transformation in themselves and colleagues would contribute to organisational learning.

Being visionaries, according to Tichy and Devanna (1986:280), is equally important. But this requires the ability to have dreams and translating those dreams into reality. Trusting one's instinct and taking calculated risks are central to visionary leadership. This translation process cannot come into effect without communication. Leaders who can translate and co-create visions clearly would arguably contribute to this transformational context in the most tangible manner.

Finally, transformational leadership seems to be a unique process within the context of AA. The tensions about the required organisational transformation seem daunting at times. But leaders who are courageous and committed to their employees and the values of the EEA, will possibly be the greatest asset to their organisations.

3.7 CONCLUSION

Before any framework can be considered for the management of an EE strategy, it is important to understand the historical development of EE and AA measures. Such an understanding contributes to a deeper appreciation of societal and organisational sentiments about EE. It is very important to take cognisance of the mistakes South African organisations had made up this point, but also the spirit of recent pieces of legislation that are aimed at social upliftment and transformation.

Following the argument that organisational transformation can only occur by means of well-managed internal communication and the psychological involvement of employees from individual level, the implications for both internal and external communication, as a result of the EEA and to a lesser degree, also the BEEA, is self-evident. Thus Chapter 4 focuses on the management of communication in this transformational context.