



## **Chapter 4**

### **Opportunity Creation**

## CHAPTER 4

### OPPORTUNITY CREATION MODEL

#### 4.1 INTRODUCTION

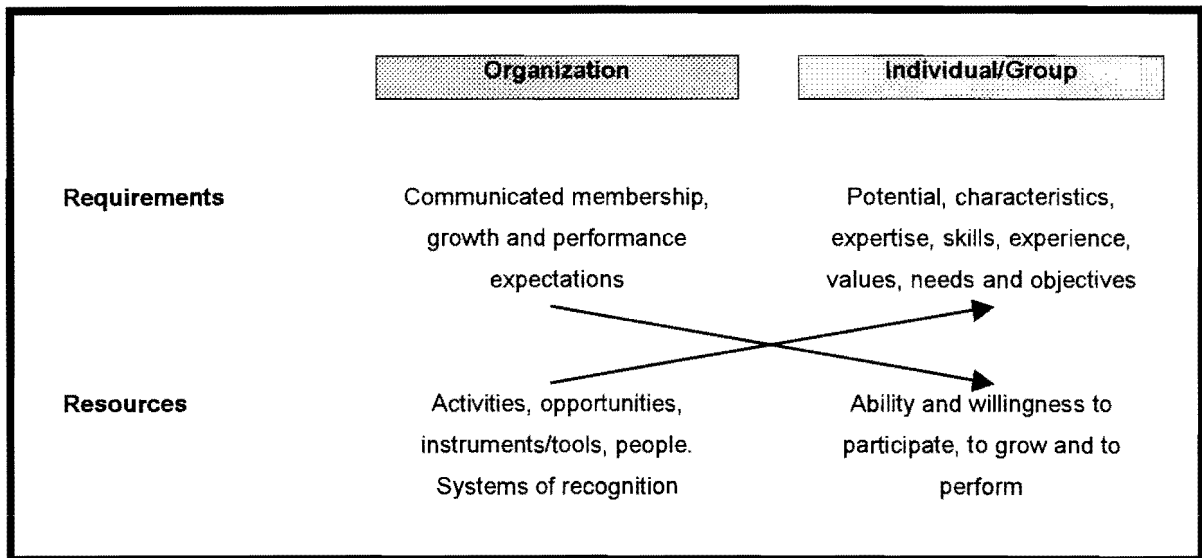
Traditional career ladders are disappearing in the process of delayering organization structures, and employees tend to perceive the new delayered structures as mere cost-saving actions. They also experience this as the end of any career aspirations, as the hierarchical promotional requirements and routes almost invariably fall away.

Delayered (flat) structures furthermore result in the inability of organizations to guarantee life-long jobs. This fact is received cynically by the employees involved, who seldom understand the broader scope of the underlying strategy. The fact that this strategy contributes to the development and possibly even the survival of the organization, is not taken into account. According to Landman (1996), changing the structure is relatively easy and can entail attractive short-term benefits – such as cost savings when one or more of the management levels are scaled down in the process. However, building on these short-term benefits requires intensive maintenance, not only regarding the support of the delayered structure, but also the support of the people within this structure. Delayered structures emphasise the enterprise's need for employees with entrepreneurial spirit and initiative, who are able to take calculated risks for the benefit of the organization. The individual's notion of a career should therefore be replaced with a new approach, i.e. the exploitation of opportunities (Landman, 1996, p 333). This implies a new kind of creativity in the working world.

A new psychological contract between the organization and the employees is required, in terms of which the new realities involved in a delayered structure and the need for development of both the individual and the organization are clearly stated. A new contract of this kind gives individuals the opportunity to develop themselves in order to strengthen their usefulness, as a repayment for them increasing their skills and providing the required

inputs within the framework of the delayed structure. However, it is essential to clarify the roles within this new approach, in order to ensure that employees both understand and support it. Figure 4.1 gives a schematic representation of such a psychological contract.

**Figure 4.1: Psychological contract.**



(Source: Landman, 1996, p 334)

Essentially the contract requires that individuals realize that their careers involve self-development as well as dedication to the organization. A different kind of behavioural manifestation on the part of the employee is thus called for, as in a delayed structure the skills and competence of the individual, and no longer the hierarchy of positioned levels, indicate his/her direction. Hence the "*Opportunity Creation*" model as developed by Landman (1996). Individuals must know themselves in order to develop to a level of readiness, which can be employed by the organization as soon as the opportunity presents itself. On the other hand the organization is responsible for creating opportunities for individuals to progress and develop themselves. The point of departure of *Opportunity Creation* is therefore the principle of individuals who do not wait for opportunities, but rather prepare themselves to exploit opportunities as and when they arise.

## 4.2 DEFINITIONS

The following definitions are applicable to the model, as determined by Landman (1996):

*Opportunity Creation* is the career planning method in terms of which the responsibility of a career is shared between the organization and the individual. The organization has to create an environment, which will generate certain positions regarding specific competencies and skills, while also providing advice and opportunities for development. The individual however, is responsible for his/her personal development in order to comply with the required skills, and can then be taken into account for promotion. During this process, it is important to address both the organization's and the individual's objectives and expectations. The organization must thus provide individuals showing potential and performing well, with some form of recognition and acknowledgement.

*The readiness pool* is a database consisting of those individuals who have already progressed so well in their personal development that they can be taken into consideration for promotion as soon as the opportunity presents itself. This facilitates the organization's succession planning in that the pool consists of individuals deemed ready for promotion.

*Reality testing* involves an evaluation of the individual's potential, abilities and future vision, made against the organization's expectations of the future, specifically with regard to the individual's personal employment. In other words, it involves matching the individual's expectations to his/her abilities and potential in terms of the predetermined skills required.

Considering the novelty of the process, it would be ideal if all the traditional terms attached to career planning could be wiped off the slate and replaced with new *Opportunity Creation* terms. The alternative terms identified for the purposes of this study have been determined during informal discussions with individuals, and have not been empirically established.

The following substitutes for traditional terminology can be recommended:

career	<b>changes to</b>	opportunity route;
post/position		landmark/milestone;
objective position		opportunity vision;
employees		team members/pathfinders;
organization		opportunity creator;
job and people requirements		competencies; and
manager/supervisor		leader.

In view of the strangeness of these words within the context of traditional career planning and in order to eliminate any confusion amongst readers, the traditional terms are retained for the purposes of discussing the model.

### 4.3 BASIC PRINCIPLES OF THE MODEL

The following basic principles as determined by Landman (1996), form the foundation of the model:

- i. An employee's career is his/her own responsibility, which is why principles pertaining to self-management, self-insight, self-discovery and self-discipline form the core of this model. The organization as such is not the sole responsible party, but each individual's career is in his/her own hands in terms of the amount of self-preparation he/she has done. The organization is supposed to create all the opportunities and provide the resources with regard to a career and training, but the employee's attitude and willingness to learn determine his/her access to these opportunities. Traditionally, the organization charted/outlined career paths with requirements and periods attached to each step. In the "flat" structure of the organization this is impractical and for this reason career planning can only be done in terms of the individual's output and expertise.
- ii. Employees must be motivated to view every day as an opportunity to learn and to develop themselves.

- iii. None of the principles underlying the traditional perspectives of career planning form part of this model, because the revolution in organizational structures and the subsequent new approach has rendered them useless. Individuals must be fully aware that they are exploiting and utilizing the opportunities arising in the organization. Career planning therefore becomes a process in terms of which individuals move from one opportunity to the next.
- iv. All information regarding set criteria must be made available to employees on an on-going and transparent basis.
- v. The manager or leader of an employee has a responsibility to the individual in terms of support, continuous reality testing and the passing on of important information.
- vi. The model (especially required competencies) must be revised on an annual basis to ensure that it matches the strategy of the organization. In this way the process addresses the diversity and flexibility of needs.
- vii. The model has two basic points of departure, i.e.:
  - ◆ Knowledge and abilities of employees; and
  - ◆ A career is each individual's own responsibility.
- viii. The strategic positioning of the organization dictates the direction of the organization and therefore the career information involved. The emphasis placed on certain critical areas in the organization determines, inter alia:
  - ◆ The direction in which the organization is moving;
  - ◆ The kind of employee who should be attached to the organization; and
  - ◆ The opportunities with regard to careers which present themselves, e.g. the sales improvement plan that influences the typical structure of Business Units and thus determines the various opportunities available.
- ix. If a qualitative process is to be maintained, it is impossible to involve all employees; they must be handled in order of priority according to potential. This increases the impact where it is needed most - with those candidates who can be of the greatest benefit to the organization.

- x. Before the process can be implemented, it is extremely important to ensure that all role players are well versed in the methodology and the role they have to play within this framework.
- xi. No promises with regard to promotion can ever be made, because opportunities are not linked to periods of time. Individuals can only progress from one opportunity to the next if they are properly prepared – and remain so for an indefinite period. Lateral moves in the development process are just as important as vertical moves, as the emphasis falls on the development of skills.
- xii. At the early stages of assessment, the process must be thoroughly discussed with candidates to ensure that individuals start working for the organization with the proper information and attitude. New staff members should therefore accept the culture of the organization before they are permanently employed.
- xiii. Rotation programmes should be planned for longer periods, depending on the complexity of the tasks involved and the abilities of the individual, to ensure that the expertise of the individual is actually improved. This will also make a substantial contribution to the development of the individuals' level of readiness. Promotion is therefore linked to knowledge and skills and not to time.
- xiv. Training schedules must be focused on identifying development areas, so that they actually contribute to the individual's make-up/abilities and address the skills that are lacking.

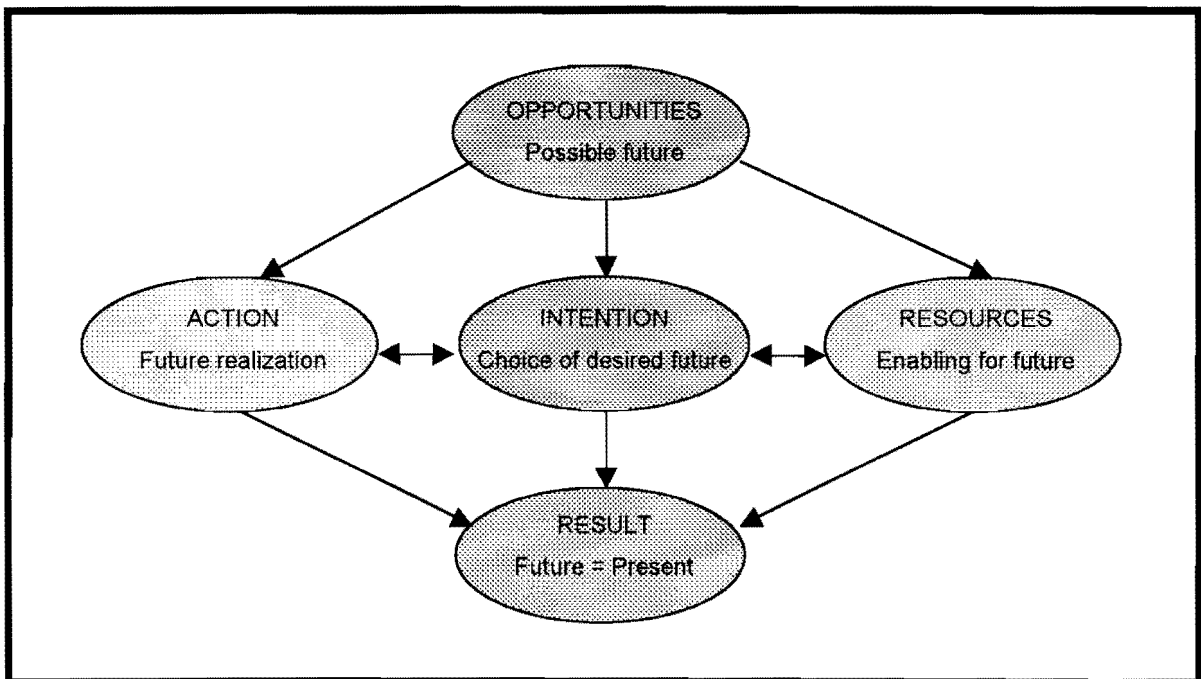
Figure 4.2 shows how future opportunities can be utilized if the individual has the necessary will and has been action-driven to develop himself/herself by making use of the available resources.

Elements that could be included in the process are:

- ◆ Determining potential;
- ◆ Developing individuals;
- ◆ Setting objectives for individuals;
- ◆ Establishing individuals' expectations as well as testing these against realities;

- ◆ Compiling a development plan to be contracted between the individual and the manager concerned;
- ◆ Supplying information with regard to available positions and the skills required, as well as with regard to personal profiles;
- ◆ Duly communicating all principles and reciprocal responsibilities; and
- ◆ Cultivating understanding and acceptance of the process.

**Figure 4.2: Development concerning the future.**

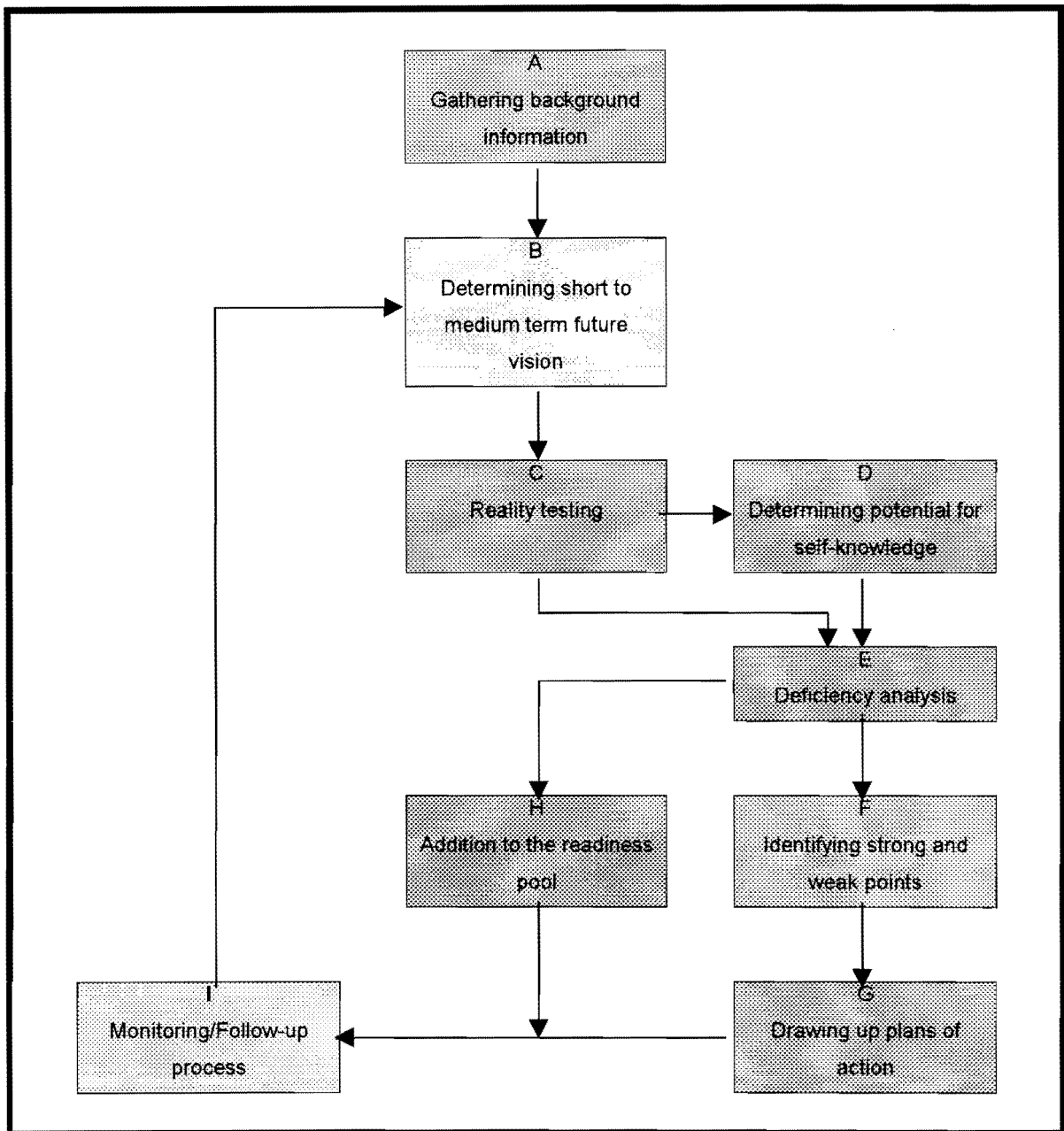


(Source: Landman, 1996, p 339)

#### 4.4 THE OPPORTUNITY CREATION PROCESS

The process connected to the *Opportunity Creation* model involves a personal interview with the candidate and the identification of potential, and can be broken down into nine steps, as set out in Figure 4.3. This is conducted in terms of the schedule presented in Annexure A.

**Figure 4.3: The Opportunity Creation Process.**



(Source: Landman, 1996, p 340)

**A. Gathering background information**

The first step during the personal interview involves sounding out the candidate's background in terms of qualifications, working experience, interests and personal goals, as well as making an evaluation of the candidate's current position. It is essential to analyze the make-up (ability) of the candidate, so as to be able to conduct a deficiency analysis (E) later on. This part can be completed by the

candidate him-/ herself in preparation for the personal interview in order to make the discussion briefer and more time effective.

**B. Determining short and medium term future vision**

To discover the candidate's position in terms of his/her future vision, the topic must be consciously included. As a short period, two years may be used as this is closer to the present than, for example, a ten-year goal. This step also makes provision for an assessment of the candidate's perception of the objective/goal process. This part of the interview can be completed along with the candidate.

It should be borne in mind that the long-term implications of, for example, a geographic shift should be explained to the individual, especially where if the short term implications do not look too favourable.

**C. Reality testing**

The candidate's understanding of his/her own abilities with regard to the position identified as his/her objective must be determined before the process (especially the deficiency analysis - E) is continued. The candidate's perception of who is responsible for which development should also be assessed.

An analytical discussion of the competencies included in the future vision of the individual, specifically with regard to the set of criteria connected to a specific position, should follow. This includes an evaluation of the individual's position with regard to technical realities. In other words, this step determines how realistic the individual is about his/her progress to date in relation to that which will be expected of him/her in the position concerned.

**D. Determining potential**

Self-knowledge is one of the fundamental principles of the model. The candidate's psychological make-up is presented to him/her by a qualified Industrial Psychologist. This forms part of the reality testing process in that the candidate's self-perception is compared to reality. Performance information covering the previous three years, if available, should also be discussed at this point.

An important aspect of this phase is that the information should not be conveyed to the individual in a vague or dishonest manner. The Industrial Psychologist should be honest and open and should not ignore possible shortcomings. To render the process successful, all information is crucial to the individual.

**E. Deficiency analysis**

During the personal interview it is essential to determine the gaps, if any, between the individual's current capacity and the required competencies attached to the objective position. If there is no gap one can assume that the candidate has reached the level where he/she is ready for promotion. The candidate's name can then be added to the Readiness Pool (H), which is centrally administered by the organization's Human Resources Department.

*If there is a gap/deficiency, proceed with the next step in the process.*

**F. Identifying strong and weak points**

Where the candidate does indeed show a need for development, it is necessary to identify the strong and weak points in his/her make-up. It is also important to indicate which of these strong and weak points are crucial to the person's future vision, so that the former can be exploited and the latter developed.

An important aspect in this step is determining shortcomings, which have to be addressed in order to achieve the set objective, as well as emphasizing strong points, which will support this objective. Shortcomings include, amongst other things, those instance in which the individual's potential, experience, expertise and personal ability or make-up deviate from the set requirements essential for the future vision of the individual.

**G. Drawing up plans of action**

In order to address the gaps relating to the real and required proficiency of the individual, a plan of action aimed at developing the candidate's development areas must be drawn up in co-operation with the candidate. In order to assess whether

employees are self-motivated to achieve objectives, action plans should not contain target dates. The principle of self-management and ownership is strengthened in this way.

#### **H. Addition to the readiness pool**

As soon as the candidate has complied with the set criteria of his/her future vision, the candidate's name is added to the readiness pool. During succession planning actions the names of candidates who have reached the required level of readiness can be drawn from this pool. Candidates must be made aware of their addition to this pool, and know that they will be considered when vacancies arise in the areas of their future vision. In this way the organization exploits its internal resources before having to approach external resources. The latter should only occur if no candidates for a specific position have been placed in the Readiness Pool as yet.

#### **I. Monitoring/following up the process**

Candidates included in the *Opportunity Creation* process should be reassessed at least once a year - especially with regard to their future vision and the progress they have made by means of their development actions. This step is aligned with Step B of the process. Annual reassessment and revision are essential as the needs and requirements of both the employee and the organization could change as a result of changes in personal circumstances or changes in the organization and its strategy.

The importance of succession and support, as well as of encouragement and praise, cannot be over-emphasized. The individual must furthermore be realistic and kept realistic as far as limiting aspects and his/her own potential are concerned. Actions that address shortcomings should be identified and viewed as the be-all and end-all so that they are indeed pursued.

Employees are the life and soul of the organization and should never be neglected.

#### 4.4.1 Prerequisites for the process

The entire process functions in terms of the top-down principle. In other words, individual interviews should commence with the Chief Executive Officer interviewing his direct subordinates and his direct subordinates interviewing theirs, and so on. The structured interview should be attended by the individual, his/her direct superior (manager/leader) and a Human Resources officer acting as facilitator. As prerequisite for an individual career interview, the superior must first undergo his/her own interview. On the functional level only those candidates who have been identified as to possess the necessary potential, should be involved in the process. Those who have been identified as non-potential individuals should be informed of this fact in order to prevent unrealistic expectations.

The career interview consists of a series of questions that are posed by the manager and answered by the individual, as set out in the schedule (Annexure A).

To ensure the success of the process, the following aspects are indispensable:

- i. The required competencies/skills attached to each position must be determined and communicated in general (specific requirements are discussed in 4.4.2);
- ii. All structures, including the value attached to each position, must be communicated in detail to everyone in the organization;
- iii. Traditional perceptions existing amongst line managers in particular must be changed by means of active orientation/training; and
- iv. Reinforcement of the division of roles is important, so that the individual knows exactly where he/she stands in relation to whom and what; in other words, who is responsible for which actions in terms of the *Opportunity Creation* process (as set out in the division of roles in 4.5). These roles are contracted and delegated to certain actions during individual interviews.

#### 4.4.2 Required criteria and technical information

The competencies that are required for certain positions in the organization must be made known to every employee, especially with regard to the following:

**i. *Matching the organization's strategy***

Every individual should be informed of the position his/her future vision occupies in the organization's strategic planning.

**ii. *Organizational structures***

The employee must be aware of the organizational structures within which he/she functions, as well as the process that can be followed to realize a future vision.

**iii. *Job evaluation***

Information regarding job evaluation within the organization should be common knowledge and every individual should familiarize himself/herself with the points and criteria of assessment pertaining to current and desired positions.

**iv. *Qualifications required***

All requirements with regard to both internal and external courses, or qualifications required in order to fill a particular position, should be clearly spelled out.

**v. *Experience and accompanying expertise required***

All job requirements as well as experience needed with regard to certain tasks, should be available and placed at the disposal of every individual.

**vi. *Psychometric profile of the individual***

Psychometric instruments must be used with great care in conjunction with other information, such as job performance. The organization should always try to use tests that are culturally fair, in order to prevent discrimination. In the determination of potential job requirements, development areas and so forth should be based on psychometric instruments. It is, however, extremely

important to select these instruments with caution as the blind use of certain instruments can create countless problems.

The potential as well as the strong points and shortcomings of the individual, must be discovered by the individual himself/herself. This gives the person the opportunity to acquire self-insight. In fact, the focus on individual shortcomings and strong points is the golden thread that should run through the entire *Opportunity Creation* interview, because if the individual does not gain self-knowledge, all efforts towards self-management and self-development will be a waste of time.

**vii. Performance**

The individual's performance in respect of the execution of tasks (based on the performance appraisal mark and assessment by superiors, colleagues and subordinates) as well as behavioural patterns which may be revealed, must be made known and discussed openly. This contributes to the individual's self-knowledge and self-evaluation. Furthermore, the individual requires information in order to determine his/her own shortcomings as far as his/her future vision is concerned.

## 4.5 ROLE PLAYERS

In the methodology, the following are deemed to be role players:

**i. The employee himself/herself**

The individual is the most important role player, as his/her career and life are directly affected, and because self-management and self-responsibility are involved. It is also important to win the confidence of the individual, as he/she must supply background information and disclose his/her future vision without fear of derision.

**ii. The employee's manager/leader**

This person is responsible for supplying support and for establishing an understanding of the realities attached to the specific working environment, as well as for providing access to opportunities for exposure, learning, communication and assistance.

**iii. The Human Resources function in the organization**

Members of the Human Resources function act as facilitators, supply information pertaining to the entire process, and also offer guidance and direction.

**iv. The organization**

The organization is and remains the supplier of the career and the career planning environment, and furthermore create the necessary resources, opportunities, training and development.

#### **4.6 ADVANTAGES OF THE MODEL**

The following benefits pertain to the model, as identified through research done by Landman (1996):

- i. The process is transparent, as individuals know exactly what the process, required competencies/skills, expectations of the organization and their own potential are - this can also contribute greatly to the management maturity of all the role players.
- ii. The information obtained can serve as the basis for succession planning action, as well as other Human Resources actions, such as the identification of training needs.
- iii. The structure of the model and the personal interview provide guidelines to any manager, in order to ensure uniform standards.
- iv. During interviews objectivity is maintained via the facilitator, who is not involved in the manager-employee relationship.

- v. The successful execution of the model results in the appointment of the most appropriate and competent person to a specific position, which implies the best output per individual for the benefit of the organization.
- vi. The model creates a truer perception of reality in terms of what actually happens in the working environment and how it should be handled.
- vii. The preparation and development of individuals with regard to possible opportunities will enable them to exploit the opportunities successfully.
- viii. The individual must take control of his/her own career and realise that he/she is primarily responsible for it.
- ix. Individuals are given the opportunity to grow and develop, which increases motivation levels and morale.
- x. Individuals are involved in the process in the sense that they can identify their own future visions.
- xi. The availability of information pertaining to structures and requirements can enable individuals to constantly evaluate themselves and determine their own progress.

#### **4.7 DISADVANTAGES OF THE MODEL**

The following disadvantages have been identified in terms of the responses obtained during research done by Landman (1996):

- i. If individuals are not handled in order of priority regarding potential, the impact of the process will be reduced and the time period prolonged.
- ii. In *Opportunity Creation*, time cannot be made a determining factor regarding progress.

- iii. Individuals may harbour unrealistic expectations.
- iv. *Opportunity Creation* can be influenced by “external” factors such as the availability of vacancies, the actual growth and development of individuals and the mobility of those individuals showing potential.
- v. It can be a time-consuming process, especially for supervisors/managers.
- vi. The security derived from a time-bound and process-bound progress is non-existing within a delayed structure.
- vii. Without the necessary structure and information regarding opportunities, individuals cannot be expected to carry the responsibility for career building themselves.
- viii. The interviewer and the individual must be dedicated to and informed about the process, otherwise there will be no candid honesty and the credibility of the process will be jeopardized.
- ix. The process can be regarded as an additional workload, especially by managers/supervisors.
- x. On account of the dynamics attached to flexible structures and positions, the availability of the most recent information is a priority. This includes information regarding the assessment of positions, which is a time-consuming process. Care must be taken not to conduct interviews based on outdated information.

#### **4.8 COMPUTERIZATION OF THE SYSTEM**

The development of a computerized system can enhance the success and impact of the process. Care should however be taken not to eliminate human/personal contact. As paper work can be frustrating and time-consuming, the use of a computer can be an advantage. However, this is not critical to the success of the model.

Computerization does constitute an important aim in terms of the database, a source of information facilitating the analysis of the possible future utilization of individuals. It can therefore enhance record keeping and make a positive contribution to the readiness pool; moreover, information can be constantly updated and made available centrally immediately. This information can be employed for succession planning actions as well as for determining development needs.

Computerized information may include the following:

- i. The individual's name and staff number;
- ii. The individual's strong and weak points;
- iii. Required development actions;
- iv. The individual's future vision and the requirements attached to this;
- v. Names of employees declared "ready" for a specific position.

Copies of this summary must be supplied to the individual, the manager concerned and Human Resources. This information must be placed on record, in order for follow-up interviews to be conducted with the information on hand. It can also be used to determine who wants to go where and who qualifies for a move or transfer, so that these individuals can be offered the opportunity to do what they would really like to do. At present there are various software programs on the market that may be considered, i.e. VIP, MAP, HR Expert and QData's program, all of which can be customized to suit the organization. The computerized system can also be used to link other Human Resources systems, such as training, administration and succession planning.



#### 4.9 SUMMARY

This kind of process, as portrayed by *Opportunity Creation*, may convey the message to employees that they are appreciated, that they are being provided with a distinct alternative for promotion, and that the organization is committed to their development. The time individuals devote to clarifying their personal values is time well spent, and a valuable exercise in focussing on what is really important to them inside and outside the working situation.



## **Chapter 5**

### **Re-engineering and change management**

## CHAPTER 5

# ORGANIZATIONAL RENEWAL - RE-ENGINEERING AND CHANGE MANAGEMENT

### 5.1 INTRODUCTION

Widespread disillusionment and low morale are commonly found in organizations changing their structures. Employees view these new delayed structures as cost saving exercises nullifying their careers. Very few people acknowledge the implementation of these structures as a broad strategy, and the changes are not necessarily seen as beneficial to the development or even the survival of the organization (Holbech, 1995).

Frunzi and Savini (1992, p 245) state that "*No one can escape change*". Organizations, managers, supervisors, groups and employees are often confronted by internal as well as external forces that create challenges, opportunities and problems. The environment is in a constant process of change and change is the only factor of the future one can be sure of. The handling of change, the management thereof and the acceptance of the continuous chaos accompanying change are developing into critical environmental factors to be considered.

Different internal and external factors influencing the process of organizational renewal will be discussed. These factors may include change management and re-engineering, broad banding, leadership, training philosophies, legislation and creativity. Concerning *change management and re-engineering*, it seems like the re-engineering processes were primarily responsible for delayed structures and that change management can be utilized to manage these structural changes. *Broad banding* is one of the most important systems supporting delayed structures, and therefore indispensable for the purpose of implementing career mobility within delayed structures. *Leadership* entails empowerment, and the principles of leadership can come in handy in supporting the

growth of employees within delayed structures. *A training philosophy* influences these methods followed within delayed structures in order to develop employees' skills and abilities. *Legislation* seems to grow more and more detailed, especially with regard to the employer-employee-relationship. *Creativity* is seen as an integral part of self-management and self-development and is, within the concepts of delayed structures and *Opportunity Creation*, absolutely essential.

## 5.2 RE-ENGINEERING AND CHANGE MANAGEMENT

Definitions on these subjects vary. Re-engineering/restructuring/change can be defined as follows:

Frunzi et al (1992, p 246):

*".....change is an alteration or modification of the existing environment."*

Baron et al (1989, p 588):

*"Alterations in the operations of organizations that are either planned or unplanned, and are a result of either internal or external influences."*

Veldsman (1995) supports the definition of change by Stolovitch en Keeps (1992, p 82):

*"Change is a three-step process: from the present state to the transition state to the future state."*

Moses (1994) states that renewal entails the process by which the organization makes total and effective use of its human resources.

The management of change can be described as the coaching and consulting of the target audience, as well as the facilitation and performance of the change effort (Stolovitch et al, 1992, pp 83-84).

It consequently seems that change management may be defined in short as the changing of the status quo within the organization with the aim of establishing an ideal state.

## 5.2.1 Factors contributing to change

Different writers consider different factors, but most of them believe that change could result from both internal and external factors. Nadler, Shaw and Walton (1995, p 4) state that large changes usually result from some destabilizing event that has the ability to create a meaningful disproportion in the organization.

### 5.2.1.1 Internal factors

Change, to a large extent, starts with a conscious effort to change the manner in which the organization functions, or the nature of its business. Four factors are mentioned by Baron et al (1989, pp 563-568), namely:

- i. Changes in the products or services (planned change) on the basis of customer needs;
- ii. Changes in administrative processes (planned change) in order to improve efficiency;
- iii. Changes in demography of employees (unplanned change) like the “*Baby Boomers*” and women with children; and
- iv. Performance gaps (unplanned change) as a result of real performance not complying with expected performance.

Frunzi et al (1992, p 246) regard the following internal factors to be of importance:

- ◆ Organizational policies, procedures and rules;
- ◆ Employees’ attitudes and values;
- ◆ Leadership styles;
- ◆ Managerial policies and philosophies;
- ◆ Productivity;
- ◆ Profits and costs;
- ◆ Quality of working life;

- ◆ Resources; and
- ◆ Composition of working teams.

As early as 1972, Thomas and Bennis (1972, pp 214-215) noticed that an internal, more subtle and vague reason for change relates to man's historic search for self knowledge, to serve as reason to perform and fully utilize potential and opportunities.

### **5.2.1.2 External factors**

Nadler et al (1995, pp 4-5) regard the following as external factors influencing change:

- i. A shift in the composition of the industry or the products' life cycle as a result of consumer requirements, in order to remain competitive;
- ii. Technological innovations like the computer;
- iii. Macro-economical tendencies and crises that can alter the basis of competition regarding current challenges;
- iv. Regulating and legislative changes which entail new and different approaches and strategies;
- v. Market and competitive forces, for example new competitors entering the market, the Global Market-place and the developing economical forces of third world countries; and
- vi. Growth as success in the competitive environment.

Other factors may include (Frunzi et al, 1992, p 246):

- ◆ Culture;
- ◆ Economic climate;

- ◆ World events;
- ◆ Dynamics of the population;
- ◆ Social values; and
- ◆ Legislation on taxes.

## 5.2.2 Types of changes

### 5.2.2.1 *Progressive and Discontinuous change*

Effective organizations are always implementing some form of change (structures, strategies, culture, etc.). Each step towards change is part of a process of continuous adaptation or improvement in order to solve problems and become more effective.

*Progressive change* occurs when initiatives are aimed at improving completed tasks or projects as well as the functioning of the organization. *Discontinuous change* takes place in times of instability and involves radical changes aimed at adapting to radical changes in the environment. This entails a complete change of all elements in the organization (Nadler et al, 1995, p 22).

### 5.2.2.2 *Reactive and Anticipative change*

According to Nadler et al (1995, pp23-24), reactive change occurs when an organization is forced to react immediately to environmental changes. Anticipative change, on the other hand, takes place when the organization reacts in anticipation of changes that may occur.

### 5.2.2.3 *Changes in organizational structures*

Changes to an organization's structure may be a way to address a need for change. The improvement and adaptation of rules, responsibilities and

procedures may be an effective way to manage change. This includes changes to the power structure. Span of control, departmental divisions, task awarding, procedures and policies are all aspects to be reconsidered (Baron et al, 1989, pp 570-571).

#### **5.2.2.4 Changes in Technology**

Baron et al (1989, p 571) hold the opinion that technological improvements can only lead to more effective task performance. These improvements may include new equipment or simply improved equipment.

#### **5.2.2.5 Changes in People**

Changes in people entail input from the organization with respect to their behaviour and conduct. The basic assumption is that the effectiveness of an organization is to a large extent, dependent on the people working in the organization. The extent of their motivation to achieve the organization's objectives and be paid for effective work, will be determinant to the organization's ability to change when necessary (Baron et al, 1989, p 571).

#### **5.2.2.6 Down-sizing**

Moses (1994) defines down-sizing as "*.....the process whereby organizations take surplus people out of the organization*". Guidelines for labour relations, such as to be just and fair, are applicable. This type of change should be handled with the greatest of care and should be carried out in accordance with the organization's needs and resources.

Zawacki, Norma, Zawacki and Applegate (1995) state that employees can value customers only when they themselves feel valued. Continual down-sizing will destroy morale and paralyze the organization. Employees' participation may

ensure that they feel valued and will have confidence in the organization again. This leads to employees' acceptance of the organization's mission, vision, strategic goals and tactical goals.

### 5.2.3 Paradigms

Veldsman (1995) states that the sales point of the process of change forms the core of the change management paradigm. In the traditional organization power plays a very important role. By bringing control to uncertainty, the organization actually decreases the uncertainties with which employees struggle.

Paradigm means pattern of thought, according to Sims and Lorenzi (1992, p 11). Renesch (1995, p 25) believes that a paradigm constructs a pattern, example or model which is meaningful within a society, but more specifically within the business environment.

A paradigm shift is therefore a break with tradition, old habits and old paradigms (Covey, 1992, p 29).

#### 5.2.3.1 *Elements of paradigms*

According to Renesch (1995, pp 197-198), the following key elements are identifiable:

- i. Symbolic generalizations which trigger a fixed set of relationships and consequences in the mind;
- ii. A set of beliefs regarding specific reality models (preferred or permissible);
- iii. A set of fundamental values; and
- iv. A set of confusing solutions or models (binding ways to think or do).

### 5.2.3.2 *Shifting paradigms and perceptions*

Each person has different “roadmaps” in his/her head that may be divided into two categories, namely that of how things really are (reality) and that of how things ought to be (values). All observations are interpreted according to these and Covey (1992, p 24) states that the accuracy thereof is seldom doubted since these “maps” are accepted without question.

Covey (1992, pp 28-29) holds the opinion that conditioning has a powerful effect on perceptions and paradigms. These paradigms form the core of the attitudes and behavioural patterns influencing human interaction. A paradigm shift may create a feeling of “Aha!” seeing that aspects are viewed in a different way. This action of changing or breaching traditions and old ways of thinking and doing, suggest a paradigm shift. It is clear that paradigms have a powerful role to play in people’s lives, but the shifting of such paradigms may also entail a powerful deed.

Koopman, Nasser and Nel (1987, pp 100-103) indicate that productivity is one of the eight success factors in any organization and a positive attitude towards the organization and its objectives lies behind the best efforts. Productivity can be damaged by perceptions of a lack of ownership and commitment, which can lead to decreases in quality and productivity. The authors suggest that organizations should try to involve employees in the functionality of the organizations. Participation down to the lowest level is not just an altruistic or idealistic idea, but also an acknowledgement that this is the only way to change an organization.

### 5.2.4 Phases in the process of change

Change can be seen as a three-step process (Stolovich et al, 1992, p 82):

- i. From the current status;
- ii. Via the transformation;
- iii. Towards a future state.

Stolovich op cit (p 225) believe that effective change requires effective sponsors. These sponsors (normally the Managing Director of the organization) provide the reasons as well as the resources needed for the process of change. The phases are said to be the following:

*Step 1: Awareness*

Information is gathered and come to terms with, if a clear need for change is shown.

*Step 2: Insight*

Insight concerning which changes are necessary, as well as how the process of change is going to take place, is acquired.

*Step 3: Acceptance*

All agree that change is needed not only at a personal level but also organization-wide.

*Step 4: Commitment*

Employees begin to participate in the process and actively support it.

*Step 5: Design*

The changes that will make the organization more effective are designed.

*Step 6: Implementation*

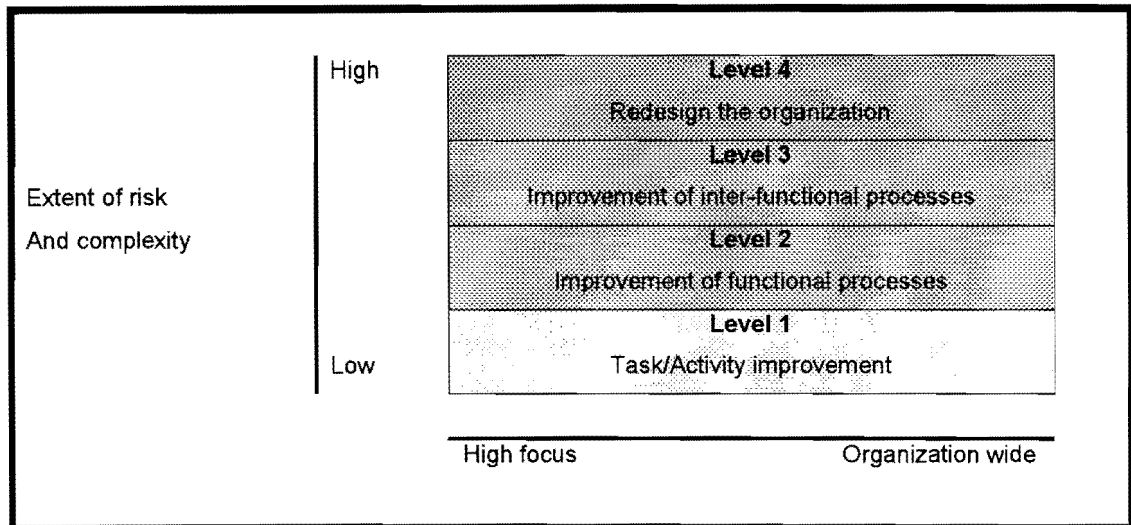
Changes are implemented and all problems that occur are solved.

*Step 7: Internationalization and Adoption*

Changes are seen as a way of life and not as something new.

According to Marchard (1995) it is necessary to differentiate between four levels of change, as explained in Figure 5.1.

Figure 5.1: The extent and complexity of change.



(Source: Marchard, 1995)

The *first level* emphasizes the improvement of specific tasks and is probably the oldest form of process redesign. The *second level* involving re-engineering focuses on the redesign of the business processes of a whole department. The *third level* entails the redesign of inter-functional processes. Organizations attempt to delayer their structures in order to redesign functional responsibility and to switch from a departmental culture to a process-focused culture. The *fourth level* implicates the redesign of the organization and its activities. New products or services must be implemented, the corporate culture must change and customer relationships must be redefined.

## 5.2.5 Models regarding change

### 5.2.5.1 Model B

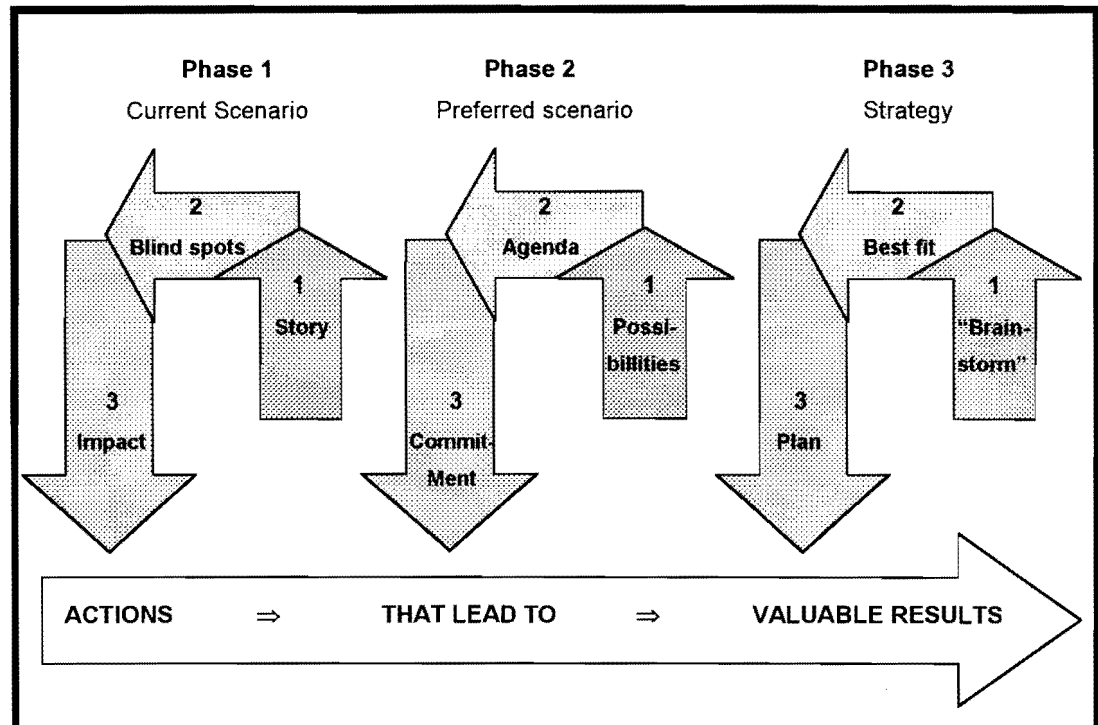
Model B entails three phases, which is supported by a prerequisite for action from the start by means of objective-orientated behaviour (Egan, 1993, pp 137-140):

During *phase one* the current scenario is assessed by means of questions concerning current circumstances, current problems and challenges and opportunities to be exploited. *Phase two* involves creating a preferred scenario

comprising the expected set of results. Action strategies are developed during *phase three*, in order to move from the current to the future or preferred state.

Figure 5.2 entails a schematic proposal of the phases and steps that form part of Model B. It is important to remember that result-driven actions should form part of the process of change from day one right up to the end.

**Figure 5.2: The phases of Model B.**



(Source: Egan, 1993, p 163)

Change also has a negative side, which essentially involves five categories, namely (Egan, 1993, pp 140-146):

- i. Organizational disorder, which should be assessed in order to ensure that it has relevancy to the change taking place;
- ii. The peculiarity of individuals, that leads to different reactions towards change – from sabotage to collaboration;

- iii. The organization's social system, which may be affected by change in such a manner that established relationships and production efficiency are overturned;
- iv. Organization politics, that could also be influenced seeing that change (including changes in power structures, new ideas and reallocation of resources) can be turned into a political game; and
- v. Organizational culture, that may be opposed to or supported by change.

#### **5.2.5.2 Organizational development**

Organizational development techniques may be utilized for the implementation of change. All the important techniques attempt to produce a type of change – in employees, work groups and/or the whole organization. Baron *et al* (1989, pp 576-584) describe six techniques, namely survey feedback, sensitivity training, team building, network training, programs on quality of work life, and management by objectives.

*i. Survey feedback*

In order to bring about effective organizational changes, employees need to have insight into the strengths and weaknesses of the organization. Information should therefore be shared.

*ii. Sensitivity training*

Sensitivity training is a method where using face-to-face groups in order to allow individuals to gain self-insight by means of interactive experiences.

*iii. Team building*

Team members analyze their work methods and teamwork and plan on improving this. An improvement in the effectiveness of work teams has a direct impact on the success of the organization, seeing that these teams

form the cornerstone of the organization. Change should therefore be aimed at teams rather than individuals.

iv. *Network training*

The objective of network training is the long-term improvement of the effectiveness of the organization and its management. Improvement in both task and people orientations are proposed by means of a network grid, which can be used to assess current managerial orientation as well as to rectify it by means of training.

v. *Programs on quality of work life*

These programs concern the humanization of the workplace. Circumstances should be such that they promote employees' motivation, satisfaction and commitment. Programs should be aimed at changing just this. Participation by employees regarding decisions concerning their jobs is recommended. These programs could include actions such as job enrichment, job enlargement and quality circles.

vi. *Management by objectives*

It is essential to the success of the organization that every employee has specific, clear, spelt-out objectives. To ensure achievement of the set objectives action plans ought to be drawn up. Turner (1995) supports this when he says: "*You need specific quantitative goals for performance improvement. You need assigned accountability for achieving those goals. You need a clearly scoped out set of implementation projects with milestones and responsibilities. You need regular meetings at which people explain to senior management how they have progressed against plans and targets.*"

### **5.2.5.3 The Greiner model**

This model predicts organizational changes and consists of five phases (representative of the different types of changes). Frunzi et al (1992, pp 251-253) explain them as follows:

#### *Phase 1: Growth through creativity*

Every organization has a starting point where intense creative growth took place under the leadership of the founder. Leadership is therefore very important.

#### *Phase 2: Growth through direction*

This entails formal structures involving policies, procedures, rules and regulations.

#### *Phase 3: Growth through delegation*

In order to discourage autonomy, power can be delegated and decentralized.

#### *Phase 4: Growth through coordination*

The re-establishment of policies, procedures, rules and regulations takes place to maintain order.

#### *Phase 5: Growth through cooperation*

A more flexible structure is needed, especially one aimed at teamwork, interaction and cooperation.

It is important to notice that one phase may address problems arising from the previous phase.

#### 5.2.5.4 Quality programs

Mastenbroek (1993) states that the improvement of quality work is aimed at achieving better results and a higher quality in interpersonal relationships. The essence of quality programs lies in Top management's establishing a clear strategy and maintaining progress. A three-step plan may be utilized:

##### *Step 1: Formulating strategy*

A basic document containing the vision and mission of the organization should be made available to every employee and serve as a point of discussion at meetings. The concept of quality forms the core value or critical success factor. Employees should accept these values in order to be more involved in the process.

##### *Step 2: Action plans*

Mastenbroek (1993) holds the opinion that *"it cannot be emphasized strongly enough that line managers should take responsibility for the further elaboration of the general outline, which means that they develop plans of action for ways in which they intend to improve quality and strengthen a customer orientation"*. Important aspects include:

- ◆ Visibility of a positive orientation towards quality and customers;
- ◆ Removal of obstacles in the way of a positive orientation towards quality and customers; and
- ◆ The quality of communication.

##### *Step 3: Implementation and improvement*

Implementation alone is not adequate and improvement over time is essential to success. A few rules are applicable:

- ◆ Responsibility for failures and successes must be accepted without blaming anyone else for the failures;
- ◆ Set values must be implemented;
- ◆ Professional behaviour and experience is needed to gain insight into customer needs; and
- ◆ The quality of communication is determinant to acceptance and trust.

#### **5.2.5.5 Project management**

Normally line and staff functions are combined in order to solve certain problems within the organization. It is therefore important to group inter-functional employees together in one project team. Turner (1995) summarizes the selection of team members as follows: *"In selecting your team leaders and members, seek excellent strength of character, diversity of perspectives and throw in somebody who is a little crazy to help with the visioning"*.

#### **5.2.5.6 Technological carting**

Stolovitch et al (1992, pp 667-668) describe this as a principle according to which managers meet individually and with their teams in order to draw up a five year plan for their business unit. These plans make it possible to identify the technology needed to implement the action plans. On the basis of these technological plans the manufacturing processes can be identified, as well as expectations of human performance.

#### **5.2.6 Reasons why re-engineering fails**

The following is a list of the most common errors that cause organizations to fail at re-engineering. Avoiding them could help organizations get it right (Hammer and Champy, 1994, pp 201-213). These errors include:

- ◆ Try to fix a process instead of changing it;
- ◆ Don't focus on business processes;
- ◆ Ignore everything except process redesign;
- ◆ Neglect people's values and beliefs;
- ◆ Be willing to settle for minor results;
- ◆ Quit too early;
- ◆ Place prior constraints on the definition of the problem and the scope of the reengineering effort;

- ◆ Allow existing corporate cultures and management attitudes to prevent reengineering from getting started;
- ◆ Try to make re-engineering happen from the bottom up;
- ◆ Assign someone who doesn't understand re-engineering to lead the effort;
- ◆ Skimp on the resources devoted to re-engineering;
- ◆ Bury re-engineering in the middle of the corporate agenda;
- ◆ Dissipate energy across a great many re-engineering projects;
- ◆ Attempt to re-engineer when the CEO is two years from retirement;
- ◆ Fail to distinguish re-engineering from other business improvement programs;
- ◆ Concentrate exclusively on design;
- ◆ Try to make re-engineering happen without making anybody unhappy;
- ◆ Retreat when people resist changes related to re-engineering; and
- ◆ Drag the effort out.

### **5.2.7 Resistance to change**

Resistance originates when people are informed of a change before acceptance has a chance to set in. This action may lead to either positive or negative perceptions amongst employees. The latter creates a resistance that systematically moves from immobilization through denial, anger, negotiations and depression, to eventual acceptance (Stolovitch *et al*, 1992, pp 82-83).

#### **5.2.7.1 Factors of resistance**

Different factors may lead to resistance on the part of both the individual and the organization. Baron *et al* (1989, p 574) and Frunzi *et al* (1992, pp 253-255) describe the following individual factors:

- i. Economic insecurity regarding the employees' life existence with a secure job;
- ii. Fear of the unknown when moving from a current well-known environment;

- iii. Threat to social relationships, as strong long-term relationship might be ended or altered as a result of the change process;
- iv. Habits creating security are taken away and new things have to be learned;
- v. Failure to recognize the need for change can influence and strengthen perceptions;
- vi. Inconvenience may step in as new things have to be learned;
- vii. Fear of a loss of work security, since change is seen as a threat;
- viii. Selective perceptions, meaning that people only see and hear what they want to;
- ix. Resentfulness about the manner in which the change was announced; and
- x. Fear of failure.

Various factors inherently part of the organization can also contribute to resistance and can be summarized as follows (Baron et al, 1989, pp 574-575):

- i. Structural indolence directing the performance of employees, according to which they are expected to perform in a certain manner;
- ii. Work group indolence resulting from changes disrupting the established normative expectations;
- iii. Threats to existing power balances as the changes may overwrite the current power structure; and
- iv. Failure of previous attempts at change.

### **5.2.7.2 Methods to overcome resistance**

It is important to remember that not everyone shares the enthusiasm for a new idea. Charney (1994, p 33) suggests that managers could take the following actions to reduce resistance:

- i. Management ought to show their commitment in meaningful ways;
- ii. Commitment of employees and reasons for resistance must be investigated;
- iii. Problems resulting from this should be addressed as soon as possible;
- iv. Support and encouragement (even when mistakes are made) must be a continuous effort;
- v. As much relevant information as possible should be made available;
- vi. Involve employees with identifying methods to demonstrate commitment;
- vii. Negotiate specific, measurable and realistic objectives that can be used to assess employees' commitment; and
- viii. Support the processes they undergo to eventually accept and commit.

### **5.2.8 Managing change**

Seeing that any organization is a combination of individual inputs, each and everyone has a role in achieving organizational objectives and promoting a healthy organizational climate. Managers and supervisors cannot effectively handle changes on their own. Employees in a healthy environment are more committed to:

- ◆ Organizational objectives and improvement;
- ◆ Expect access to information; and
- ◆ Share their ideas and proposals in a free manner.

If managers are able to create a positive organizational climate, it will help the organization in a way that can only lead to continuous organizational success (Frunzi *et al*, 1992, p 249).

*“The real challenge for management is how to make it happen: how to start, how to sustain the effort; how to keep it on track, and how to build momentum”* (Stolovitch *et al*, 1992, p 229).

Change represents a vehicle for continuous improvement and should be seen as an opportunity rather than a threat. The management and implementation of change are skills important to leaders in any organization.

### 5.2.9 Employees’ participation in the process of change

As soon as group participation is encouraged it may lead to feelings of teamwork, responsibility and commitment. The biggest benefit is lower resistance and therefore a healthy climate can be created by means of knowledge and insight (Frunzi *et al*, 1992, p 256). The following benefits and disadvantages can be mentioned, as set out in Table 5.1:

**Table 5.1: Benefits and disadvantages for employee participation.**

Benefits	Disadvantages
<ul style="list-style-type: none"> <li>◆ Participation increases commitment;</li> <li>◆ Where resistance is visible, obstacles can be removed;</li> <li>◆ Employees can identify problem areas as well as solutions themselves;</li> <li>◆ Employees are in close contact with the problems brought about by change;</li> <li>◆ Involvement leads to an "us"-attitude amongst employees; and</li> <li>◆ Participation enhances the acceptance of changes.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Participation takes time;</li> <li>◆ Participation leads to differences and more conflict;</li> <li>◆ Participation creates the possibility that shortsighted inputs may be implemented;</li> <li>◆ Employees don't have the whole picture;</li> <li>◆ It is managers' and supervisors' responsibility to make change happen; and</li> <li>◆ Participation by employees restrains quick reaction to environmental changes and insecurities.</li> </ul>

(Source: Frunzi *et al*, 1992, p 260)

### 5.2.10 Success factors pertaining to change

A few factors may be associated with successful change, namely (Turner, 1995):

- i. Proof of heights achieved, regarding, for example, service and production time;
- ii. Undertaking of only a few re-engineering projects at a time;
- iii. Speedy implementation of projects;
- iv. Learning from previous experiences regarding re-engineering; and
- v. Not implementing totally new technologies.

### 5.2.11 Implementation of change

The core of this study has to do with ensuring the effective and successful implementation of change regarding career planning within delayed structures, namely *Opportunity Creation*. Taking into account all the above-mentioned aspects regarding change, there are a few aspects specifically regarding the implementation of the change process, which should be highlighted.

All too often it happens that change efforts are unsuccessful. There could be several reasons for this, but according to Schneider, Brief and Guzzo (1996) it could be related to one specific reason: that changes introduced failed to alter the fundamental psychology or "feel" of the organization. It is this "feel" that directs and motivates employee efforts. Without changing the psychology, there can be no sustained change. Aspects such as changes in hierarchy, technology and communication networks are effective only to the degree that these structural changes are associated with changes in the psychology of employees.

The concept of Total Organizational Change (TOC) is aimed at not only introducing but also sustaining change, and these organizational change efforts may be best

understood by means of the climate and culture lenses. This effects the psychology of every person in an organization by simultaneously effecting multiple policies, practices, procedures, rewards and other features of multiple functions, units and the levels of an organization. In order to implement TOC, ways to create the kind of climate and culture required for sustained change should be considered (Schneider et al, 1996):

i. Ensure that the organization is prepared to handle a major organizational change. The following questions must be asked:

- ◆ Is employee morale high?
- ◆ Does management have a track record of successfully implementing major changes?
- ◆ Is management known for confronting tough decisions and sticking to difficult courses of actions?

If the answers are negative, then re-think moving ahead with a proposed TOC, and direct efforts at getting one's "organizational house" in order.

ii. Be aware that proposed TOC's incongruent with existing organizational climate and culture require tremendous amounts of time and effort. Analyze the proposed change in terms of the four dimensions of climate:

- ◆ The nature of relationships;
- ◆ The nature of hierarchy;
- ◆ The nature of work; and
- ◆ The focus of support and rewards.

Try to understand, in advance, the effort required in order to change each of these four dimensions of climate. If the customer is the ultimate focus, ensure that all levels of functions have identified who their customers are, and that they understand their links to the end-user customer.

iii. Plan the TOC in as much detail as possible. Communicate that plan widely, and put the action to the word. Begin by specifying, in writing, the goals of the change. Follow up the goals with written systems and procedures for implementation. Follow the written procedures by support systems and

rewards that implement the goals. Remember that implementing only technical or only social systems will produce incomplete results.

- iv. Pay particularly close attention to the organization's reward systems, in order to ensure that employees are focusing their energies and competencies on implementing and sustaining the change. Determine which specific behaviours need to be rewarded. Plan to link monetary and non-monetary rewards to the specified behaviours.
- v. Recognize that, if the change is to be sustained, resources for maintenance as well as implementation must be allocated. It is also necessary to regard the cost of periodically training personnel in order to reinforce the change as an essential budget item.
- vi. Monitor the effectiveness of the TOC. Recognize adjustments that may have to be made as the process takes its course. Do not assume that the process of change could not be abandoned at some stage.

These techniques work because they convey strong messages to employees, both about how the organization will change the way it functions and about the new focus of the organization. Top management is responsible for culture and climate and thus for the degree to which the TOC is implemented and sustained (Schneider *et al.*, 1996). Their commitment to the changes is therefore essential.

There is, however, no magic formula for changing traditional organizations to high-performance ones. According to Lawler (1997) there are some general guidelines that can increase the prospect of success:

- ◆ Find and ensure compelling business reasons for change;
- ◆ Leaders must guide the change;
- ◆ Take a long-term view of the process of change;
- ◆ Create a climate of continuous change;
- ◆ Avoid fads;
- ◆ Focus on the way change is headed and the points it covers;
- ◆ Don't wait for heroes;

- ◆ Avoid corporate anorexia due to excessive down-sizing;
- ◆ Replace down-sizing with a growth strategy; and
- ◆ Delay, don't down-size.

## 5.3 BROAD BANDING

### 5.3.1 Definition

According to Kruger (1997, p 10), broad banding can be defined as the process of decreasing job grades and simultaneously broadening salary bands in order to create a delayed structure with greater flexibility and dynamics.

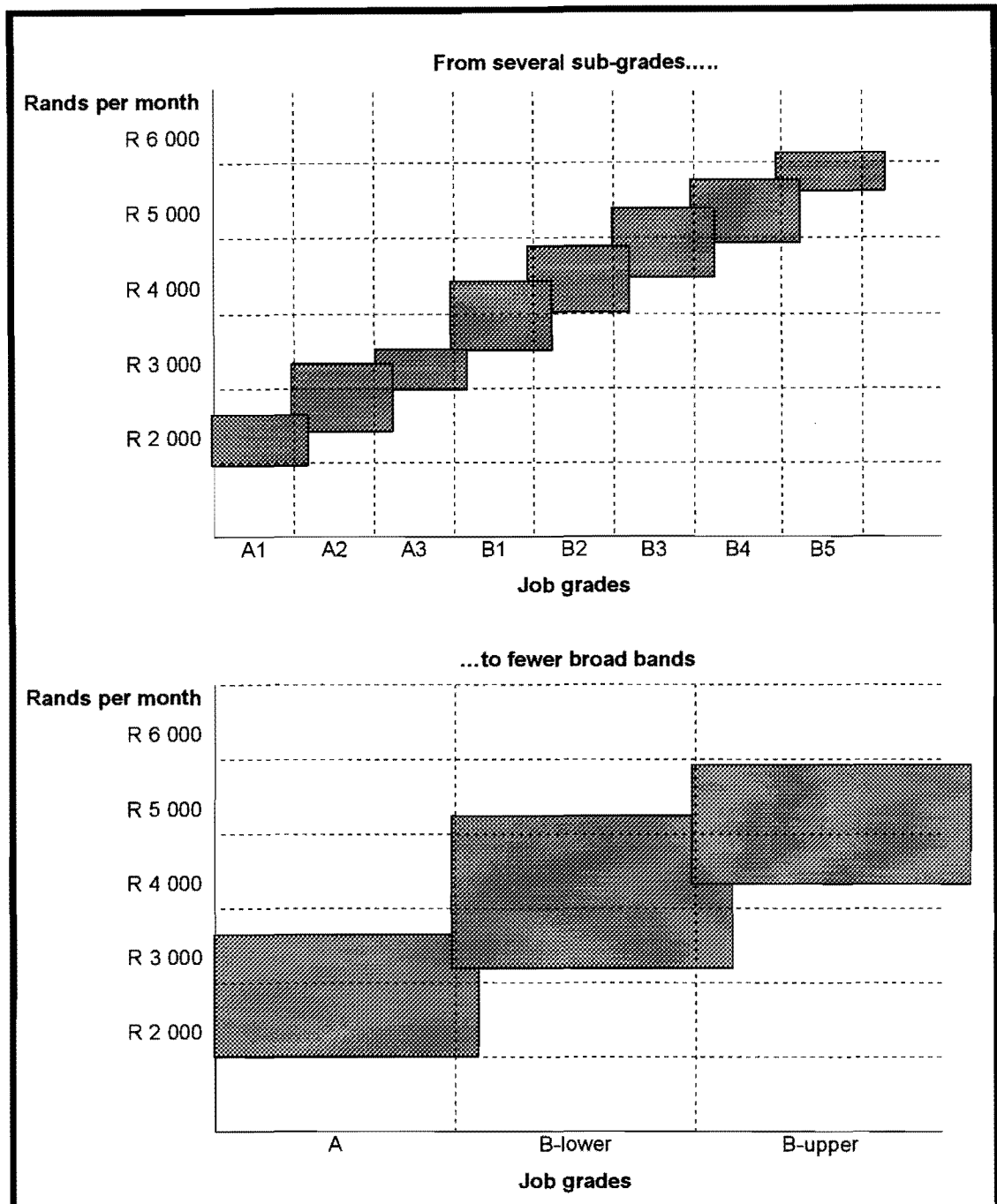
Bussin (1995) states that, during the process of broad banding, hierarchies are exfoliated and individuals functioning on the same level are encouraged to work as a team. Payment is based on acquired skills, individual value and performance, and not on an artificial differentiation between jobs. Graphically, broad banding can be depicted as set out in Figure 5.3.

### 5.3.2 Reasons for broad banding

Kruger (1997, p 76) states that the main reason for implementing broad banding is the need to create the necessary flexibility in work practices and pay systems (especially the administration thereof). If the reasons which Bussin (1997) provides are combined with those maintained by Kruger (1997, pp 76-77), they may be summarized as follows:

- ◆ Multi-skilling, where sub-grades lose meaning;
- ◆ Work (re)design and team work;
- ◆ The need to have a flexible pay system;
- ◆ Aligning with customer expectations of empowered "front line" employees;
- ◆ Union demands;
- ◆ The need for higher quality;

**Figure 5.3: The concept of broad banding.**



(Source: Bussin, 1997)

- ◆ Supporting organizational change;
- ◆ Increasing competitiveness;
- ◆ A decrease in administrative time spent on job evaluation systems;
- ◆ Encouragement of employees to change from vertical career progress to horizontal career development;
- ◆ Greater flexibility for the organization as a whole;
- ◆ Supporting organizational culture; and
- ◆ Promoting delayed structures.

### 5.3.3 Implementing broad banding

According to Bussin (1995 and 1997), there is no “best way” of implementing broad banding. However, the following steps seem useful when embarking on the process:

#### *Step 1: Form a steering committee*

Try to make the committee as inclusive as possible. The members should have decision-making powers and very little reason to embark on extensive mandating.

#### *Step 2: Develop a business case*

Build a case that supports the “bottom line” and have answers to the question “Why?”.

#### *Step 3: Robust job (re)design*

Restructure work along re-engineering principles and flow of work processes. Get buy-in from employees.

#### *Step 4: Develop skills matrices/competency standards*

These should be developed to dovetail with and underpin new jobs. Standards are crucial and often form the backbone of this step.

*Step 5: Skills audit*

Carry out a comprehensive skills audit regarding current employees, and identify gaps. This will assist with the development of training needs and writing the rules as to who goes first.

*Step 6: Pay/Grades*

Develop pay/grade solutions for the new structures and decide on the extent of broad banding that is required. Choose the best pay system to reward the acquisition of skills.

*Step 7: Calculate actual cost implications*

Close the loop back to step two, the business case, as this is the point where the steering committee has to decide whether or not to go ahead with broad banding.

*Step 8: Develop policy guidelines*

This step encompasses the “rules of the game” that typically determine eligibility regarding issues such as who gets trained first, transfers and new equipment.

*Step 9: Develop training manuals*

Multi-skilling and flexible work practices place tremendous pressure on the Human Resources development department. Be proactive in order to handle the demand.

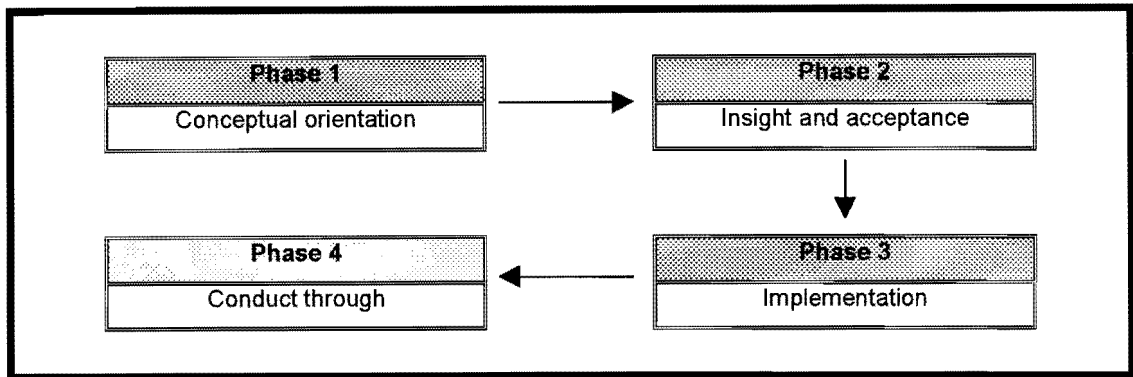
*Step 10: Monitor effectiveness and track*

Track several performance measures (e.g. labour, financial, production) from where they are now to where you want them to be as a result of the transformation

Throughout all these steps, communication is vital.

Kruger (1997, p 139) suggests an implementation process, as set out in Figure 5.4.

**Figure 5.4: An implementation model for broad banding.**



(Source: Kruger, 1997, p 139)

## 5.4 LEADERSHIP

As explained in the discussion on Change management, leadership - especially transformational leadership - forms a vital part of any successful implementation of change. Within the delayered structure the formal management structures no longer exist, and this makes it even more essential to have leaders instead of managers in the organization.

### 5.4.1 Definition

There are various definitions of leadership:

Transforming leadership involves vision, planning, communication and creative action focused on a set of clear values and beliefs. This type of leadership has a positive unifying effect on a group of people striving towards a clear set of measurable goals. The transforming approach simultaneously impacts on the personal development and corporate productivity of all involved (Anderson, 1992, p 37).

Leadership is an interpersonal process by which a leader guides the activities of individuals or groups by means of communication, bringing about an objective pursuance of the set goals within a certain situation (Gerber *et al*, 1988, p 287).

According to Charlton (1993, pp xxii-xxiii), leadership concerns attitude and behaviour that empower people to go the extra mile towards creating an environment where they are willing, able and allowed to fully live their potential.

#### 5.4.2 Leadership vs. Management

The leadership approach is built on a solid basis of history and reason supposed to be objective and value free (Bergquist, 1993, p 107). The terms “leader” and “manager” are miscible within modern leadership theories. The emphasis falls on the development of policies and procedures that enable people to exercise power in a suitable and effective way. According to new theories, power ought to be based on the availability of applicable skills and attitudes instead of ownership of the organization or the holding of a formal position. Table 5.2 explains the difference between a leader and a manager.

**Table 5.2: Leadership vs. Management.**

Category	Management	Leadership
Change	<ul style="list-style-type: none"> <li>◆ Peace makers – maintain things, led by things that are necessary and desirable</li> <li>◆ Administer</li> </ul>	<ul style="list-style-type: none"> <li>◆ Pace-maker – create future, foster change</li> <li>◆ Change manner in which people think about things that are desirable, possible and needed</li> <li>◆ Innovation, development</li> </ul>
People	<ul style="list-style-type: none"> <li>◆ Rely on systems</li> </ul>	<ul style="list-style-type: none"> <li>◆ Rely on people</li> </ul>
Attention	<ul style="list-style-type: none"> <li>◆ Do things right</li> </ul>	<ul style="list-style-type: none"> <li>◆ Do the right things</li> </ul>
Planning	<ul style="list-style-type: none"> <li>◆ Think about today</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strategic – day after tomorrow</li> </ul>
Thoughts	<ul style="list-style-type: none"> <li>◆ Focus on the present</li> <li>◆ Focus on getting things done</li> <li>◆ Events (reactive)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Vision of the future – strategies to get there</li> <li>◆ Systems thinking (generative)</li> </ul>
Change	<ul style="list-style-type: none"> <li>◆ Retrogression, first order change</li> </ul>	<ul style="list-style-type: none"> <li>◆ Fundamental, second order change</li> </ul>

**Table 5.2: (continued)**

Category	Management	Leadership
Role	<ul style="list-style-type: none"> <li>◆ Brought about, implementation</li> <li>◆ "You serve me"</li> </ul>	<ul style="list-style-type: none"> <li>◆ Influence, guidance, insight into reality</li> <li>◆ "I serve you/others"</li> </ul>
Attitude toward objectives	<ul style="list-style-type: none"> <li>◆ Impersonal, passive attitude</li> <li>◆ Objectives born from a need</li> <li>◆ Reactive to changes</li> <li>◆ External locus of control</li> <li>◆ Expectations ("You owe me")</li> </ul>	<ul style="list-style-type: none"> <li>◆ Active approach to objectives</li> <li>◆ Influence organization</li> <li>◆ Internal locus of control</li> <li>◆ Acting out personal choice and responsibility for change</li> <li>◆ Aspirations ("I can create")</li> </ul>
Meaning	<ul style="list-style-type: none"> <li>◆ React to meaning</li> </ul>	<ul style="list-style-type: none"> <li>◆ High level of personal meaning</li> <li>◆ Manage and create meaning</li> </ul>
Work	<ul style="list-style-type: none"> <li>◆ Rely on planning and budget</li> <li>◆ Survival instinct dominates need for risks</li> </ul>	<ul style="list-style-type: none"> <li>◆ Prepared to trust others, excitement, risk</li> <li>◆ Trust key person's judgment</li> <li>◆ Focus on meaning as basis of motivation</li> </ul>
Interpersonal	<ul style="list-style-type: none"> <li>◆ Low level of emotional involvement</li> <li>◆ Task orientated</li> <li>◆ Blame others</li> </ul>	<ul style="list-style-type: none"> <li>◆ Ability to show/have empathy – send and receive messages</li> <li>◆ Creators of trust</li> <li>◆ Accept responsibility</li> <li>◆ Humanity in organizations</li> </ul>
Self insight	<ul style="list-style-type: none"> <li>◆ See self as conservative regulator of existing orders with which can be identified</li> </ul>	<ul style="list-style-type: none"> <li>◆ Self insight is independent on membership, working roles or social identity factors</li> <li>◆ Seek opportunities for change</li> </ul>
Motivation	<ul style="list-style-type: none"> <li>◆ Threat – "Big sticks"</li> <li>◆ Rewards – "Carrots"</li> </ul>	<ul style="list-style-type: none"> <li>◆ Intrinsic motivation</li> <li>◆ Create objective and hope</li> </ul>
Power	<ul style="list-style-type: none"> <li>◆ Win/Lose orientation</li> <li>◆ Depend on control</li> </ul>	<ul style="list-style-type: none"> <li>◆ Expandable "pie" orientation</li> <li>◆ Give power to gain power</li> <li>◆ Depend on trust</li> </ul>

(Source: Charlton, 1993, pp 25-27)

It is necessary to note that leaders ought to think and act in a humane way – a vital component of any change process because of its direct impact on the employees of the organization. The impact can be linked to aspects such as job grade, reward systems, delayed structures with its implications on career planning, etc.

Leaders create the future, and organizational survival depends on their ability to optimize and empower the available human resources (Charlton, 1993, pp 8-9).

### 5.4.3 The leadership environment

The leadership environment, according to Bennis and Nanus (1985, pp 6-12), can be divided into three categories, namely commitment/ownership, complexity and credibility.

a) *Commitment/ownership*

Leaders must be able to instill vision, a feeling of meaningfulness and trust in their followers. Leadership remains the key factor regarding the promotion of human resources, irrespective of the type of organization.

b) *Complexity*

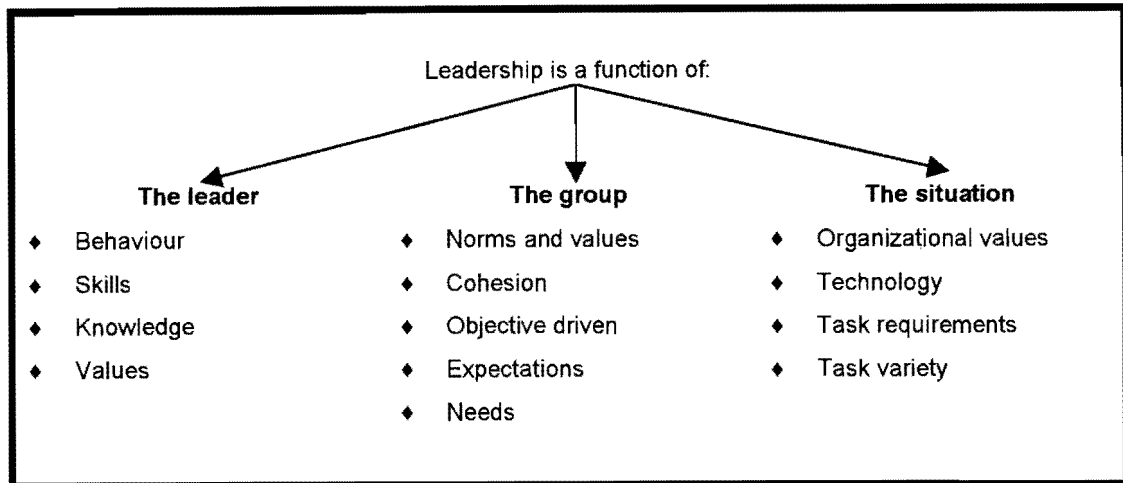
The make-up of the organizational environment is currently quite complex, filled with confusion, ambiguity, ironies, paradoxes and contrasts. Linear information and thoughts, combined with leisurely strategies, will not resist the turbulence of the current business climate.

c) *Credibility*

Credibility is seen as very important and leaders are under scrutiny as never before. Attention to welfare, social services, health, education and the environment implies consulting groups, government regulations, organized consumer groups and unions. Everyone questions power and people in power have to act carefully.

Leadership is a process influenced by three variables – the leader, the follower and the situation. The interaction between these (as set out in Figure 5.5) determines the type of leadership exercised in a specific situation. Gerber *et al* (1988, p 307) explains leadership as a function of these three elements.

**Figure 5.5: The variables influencing leadership.**



(Source: Gerber *et al*, 1988, p 307)

#### 5.4.4 Leadership and change

A leader tries to manage and facilitate change rather than see it as a threat to the *status quo*. The external environment changes so quickly that managers are always trying to keep up and lead employees to accept change and integrate it into their lives (Sims *et al*, 1992, p 300).

Sometimes, change is forced on employees because leaders are not satisfied with the *status quo* and develop an internal drive and initiative to move on. Johnson (1993, pp 221-227) regards the following aspects as important to leadership and change:

- ◆ Leaders should be aware of the boundaries of their power and responsibilities;
- ◆ Leaders should realize that change may take place in four instances, namely when starting a new job, after receiving training regarding new capabilities/skills, while coming to terms with new technology and when external forces impact on the organization;
- ◆ Suggestions regarding change may come from quality groups, individuals or performance teams, but the decision to change is the leader's;
- ◆ The leader should be prepared to address the benefits, problem areas, required resources, extraordinary needs and training needs;

- ◆ Leaders ought to implement the changes as if they agree on and support the actions;
- ◆ Leaders involve followers in decision-making, in order to cultivate enthusiasm and commitment;
- ◆ Leaders must possess confidence and the courage to make decisions and implement changes;
- ◆ The leader should continuously work on creating rapport throughout the power hierarchy;
- ◆ Leaders continuously show a positive attitude and enthusiasm;
- ◆ Leaders are doers with a high level of commitment and bondage;
- ◆ Leaders are empathic towards the needs of their teams;
- ◆ Leaders cannot allow anything to stand in their way regarding the performance improvement efforts of their teams;
- ◆ Leaders see hurdles as opportunities; and
- ◆ Leaders get consensus from employees regarding objectives and change.

#### **5.4.5 Characteristics of leaders**

Charney (1994, p 90) enhances the following characteristics of an effective leader:

- ◆ Possesses vision that he/she can communicate clearly;
- ◆ Is consistent regarding values and principles;
- ◆ Expects others to do things he/she is able and willing to do him/herself;
- ◆ Is not threatened by the competency of others;
- ◆ Enjoys helping others to develop into leaders;
- ◆ Does not betray trust;
- ◆ Is bent on action;
- ◆ Informs people of their progress and performance;
- ◆ Is flexible and adaptable;
- ◆ Is human;
- ◆ Likes challenges;
- ◆ Focuses on the future and is open to new ideas; and
- ◆ Handles people as individuals.

Sims et al (1992, p 296), Koopman et al (1987, pp 145-146) and Pegg (1994, p 2) contribute to the list:

- ◆ Charisma;
- ◆ Care;
- ◆ Commitment;
- ◆ Consistency;
- ◆ Communication;
- ◆ Skills;
- ◆ “just a little bit crazy”;
- ◆ Customer and employee orientated;
- ◆ Internal focus of control;
- ◆ Pro-active;
- ◆ Role modeling;
- ◆ Positive; and
- ◆ An orientation towards self-management.

#### 5.4.6 Key aspects of leadership

Charlton (1993) regards the following aspects to be of great importance to effective leadership:

- ◆ Attention through vision;
- ◆ Meaning through communication;
- ◆ Trust;
- ◆ Self-management and discovery; and
- ◆ Empowerment.

#### 5.4.6.1 *Attention through vision*

Vision is defined as follows:

*"Vision is a broad qualitative statement of what the organization will be like in the future.....an image of a future state that is realistic and compelling and better than the present state."* (Nadler et al, 1995, p 73, p 194)

*"Vision is simply a picture, target or goal of the future that is realistic, credible and consequently better than the present."* (Charlton, 1993, p 47)

Members of Top management ought to create a vision involving the whole organization, which entails long term decision making regarding the niche market of the organization. Organizational and business strategies originate from this general vision. Lower levels of management focus on the interpretation of the vision by the employees (Sims et al, 1992, pp 298-299).

Charlton (1993, pp 49-51) states that a positive vision of the future is one of the most important motivators to stir people into action. The prospect of an attractive future motivates people and enables them to find their own place within the organization. It also focuses employees in the general direction the organization is taking and brings their energies in line with the organization's ultimate goal. In order to achieve this, however, a vision should be communicated widely and in full.

The vision should be described in terms of reachable objectives and supported by the necessary action steps. Responsibility areas must be assigned in accordance with the objectives for departments and teams, as well as personal objectives. Ownership and commitment is important when striving to achieve these objectives (Pegg, 1994, p 129).

#### 5.4.6.2 *Meaning through communication*

There are four components of communication that should be understood and carried into effect, namely transmitting and receiving, translating and following up with regard to the applicable/discussed action. Johnson (1993, p 290) states that unorganized communication and hasty instructions create an illusion of meeting targets. Confusion is obstructive to performance and instructions ought to be clear and simple, furthermore, insight should be tested.

A leader ought to be capable of communicating clearly in order to motivate team members to achieve the goal set by/for the team. The clarity of a shared vision is a critical, fundamental corner stone of the success of groups and organizations. When a vision is made visible by means of posters, newsletters and slogans, it may contribute to establishing the vision amongst employees. In order to create meaning, the following may be done:

- i. Involve all employees in clarifying or even creating the goal or vision statement;
- ii. Ask employees to share their reservations and enthusiasm and so test for clarity; and
- iii. Ask for visible and verbal commitment in front of other employees.

To believe in a dream is not enough and according to Walt Disney:

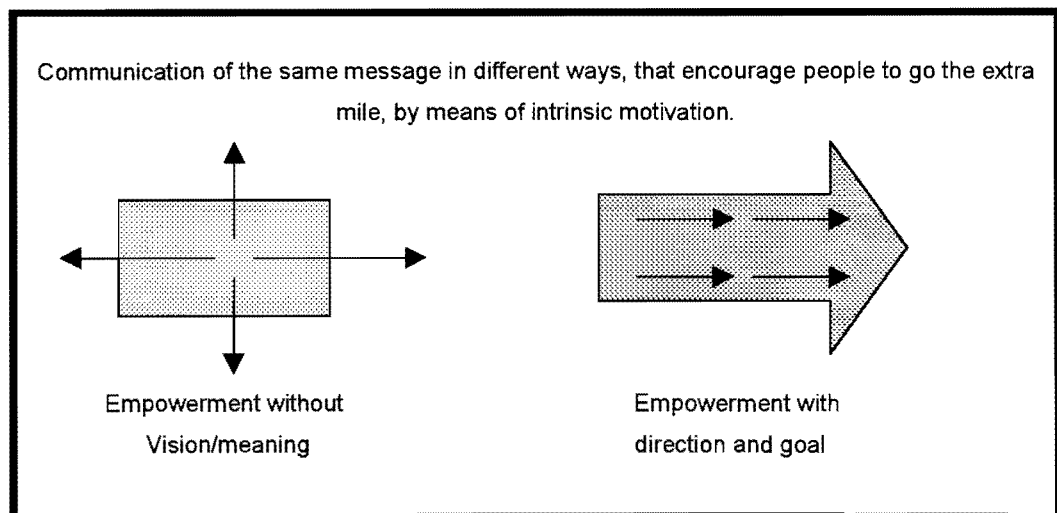
***“If you can dream it, you can do it”.***

Communication is essential for realizing any dream. Employees must recognize and understand in order to establish identity. Communication should therefore not merely consist of information or facts, but include a personal presentation by the leaders in the organization, in order to prevent ambiguity and obscurity. Meaning is aimed at people's thoughts, that prepare them for what must be done. Thoughts challenge old opinions by suggesting

new directions and visions. “Know why” must be established before the facts and methods of “Know how” can be conveyed (Bennis et al, 1985, pp 33-43).

One of the fundamental motivational forces regarding employees is finding meaning in life (personal and organizational). Charlton (1993, p 64) sees intrinsic motivation as the only method which will activate employees to walk the extra mile, as explained in Figure 5.6.

**Figure 5.6: The management of meaning through communication.**



(Source: Charlton, 1993, p 64)

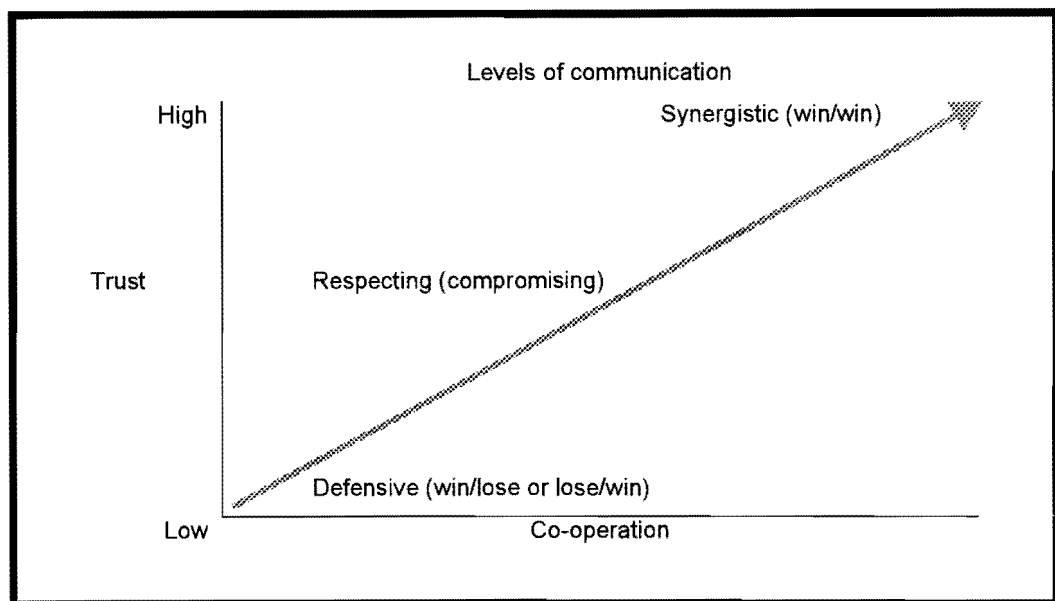
There are three ways by which meaning can be actualized (Charlton, 1993, pp 63-75):

- i. Meaning regarding what the employee gives to life – creative activities and values;
- ii. Meaning concerning what the employee takes from life – personal experience or values (motivational and promotional experiences); and
- iii. Meaning concerning the specific attitude towards situations that cannot be changed – attitudinal values.

### 5.4.6.3 Trust

Covey (1992, p 178) sees trust as the highest form of human motivation. It brings out the best in people but requires time and patience. Delegation, for instance, can only be successful if both parties are able to trust and rely on each other. Both parties will benefit from seeing that more work can be done in less time. Figure 5.7 clearly illustrates the relation between trust and the different levels of communication.

**Figure 5.7: The influence of trust on communication.**



(Source: Covey, 1992, p 270)

Mutual trust is an important ingredient in building a team (Johnson, 1993, p 1) seeing that it promotes openness and sincerity, which encourage two-way-communication. Trust is not a static function, but rather a dynamic one that varies according to the type of leadership involved.

The contents and frequency of communication is, according to Nadler *et al* (1995, pp 107-109), closely linked to the extent of trust and affection existing between the parties. Limited communication in changing times forms the foundation of anger, distrust and cynicism. Trust is built by honestly disclosing facts regarding the organization, its actions and points of view.

Charlton (1993, pp 77-84) sees trust as a two-way process which ought to be earned by both leaders and followers. Trust is built on consistency, reliability and predictability – consistency in word, deed and fairness towards people. Organizational politics and trust will never be compatible. Leaders should always be aware of the impact they have on others. Credibility is destroyed by lies and therefore not only one's word but also one's deeds are important. No hidden agendas are allowed and leaders ought to retain and communicate the basic goals and values of the team and organization.

Bennis et al (1985, p 44) said the following:

***“Trust is the glue that maintains organizational integrity.”***

#### **5.4.6.4 Self-management and self-discovery**

Employees should be aware of themselves as people with specific beliefs, prejudices, creative ideas, intuitions, emotions, physical experiences and judgments. This self-consciousness can easily be developed by means of an assertive effort (Anderson, 1992, p 85).

Self-management starts with taking responsibility for self-destructive behaviours and any negative impact on others, with a view of committing to change (Charlton, 1993, pp 86-90). The following three factors form a basic foundation for self-discovery and emotional wisdom:

- i. Knowledge of one's own strengths and weaknesses;
- ii. The ability to differentiate between one's strengths and weaknesses on the one hand, and the needs of the organization on the other; and
- iii. The capacity to develop and pamper one's weaknesses through discipline.

People who possess true self-knowledge focus on growth and constant improvement (self-actualization). Negative feedback is seen as an opportunity for growth, rather than criticism.

People like to make their own decisions and to take the responsibility for doing so. After employees have decided on a vision, value statement, goals and workflow system, they should be allowed to proceed on their own, and should be encouraged and empowered. By encouraging people to implement self-management, Kehoe (1994, p 69) found that:

- i. The leader develops the ability to manage even more people, seeing that self-management enlarges the span of influence and control;
- ii. The leader becomes an asset to the organization because of his/her ability to motivate and lead others; and
- iii. The principle of letting employees perform a task themselves encourages team learning, but it is important that team members learn from their mistakes and experience some growth.

#### **5.4.6.5 Empowerment**

Empowerment can be defined in many ways:

*".....the act of strengthening a person's belief in his or her sense of effectiveness."* (Sims et al, 1992, p 169)

*".....pushing decision rights down the organization to where the expert of local knowledge is based."* (Zawacki et al, 1995).

*".....the process of developing employees to resolve problems, take initiative and accept responsibility and accountability for their performance."* (Clur, 1994)

According to Bennis et al (1985, pp 82-84) empowerment has various dimensions, namely:

- i. *Meaning* – employees must feel that they form the active core of the organization;
- ii. *Competency* – development and training of employees take place whilst tasks are performed;
- iii. *Community* – employees experience a family at work, directed towards the same goals; and
- iv. *Fun and enjoyment* – quality of work life increases when employees are enjoying what they do.

Charlton (1993, pp 91-108) describes five competencies concerning the demonstration of empowerment:

- i. The creation of circumstances under which employees are willing, capable and allowed to perform work related activities (socialized power);
- ii. The removal of organizational obstacles impairing employee growth;
- iii. Assisting employees to obtain a more accurate, inspiring and empowering picture of reality;
- iv. The perception of employees as creative and competent; and
- v. The creation of and encouragement concerning opportunities for self-development and continuous learning.

Empowered employees see change as important to growth and are able to create challenges from the change for others. They experience personal

mastery. Each and every person ought to be made aware of his/her full potential and ought to develop methods of self-management. Leaders ought to understand the different gifts, talents and skills individuals possess and act accordingly, so that employees may feel important and a part of the organization.

The essence of personal power lies in the ability to form a clear image of what one wants to create (one's own vision). Renesch (1995, pp 180-183) is of the opinion that employees possessing personal power will take more personal responsibility for their work and be more committed to the results. It remains important, however, that employees should not lose sight of the common vision of the organization.

Empowerment shifts the emphasis from training to development; the former concentrates on increasing skills regarding tasks, while the latter focuses on developing the person as a whole. Clur (1994) emphasizes five key elements:

- i. Creation of ownership by sharing information on the organization's vision, mission, strategies, goals and procedures;
- ii. Motivation of employees to focus on the prospect of personal gain, to think before they do – to prevent mistakes and accidents;
- iii. Training and coaching of employees to develop the skills necessary for effective task performance;
- iv. Developing "good thoughts" skills to enable employees to identify, prevent and solve daily problems; and
- v. Communication of all information - employees need to be equipped to identify and solve daily problems and accept responsibility for performance.

## 5.5 TRAINING PHILOSOPHY

In order to assist employees in their effort to adapt to all the different changes within the organization, attention should also be given to the method and rationale of training. In order to implement *Opportunity Creation* successfully, it is vital that the organization's training philosophy supports the whole system of self-improvement and self-development.

### 5.5.1 Legislation on training

According to the Department of Education (1995), education and training are essential elements of human resources development and are seen as an important underlying concept with regard to a national strategy for the development of human resources. Successful modern economies and communities expect the elimination of artificial hierarchies and social organizations, and scrutinize the way organizations handle work, the learning process and certification of learning. This emphasizes the need for employees:

- ◆ With a strong foundation of general education;
- ◆ With the desire and ability to keep on learning;
- ◆ With the desire and ability to acquire new knowledge and skills and adapt to new technologies;
- ◆ Who move between careers, with ease and flexibility;
- ◆ Who accept responsibility for personal performance;
- ◆ Who set and achieve high standards; and
- ◆ Who work together.

In reaction to this kind of structural change in organizations and technological developments, an integrated approach to education and training has become an important international tendency in curriculum development and the reformation of qualification structures. The National Qualifications Framework (NQF) which involves a set of credits regarding study results, are opening the doors of opportunity to people whose career paths have been blocked because:

- ◆ Their pre-knowledge (gained informally or by means of on-the-job-training) cannot be determined or certified; or

- ◆ Their qualifications are not acknowledged in a way suitable for employment purposes.

Education and training are basic human rights and the government is obliged to protect and promote them. The main theme of the Restructuring and Development Program (RDP) regarding the development of human resources is the empowerment of people by means of education and training, as well as competency-development within organizations and communities. Global changes in the industrial and service sectors necessitate growth in the general educational component of career training, basic education and training for adults also ought to receive attention. A training model must be free from the unfairness and hardship of the past. Doors of knowledge and culture should be opened to all to ensure that human resources are developed to their full potential.

Legislation on education and training extends to the National Skills Bill, the NQF and Adult Basic Educational Training (ABET).

#### **5.5.1.1 The National Skills Bill**

This bill proposes to do much more than simply appropriate funds. It is concerned, after all, with the national skills development strategy. The World Competitiveness Report put South Africa 45<sup>th</sup> on the list, which makes the need for this strategy quite obvious (Babb, 1998).

The Skills Development Bill proposes to provide an institutional framework in order to:

- i. Devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce;
- ii. To integrate those strategies within the NQF;

- iii. To provide for learnerships that lead to recognized occupational qualifications;
- iv. To provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; and
- v. To provide for and regulate employment services and other incidental matters.

The chapters in the Bill address a Skills Planning Unit, Employment Services, Learnerships, National Skills Authority, Sector Education and Training Authorities (SETAs) and Financing. It is through the SETAs that the links with the NQF structures are articulated. These bodies will be required to do the following (Babb, 1998):

- ◆ Design and implement skills development strategies;
- ◆ Monitor education and training within sectors;
- ◆ Allocate grants and collect levies of a minimum of 1% of the payroll from the year 2000, of which 20% will finance the national skills fund;
- ◆ Promote learnerships;
- ◆ Liaise with the national skills authority; and
- ◆ Perform the function of education and training quality assurers (ETQAs).

The skills bill states that a skills program is one that:

- ◆ Is occupationally based;
- ◆ Will constitute a credit towards a qualification registered in terms of the NQF;
- ◆ Uses accredited training providers; or
- ◆ Complies with the prescribed requirements.

The skills bill reinforces and is complementary to the NQF. The implications for organizations are that training and education are organized according to the national systems of the NQF and national assurers systems.

### **5.5.1.2 The South African Qualifications Authority**

According to the SAQA Bulletin (1997), the South African Qualifications Authority (SAQA) consists of a Chairperson and members nominated from a diversity of interests including:

- ◆ Education;
- ◆ Labour;
- ◆ Business;
- ◆ The universities;
- ◆ The technikons;
- ◆ The teachers' colleges;
- ◆ The technical colleges;
- ◆ Adult basic education and training;
- ◆ Early childhood development;
- ◆ The teaching profession; and
- ◆ Special education needs.

The functions of SAQA are as follows:

- i. To oversee the development of the NQF – it must formulate and publish policies and criteria both for the registration of bodies responsible for establishing educational and training standards, and for the accreditation of bodies responsible for monitoring and auditing achievements;
- ii. To oversee the implementation of the NQF – it must ensure the registration accreditation and assignment of functions to the bodies referred to above, as well as the registration of national standards and qualifications; it must also take steps to ensure that their provisions for accreditation are complied with and that standards and registered qualifications are internationally comparable;
- iii. To advise the Ministers of Education and Labour; and

- iv. To consult with all affected parties – it must also comply with the various rights and powers of bodies in terms of the Constitution and Acts of Parliament.

Both the NQF and Adult Basic Educational Training (ABET) form part of SAQA and will be discussed briefly.

### **5.5.1.3 The National Qualifications Framework (NQF)**

The NQF embodies a new approach to education and training. It provides learning opportunities to people regardless of their age, circumstances and the level of education and training they might have. It allows for life-long training (Education Information Centre and Independent Examination Board, 1997, p 6). People learn all the time, both from life experiences and in formal learning situations. This new system will give people access to nationally accepted qualifications. Different forms of learning such as full-time, part-time, distance and work-based learning as well as life experience will be recognized and credits will be allocated and registered on the NQF.

The key principles formulated by the new government are equity, quality, access to opportunities and the redressing of past inequalities. The NQF will enable people to achieve national qualifications through both formal and informal learning situations. Learning which takes place in informal situations such as in the community, churches and in the workplace will be recognized.

The NQF will close the existing gap between education and training. At present education is still seen as the area in which people gain knowledge. Training is seen as the area of learning where people gain skills. The NQF will unite these two areas of learning which were previously separate (Education Information Centre *et al*, 1997, p 6).

The NQF is divided into eight levels of education and training, as set out in Table 5.3.

**Table 5.3: Structures of the NQF.**

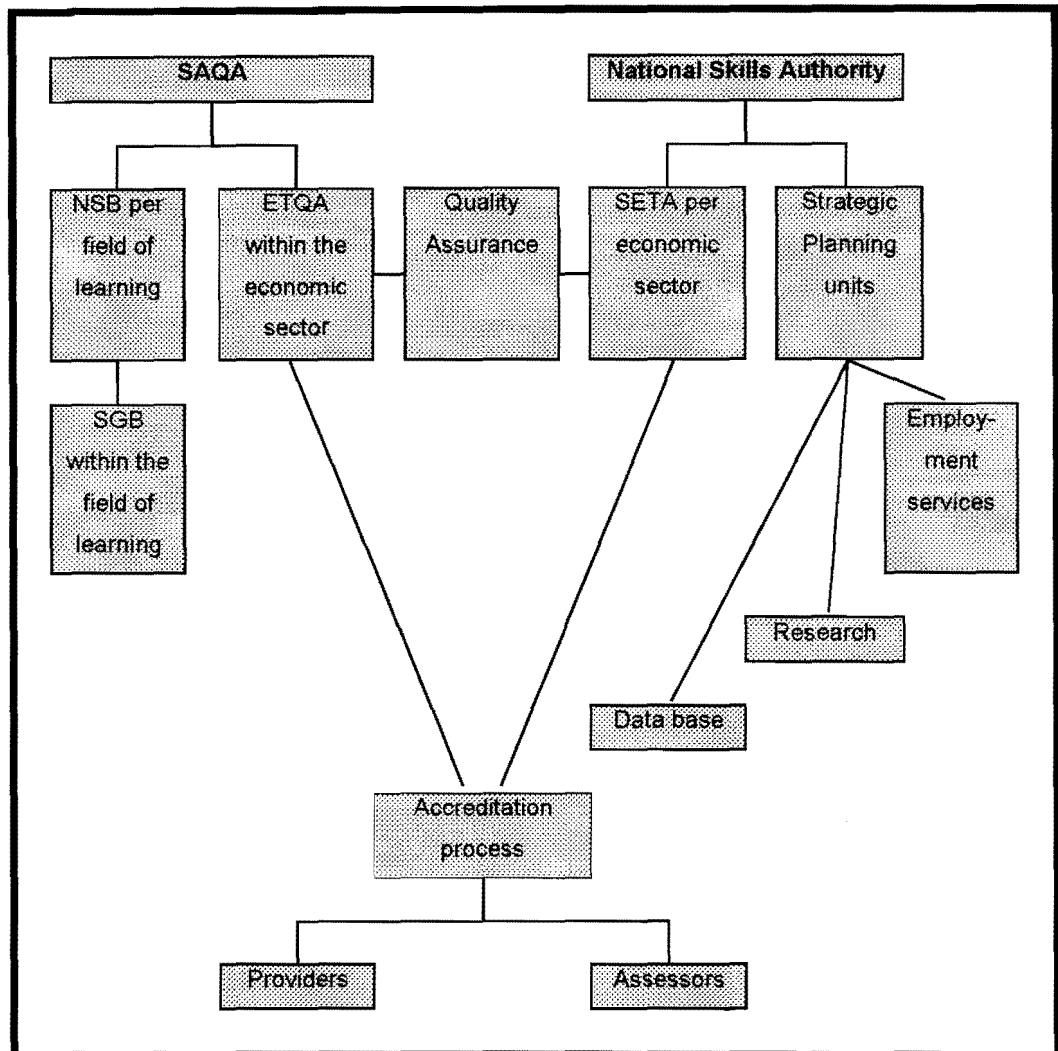
NQF levels	Band	Types of Qualifications and Certificates		Locations of Learning for units and qualifications		
8	Higher Education and Training	Doctorates		Tertiary / Research / Professional Institutions		
		Further research Degrees				
7		Higher Degrees		Tertiary / Research / Professional Institutions		
		Professional Qualifications				
6	First Degrees		Universities / Technikons / Colleges / Private / Professional institutions / Workplace / etc.			
	Higher Diploma					
5	Diplomas:		Universities / Technikons / Colleges / Private / Professional institutions / Workplace / etc.			
	Occupational Certificates					
<b>Further Education and Training Certificate</b>						
4	Further Education and Training	School / College / Trade Certificates		Formal High Schools / Private or State Schools	Technical / Community / Police / Nursing / Private colleges	RDP and Labour Market Schemes / Industry Training Boards / Unions / Workplace / etc.
		Mix of units from all				
3		School / College / Trade Certificates				
	Mix of units from all					
2	School / College / Trade Certificates					
	Mix of units from all					
<b>General Education and Training Certificate</b>						
1	General Education and Training	Senior Phase	ABET Level 4	Formal Schools (Urban / Rural / Farm / Special)	Occupation / Work-based training / RDP / Labour Market Schemes / Upliftment / Community programs	NGO's / Churches / Night schools / ABET programs / Private providers / Industry Training Boards / Unions / Workplace / etc.
		Intermediate Phase	ABET Level 3			
		Foundation Phase	ABET Level 2			
		Preschool	ABET Level 1			

(Source: Education Information Centre *et al*, 1997, p 24)

The NQF provides organizations with the opportunity to benchmark performance against objective measures and standards. This allows training to be accurate and focused on the actual development requirements of the organization (Babb, 1998). The NQF provides a structure according to which

all education and training programs are accredited in order to provide an opportunity for all to enhance their level of education and training as well as their organizational performance. The broader working structure of the NQF is set out in Figure 5.8. A National Standards Body (NSB) will be responsible for the standards in each field of learning by means of a Standards Generating Body (SGB). The South African Qualifications Authority (SAQA) monitors the whole program.

**Figure 5.8: The working structure of the NQF.**



(Source: Babb, 1998)

Within the context of this thesis it is important to have a look at career development and the NQF. The following principles are central to effective career development initiatives:

- i. The purpose or need must be clearly defined;
- ii. There should be a thorough analysis of the individual's aspirations and capabilities;
- iii. Relevant and updated information on the candidate's current and possible jobs should be readily available; and
- iv. The context of the individual, the job and the organization must inform the career development process.

In this context alignment to the principles of the NQF will be beneficial to both individuals and organizations (Arumugam, 1997).

The NQF provides a natural context for the effective management of career development within organizations by linking learning standards, competence evaluation, continuous learning consistent with career pathing and accreditation for relevant learning outcomes.

Locating the career development initiative within the NQF could help both individuals and organizations to channel available development funds in a systematic and integrated manner. Training and development towards accreditation within specified unit standards will encourage both parties to become more discriminating in the choice of and performance aimed at competency development.

Arumugam (1997) states that career development within the context of the NQF will also facilitate the responsible utilization and development of labour on a national level. The linkages between formal education and industry will also

become extremely important considering that career development very often begins at the educational institution.

#### **5.5.1.4 Adult Basic Educational Training (ABET)**

One of the most dangerous fallacies that exist is that of associating good morals and values with literacy. Hence, if one lacks literacy, one lacks values and morals. When an object disappears in the work place, the prime suspects are the lowest ranking staff members. Therefore it is important to note that literacy is a by-product of values and morality in a given society/group/community at a given time and place (Buthelezi, 1998).

The aim of ABET is to help people to take control of the process of improving their lives by improving their level of education, which will open new opportunities. Literacy is a right to which everyone – women as well as men – should have access. The role that the organization has is to create a climate conducive to people development. This could be done by mobilizing available resources for literacy programs to improve the quality of life in the whole transformation sphere and beyond.

#### **5.5.2 Multi-skilling**

According to a report by FSA Contact (1995), forces from different quarters (world markets, technology, competitors, demographics, shareholders and consumer requirements) drive the continuous changes in organizations. The most recent change strategies such as down-sizing, right-sizing and re-engineering are followed in order to manage the uncertainty of the future. Multi-skilling and broad banding (as discussed earlier) are two of the largest strategies to be considered and implemented.

Multi-skilling is a method aimed at organizing tasks in such a manner that employees have the opportunities to learn and use a larger number of competencies. The

general aim is a more flexible work team, which increases productivity and makes employees aware of their own potential to improve their competencies and build capacity.

Moses (1994) explains that the tendency therefore is to educate workers to be flexible in their approach to their jobs and become “mobile” by increasing their level of skills. The concept of multi-skilling is strongly promoted as a means of assuring job security.

Competencies are important on four levels (Meyer, 1995):

- ◆ National competencies (groupings of competencies developed in the economy);
- ◆ Organizational competencies (the combination of individual technologies and production competencies);
- ◆ Career competencies (learning units needed for a specific job, function or professional career); and
- ◆ Individual generic competencies (originating from efforts to define the competencies underlying effective management).

An awareness of these levels can assist in the effective and timely exploitation of the competency training necessary for a competitive advantage. A competency approach constitutes an integrated, flexible and reactive approach to education and training and facilitates the realization of lifelong learning.

Mastrantonis *et al* (1995) state that competitive organizations need competent and well-trained employees in order to achieve the expected results. Attitudes towards multi-skilling and the accreditation of courses on a national and industrial level, rendering qualifications to be transferable, are favourable, since organizations will eventually be able to draw employees from a larger pool of competent individuals.

### 5.5.3 The role of technology in training

Tendencies regarding education and training seem to move from single medium, linear instructions and learning methods to more effective combinations of electronic media and learning methods (Eager, 1995). Different technologies suit different educational/training situations and ought to be evaluated in terms of cost-efficiency, quality, effectiveness, applicability and the learning that takes place.

New television training programs are utilized and distance training includes the prospect of interactivity, where students will have access to lectures and gain from dialogue, explanations and immediate feedback. Computer and telecommunication networks make it practically possible for anyone to read anything at any time in any place. The learning process becomes participative and interactive and involves demand and supply. Skills and knowledge obtained by technological means must obviously comply with specific performance measurements and competency results.

## 5.6 NEW LEGISLATION

It is clear that South African labour legislation as well as other relevant legislation is undergoing dramatic changes in both structural and behavioural aspects. Only a few aspects of the new legislation will be addressed, including the Bill of Rights, the Labour Relations Act and Affirmative Action.

### 5.6.1 The Bill of Rights

A bill of rights, describing fundamental rights, can only be limited in a certain way if allowed by governmental institutions. Relations between private individuals and institutions may also be influenced by these stipulations. The following are viewed as the guaranteed rights (Rautenbach and Malherbe, 1994, pp 8-16):

- i. The right to equality before the law (no direct or indirect discrimination);
- ii. The right to respect for and protection of human dignity;

- iii. The right to live;
- iv. The right to personal freedom and safety;
- v. The right to personal privacy;
- vi. The right to freedom of conscience, religion, thoughts, beliefs and opinion;
- vii. The right to freedom of speech and expression;
- viii. The right to meet, protest and petition peacefully and unarmed;
- ix. The right to free association;
- x. The right to move freely within the Republic of South Africa and choose a place to stay;
- xi. South African citizenship will not be suspended without justification;
- xii. The right to vote and to be a candidate in an election;
- xiii. The right to access a court to settle a dispute;
- xiv. The right to information regarding exercising and protecting any other right;
- xv. The right to administrative justice – fair procedures must be followed and reasons must be given for behaviour impacting on rights;
- xvi. The right to property;
- xvii. The right to free economic activities;
- xviii. Rights regarding Labour Relations;
- xix. The right to a clean and healthy environment;
- xx. Rights for children regarding security and parental care;
- xxi. Rights regarding language and culture; and
- xxii. Rights regarding education.

These rights will definitely influence the manner in which and process according to which employees are treated in terms of, amongst others, their careers within the organization. Of particular interest in this case is the right to humanity, information, administrative justice and Labour Relations. The next point of discussion involves the most important aspects of the latest Labour Relations Act (No 66 of 1995).

### **5.6.2 The Labour Relations Act (No 66 of 1995)**

The following aspects of the Labour Relations Act (1995) can be emphasized:

### **5.6.2.1 Workplace Forums**

The activities of a workplace forum entail:

- ◆ The promotion of the interests of all the employees in the workplace;
- ◆ The improvement of efficiency in the workplace;
- ◆ Consultation with the employer regarding aspects such as:
  - ❖ Restructuring of the workplace;
  - ❖ Changes in the organization of work;
  - ❖ Work grading;
  - ❖ Evaluations linked to performance increases or the payment of discretionary bonuses;
  - ❖ Education and training;
- ◆ Participation in joint decision making concerning aspects such as:
  - ❖ Disciplinary codes and procedures;
  - ❖ Rules regarding proper regulation in the workplace.

### **5.6.2.2 Collective decision-making and consultation**

An employer should consult with the workplace forum and reach an agreement before any aspect, such as those mentioned above, can be implemented or performed. The workplace forum should be given a chance to object and come forward with alternative suggestions.

### **5.6.2.3 Disclosure of information**

All important and relevant information should be passed on to the workplace forum, so that they can participate in consultation and decision-making in an effective way. This excludes information on confidential issues or information of a personal nature that could harm either the organization or the employee.

#### 5.6.2.4 Confidentiality and the breach thereof

Confidentiality between employer and employee concerning employees' private matters and career information is essential.

If a person obtains financial or business information regarding an individual or organization while involved in work activities and subsequently breaches confidentiality by revealing this information, a crime has been committed. In this case he/she will forfeit the right to access to information in the workplace.

These four aspects can be implicated in the principles used in career planning and *Opportunity Creation* seeing that they have a direct impact on the procedures applicable when implementing this new model in terms of career planning.

#### 5.6.3 Affirmative Action

According to Idasa (1995, p 12) affirmative action basically involves the process of achieving equal employment opportunities.

Innes, Kentridge and Parold (1993, p 5) expand on this and define affirmative action as *".....a set of measures designed to ensure that persons in designated groups enjoy equal employment opportunities and are equitably represented in the various positions of employment with an employer"*.

The key elements of affirmative action are indicated in the definition of Andrew Levy and Associates (1994, p 4.2):

*".....a (temporary) strategy to achieve equality at work without lowering standards and without unduly limiting the prospects of existing competent employees."*

Charlton (1994) elaborates on this:

*"Affirmative action is the accelerated development of all people (particularly previously disadvantaged groups) who, after extensive development and sound*

*leadership, are competent and placed into meaningful (managerial) positions to the benefit of both the individual and the organization.”*

Affirmative action obviously has a definite impact on career planning from both the employer's and the employee's point of view. Therefore it should be considered in the implementation of *Opportunity Creation*.

Affirmative action involves various aspects such as race, gender, religion and age. Moloto and Mpho Makwana (1996) focus on the following important aspects:

a) *Gender equality*

Finnemore (1995) feels that gender equality is not only a matter of social justice, but also of good economics. The subordination of woman led to a waste of human potential. Certain critical areas ought to be given attention, namely:

- ◆ Human resources development (training, skills development and knowledge development);
- ◆ Integration (of employees in different departments in the workplace);
- ◆ Utilization of labour (improvement of opportunities); and
- ◆ Special gender-based programs (aimed at improving special problems women experience in the workplace, such as health, childcare and protection against physical abuse).

b) *Race and ethnic equality*

Non-racial principles are supposed to form the basis of an affirmative action policy. Since it eliminates racial practices and provides processes and programs aimed at rectifying imbalances regarding race, the implementation program is critical. Changes should be made systematically and programs should be implemented in order to improve the availability and affordability of training and competency development programs.

c) *Empowerment of disabled people*

In the past disabled men and women were excluded from participation in the workplace. They were not allowed to play a meaningful role in the community

and should now be helped to lead a normal life and develop in the least stressful manner. The largest area of disability entails spirituality.

Organizations face the challenge of finding the pathway to trust and diversity celebration in the diverse global village (Mbigi, 1998). Human beings are complex creatures; they are both similar and dissimilar. Society and its organizations should accommodate this complexity. The struggle in the new South Africa entails finding one another through unity in diversity, simply because people in this country have exaggerated differences between them and finally used them as an immoral basis for the distribution of resources and opportunities. The myth consisted of the belief that ethnic groups differed in such fundamental ways that it was impossible for them to live and work together in a spirit of harmony and service.

It is true that there are cultural differences between ethnic groups but they are not so wide that they prevent people from living and working together. There are culture similarities between various ethnic groups and these should be emphasized to foster both cultural and racial acceptance, which form the requirements for nation building as well as global competitiveness. The mutual acceptance and expectations of all racial groups should be identified and leveraged to realize the rainbow vision in South African organizations (Mbigi, 1998).

#### **5.6.3.1 Affirmative action interfaces**

The following interfaces within the organization are important in terms of the changes it entails within the work environment and are pointed out by Moloto et al (1996):

a) *Merits and work ethics*

More emphasis is placed on teamwork and the accompanying participative decision making and empowerment. Structures will be more task-orientated and responsibility is determined according to

performance. The working environment is supposed to allow employees to live their character and culture.

b) *Increased competitive advantage*

The principle of public accountability can be realized if the quality of life of the larger part of the population improves significantly. Organizational change should be linked to total quality management, aimed at improving efficiency and effectiveness.

c) *New competency paradigm*

Academic achievements should be accompanied by the applicable work ethics, which are aimed at developing competencies, improving outcomes and improving productivity. Adult learning programs should also be implemented.

d) *Career paths and succession planning*

Individuals tend to give of their best to an environment that provides career opportunities, and not simply jobs (all the more important regarding *Opportunity Creation*). Labeling of employees should be handled with care.

e) *Mentorship*

Mentors should be trained, especially regarding racism and sexism that may sink a mentorship program.

f) *Integration of culture*

Group interventions provide individuals with opportunities to grow in a non-threatening environment. Moreover, this contributes to the creation of a learning culture crossing cultural and hierarchical boundaries.

g) *Delayed structures*

A team approach toward decision-making shortens the authority chain and decreases excess control. As a result of the competencies and empowerment associated with delayed structures, decision-making

can take place much quicker. Programs regarding these competencies, democracy in the workplace and the rectifying of inequalities of the past should be implemented by all organizations.

#### 5.6.4 Employment equity

Employment equity goes beyond affirmative action. The Employment Equity Bill (No 18481 of 1997) requires companies to commit themselves to creating a diverse workforce broadly representative of all the people in the country. According to Verster (1998) and Padayachee (1998) the purpose of this bill is to achieve equality in the workplace by:

- ◆ Promoting equal opportunities and fair treatment in employment through the elimination of unfair discrimination; and
- ◆ Implementing positive measures to redress the disadvantages in employment experienced by Black people (African, Coloured and Indian), women and people with disabilities, in order to ensure their equitable representation in all occupational categories and levels in the workforce.

In terms of this bill all organizations will be required to take steps to eliminate unfair discrimination in their employment policies and practices. One of the measures that can accelerate the advancement of designated groups, is affirmative action. Employment Equity, however, does not necessarily equals affirmative action, which is only a component of the envisaged process. Employment equity emphasizes unfair discrimination and entails refraining from distinguishing, excluding or preferring any person on any other basis than that constituting the inherent requirements of a job. It also includes the harassment of an employee, thereby providing a much-needed mechanism for the referral of disputes concerning sexual harassment. Medical testing of employees for certain medical conditions, may also be seen as unfair discrimination.

Organizations with more than 50 employees are obliged to implement positive measures for people from the designated groups in order to achieve employment equity. Organizations have to prepare and implement employment equity plans,

which will ensure reasonable progress towards employment equity in the workforce. According to Verster (1998) and Padayashree (1998) these plans must involve:

- ◆ The prospective objectives for each year of the plan;
- ◆ The employment barriers identified by means of an analysis and the steps the employer plans to take to eliminate those barriers;
- ◆ The positive measures to be implemented as required;
- ◆ Where under-representation of people from designated groups has been indicated by the analysis, three factors relating to the equitable representation of people from designated groups must be spelled out:
  - ❖ The numeric goals with regards to each occupational category and level in the workforce;
  - ❖ The timetable according to which this is to be achieved; and
  - ❖ The strategies intended to achieve these goals;
- ◆ The timetable drawn up for each year of the plan, expounding the attainment of goals and objectives besides numeric goals;
- ◆ The duration of the plan, which may not be shorter than one year or longer than five years;
- ◆ The procedures that will be used to monitor and evaluate the implementation of the plan and to determine whether reasonable progress towards employment equity is being made;
- ◆ The internal procedures intended to resolve any dispute about the interpretation or implementation of the plan;
- ◆ The persons, including senior managers, in the workplace, who will be responsible for monitoring and implementing the plan; and
- ◆ Any other prescribed matter.

Seeing that this legislation has a direct impact on career planning, it will be essential to include the organization's employment equity policy in the implementation of *Opportunity Creation*.

## 5.7 CREATIVITY

Creativity can be described as an experience of a specific moment in life, letting a person see him-/herself, his/her personal life, business, organization, country or the world in a different light (Neethling, 1993, p 9).

According to du Rand (1993, p 11), creativity is the ability to create and link important new ideas. Creativity helps to:

- ◆ Conceive new ideas;
- ◆ Think and experience in new ways;
- ◆ Consider different opinions;
- ◆ Think of new and unconventional possibilities; and
- ◆ Create and choose alternatives.

Creativity seems an important part of the whole *Opportunity Creation* process, seeing that it allows employees to think in a different and completely new manner. *Opportunity Creation* is an unconventional way of doing career planning and requires employees to create their own vision of their careers as well as envisage the road leading there. Therefore creativity is absolutely essential to both the employees and the organization implementing *Opportunity Creation*. The organization implementing this unconventional method needs to be creative in order to obtain commitment to the whole concept and process from all its employees.

### 5.7.1 Factors influencing creativity

Most people have a certain attitude, which limits their thoughts to the *status quo*. Neethling (1993, pp 14-24) mentions the following factors which influence creativity:

- i. Age, as a result of a decrease in physical energy, health problems, social adaptations and a fear of this new phase in life;
- ii. Experiential background, that either limited or encouraged creativity;

- iii. An educational environment abounding with enthusiasm, passion, honesty, trust, encouragement, insight and relevant structures, may promote creativity;
- iv. The environmental factors in organizations that encourage productivity, drive, energy and optimism may support creativity; and
- v. The development of a culture of creative thinking in the organization.

Man as such is the source of creativity and must therefore develop certain skills:

- ◆ Fluency of thought (to generate more ideas – usual and unusual);
- ◆ Originality (to think in new and different, but meaningful, ways);
- ◆ Emphasizing the core (to establish the core of the problem);
- ◆ Extending (to build on, make plans, implement plans and sell solutions); and
- ◆ Openness (to strengthen abilities and allow a free flow of ideas)

(du Rand, 1993, pp 13-14)

### 5.7.2 Left and Right brain thinking

The theory of Roger Sperry regarding the split brain proved that people's physical and mental ability, the ability to solve problems, personality traits and approach to people and things, are strongly influenced by their inclination to use one side of the brain more than the other (Neethling, 1993, p 41). Individuals tend to prefer one side of their brain to the other.

This has a direct influence on their approach to life, work (in other words their choice of a career) and every aspect of their humanity. It is very important to every individual not only to understand his/her preference, but also the preferences of people he/she has to get along with every day. Table 5.4 explains the main differences between left and right brain functioning.

**Table 5.4: Left and Right Brain functions.**

Left brain		Right brain	
<b>Functions</b>			
♦ Analytical	♦ Absolute	♦ Intuitive	♦ Emotional
♦ Logical	♦ Linear	♦ Non-linear	♦ Music
♦ Detail	♦ Factual	♦ Spatial	♦ Art
♦ Structured	♦ Organized	♦ Holistic	♦ Visualizing
♦ Verbal	♦ Planned	♦ Non-verbal	♦ Religion (also on left side)
<b>Physical control</b>			
♦ Controls right side		♦ Controls left side	
<b>Preferences</b>			
♦ Detail analysis		♦ Create new ideas	
♦ Logical and rational approaches		♦ Create vision	
♦ Gathering facts		♦ Diversity	
♦ Bookkeeping, financial calculations		♦ Many possibilities	
♦ Practical problem solving		♦ Synthesis	
♦ Organizing and planning		♦ New, different solutions for problems	
♦ Developing detail planning and procedures		♦ Intuition (without facts)	
♦ Rules, regulations and fixed guidelines		♦ Risk taking	
♦ Administrative work		♦ Interpersonal value and takes other people's feelings into account	
♦ Implementation		♦ Passion and enthusiasm	
		♦ Human situations	
		♦ Focus on non-verbal behavior	
		♦ Strategic planning	

(Source: Neethling, 1993, pp 45-49)

### 5.7.3 Creativity amongst employees

Employees must be encouraged to be creative and their ideas concerning improvements should be noted and coordinated. The context within which their ideas can originate and develop, must be clarified and communicated. Different methods can be used for problem solving and restructuring, such as brainstorming, combining left and right brain activities and visualization. Employees must be encouraged to use their talents rather than suppress them. The use of creative talents can only be beneficial to the organization, especially with regard to a team

approach in a delayed structure and the personal growth of employees (Pegg, 1994, p 135).

To emphasize a statement made earlier, the creativity of each and every individual is necessary for the successful implementation of *Opportunity Creation* in an organization. Employees must feel free and be encouraged to give full play to their creativity – not only for the benefit of the organization, but also for their own benefit.

## 5.7 SUMMARY

The impact which any re-engineering project or change process (aimed at renewing or improving the organization) has on its employees, cannot be over-emphasized. Their buy-in can make or break the change process – whether it is a positive change or not. Therefore the management of such a change process is critical; only if all possible resistance can be dealt with, a successful implementation and maintenance process can be ensured.

In order to implement and maintain *Opportunity Creation* (embodying an enormous paradigm and cultural change) within the modern delayed structure of organizations, the influence of the following factors must be taken into account:

- ◆ Organizational change concerning different aspects;
- ◆ Development of a leadership culture;
- ◆ Broad banding;
- ◆ Training philosophies regarding skills and competency training;
- ◆ Legislation concerning Human Resources issues; and
- ◆ Development of a culture of creativity and self-management.

It is clear that the implementation of such a huge paradigm shift is comprehensive and impacts on so many different aspects of the working life of employees that it should be approached in detail and with care. Organizations have to capitalize on the value and impact of each individual, seeing that they form the heart and soul of the organization and are therefore determinant to its existence and growth.