

UNIVERSITY OF KWAZULU-NATAL

**AN INVESTIGATION INTO THE TRANSFORMATION
PROCESSES EMPLOYED BY WESBANK: AN EXPLORATORY
STUDY**

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Dissertation

**Submitted in fulfillment of the
Degree – Master of Business Administration
Graduate School of Business**

Supervisor: Mr Logan Govender

2007

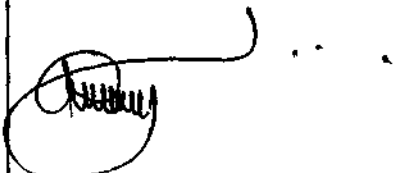
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TO WHOM IT MAY CONCERN

Due to the strategic importance of this research it would be appreciated if the contents remain confidential and not be circulated for a period of five/ten years or other specified period.

Sincerely



N C F CABE (FUTHIE)

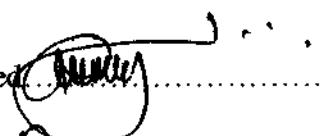
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DECLARATION

I, Nduduzo Civilian Futhie Cabe, declare that this research is my own work. It is submitted in partial fulfillment of the requirements of the degree for Master of Business Administration (MBA) in the University of Kwazulu-Natal, Durban.

It has not been submitted before for any degree or examination in this or any other university.

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Signed.....


Date.....
OCTOBER 10, 2007

ACKNOWLEDGEMENTS

I wish to express my most sincere gratitude and appreciation to the following people:

- ❖ Mr. Logan Govender of the University of KwaZulu Natal's School of Management: Human Resources for patiently guiding me on my research report. You assured me there was light at the end of the tunnel when quitting looked like an option.
- ❖ My wife, Masesi for sleepless nights doing some of the typing.
- ❖ My mother for always believing in me.
- ❖ Gloria Solan, my professional personal assistant for editing and checking for grammatical correctness.
- ❖ WesBank senior management for granting me the permission to undertake research on such a thorny, controversial topic.
- ❖ My wonderful counselor, Lord and Saviour Jesus Christ for strength and the precious gift of life.

ABSTRACT

Even a brief Internet search reveals the huge variety of ways in which the terms transformation, diversity, employment equity and affirmative action are used, as well as the vast range of interventions offered. For example, the term diversity can be used in its most narrow sense focusing on one identifier such as race, or broadening along a continuum towards including all identifiers such as skills, ideology or even personality.

The Employment Equity Act (Act 55 of 1998) requires organisations to ensure that there is equity in the workplace and affirmative action measures are implemented to ensure diversity. Affirmative action is necessary to facilitate South Africa's position in the world economy.

The purpose of this study was to establish the extent to which WesBank was transforming from what it used to be in the old regime to be more reflective of the demographics of the country. The constructs that impact on transformation were explored in detail. One hundred and fifty individuals of all levels of the organisation were surveyed by way of in-depth questionnaire. The main factors identified as key success factors for transformation were: Understanding of the importance of transformation; leadership; Training and Development; leadership style; culture; career development, succession planning as well as market related salaries and benefits. The research showed that WesBank was not successful in meeting some of the needs.

Content analysis of the key success factors led to suggested strategies which WesBank could implement.

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CHAPTER ONE

1. Introduction and Background.

“Our history has been a bitter one dominated by colonialism, racism, apartheid, sexism and repressive labour policies. The result is that poverty and degradation exist side by side with modern cities and a developed mining, industrial and commercial infrastructure. Our income distribution is racially distorted and ranks as one of the most unequal in the world – lavish wealth and abject poverty characterize our society ... we need an economy which will eliminate poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system, meet basic needs, and thus ensure that every South African has a decent living standard and economic security.”

(Reconstruction and Development Programme – 1994)

The legacy of the apartheid labour market as outlined by COSATU in its “Accelerating Transformation” document (1998) is extensive and pervades nearly every aspect of the lives of ordinary people. An ambitious and far-reaching programme of legislation was therefore needed to reverse this legacy. Clearly, this task of addressing the worst features of the apartheid labour market was not a task of labour market policy alone, but required co-ordination of a range of social and economic measures with labour market interventions. Key features of the apartheid labour market that required to be addressed included:

Fragmentation of the labour market into multiple tiers, as a result of the deliberate policy of apartheid labour control. The primary basis for this fragmentation was racial, with black and particularly African workers consigned to the worst paying, most menial and dangerous jobs. This was overlaid with gender discrimination, super-exploitation of rural workers – residing on the farms and Bantustans – and consignment of (black) foreign workers to the “worst of the “worst” jobs and sectors.

Related to the above, was the exclusion, initially of all black workers, and later certain sectors of workers, from basic collective bargaining and organisational rights, and protection in terms of basic conditions of employment. These included farm, domestic, and public sector workers.

The concentration of massive structural unemployment amongst black communities, directly as a result of these policies of exclusion, and the stifling economic effect of locking the majority of South Africans out of the economic mainstream. This meant the creation of a large pool of black workers, particularly African workers, and more so those concentrated in the rural areas, women and youth, who would have no opportunity to enter employment, or would spend most of their 'economically active' lives out of formal employment.

The phenomenon of the working poor: high levels of poverty amongst working people predominates, both because of these conditions of unemployment, as well as deliberately depressed wages in sectors and occupations of the economy where African workers are concentrated.

Extreme inequality, both in the economy at large, as well as inequality in wages and income between those excluded by apartheid policies, and the beneficiaries of those policies.

This apartheid wage gap is overlaid with inequalities in economic power, access to training, and a range of social factors inhibiting black workers' access to higher paid jobs.

The legacy of exclusion of black workers from access to formally recognised skills and training, which keeps them in the lowest echelons of the workforce. This exclusion is further entrenched by apartheid workplace hierarchies, which created numerous racially based grades and strata designed to keep black workers in a position of subordination.

Dangerous and unhealthy conditions disproportionately concentrated in jobs occupied by black workers. In addition, the lack of adequate measures to compensate, or assist those ill or disabled as a result of these conditions.

The exclusion of most black workers and unemployed, from income security, social assistance or a social wage package. The majority were forced to bear the burden of the social costs of apartheid. The vast majority did not qualify for unemployment insurance or any form of social assistance. Black working people bore the burden of compensating for inadequate or non-existent public health care, housing infrastructure and transport. In addition they bore the costs, as well as found themselves isolated from economic opportunities, as a result of their geographical location away from the industrial and economic centres.

The legacy of the apartheid labour market is extensive and pervades nearly every aspect of the lives of ordinary people. An ambitious and far-reaching programme of legislation was therefore needed to reverse this legacy. Clearly, this task of addressing the worst features of the apartheid labour market was not a task of labour market policy alone, but required co-ordination of a range of social and economic measures with labour market interventions. The broad shape of this transformation programme was clearly outlined in the RDP; even then a white paper on labour market policy was never drafted.

Key features of the apartheid labour market which required to be addressed included: Fragmentation of the labour market into multiple tiers, as a result of the deliberate policy of apartheid labour control. The primary basis for this fragmentation was racial, with black and particularly African workers consigned to the worst paying, most menial and dangerous jobs. This was overlaid with gender discrimination, super-exploitation and rural workers – residing in the farms and Bantustans – and consignment of (black) foreign workers to the ‘worst of worst’ jobs and sectors.

A more recent phenomenon, as trade unions grew in strength, and certain rights were achieved in law, were tactics by employers to recreate the 'rightless' status of black workers by introducing casualisation, part-time work, contracting out etc. – so called 'atypical work'.

Extreme inequality, both in the economy at large, as well as inequality in wages and income between those excluded by apartheid policies, and the beneficiaries of those policies. This exclusion is further entrenched by the structure of apartheid workplace hierarchies, which created numerous racially based grades and strata designed to keep black workers in a position of subordination.

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The programme of labour market transformation, including labour market legislation, was an important part of a broader project aimed at transforming these structural realities, which continued to characterise the working lives of millions of South Africans, even after the formal demise of apartheid.

1.1 Brief Profile of WesBank

WesBank's core competence is instalment credit finance of moveable assets, which incorporates motor vehicles, machinery, aircraft, and industrial plants for a customer base that is represented by private individuals, professionals, and the corporate market. Due to its specialization, WesBank is subdivided into business units, which are broken down into profit centres, with business decision-making being non-hierarchical, based on the successful model of the First Rand Philosophy. WesBank's main objective is to dominate in whichever market it enters and therefore requires people who have the potential, skills, and ability to achieve the organisation's goal. WesBank's mission statement and shared values gives a good insight into its culture.

Mission Statement

WesBank is to be the acknowledged leaders in instalment credit in terms of Customer Service, Profitability and Size.

Shared Values

Underlying the success of WesBank are four shared values, namely...



● We believe the customer come



● We believe in our people as inc



● We believe in quality in all that



● We believe in profitable growth.

Culture

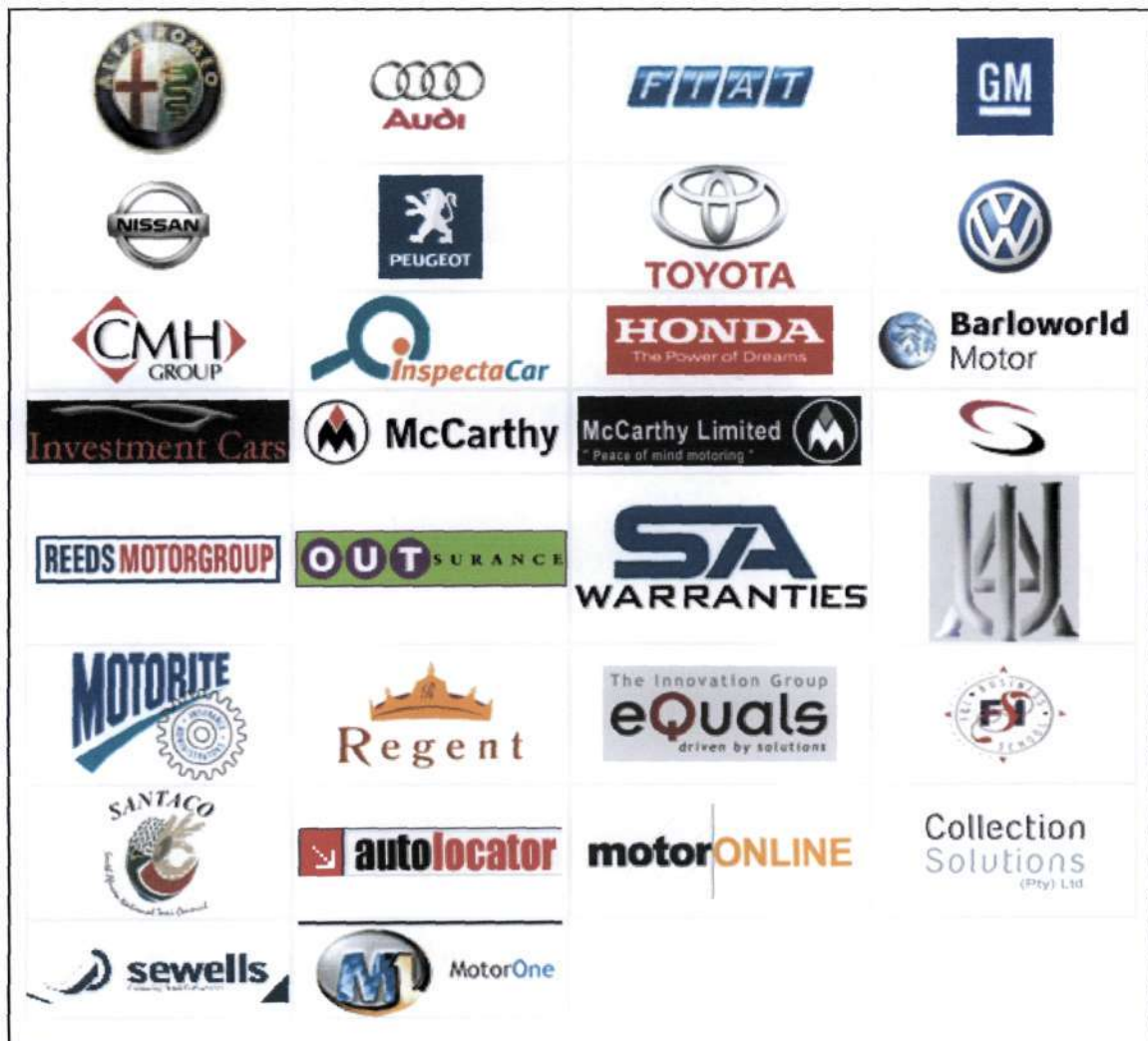
WesBank is proud to be South Africa's largest institution dealing in instalment credit. But more than that they are proud of the commitment and service of the people that have got them there, namely WesBank staff, passionately known as "WesBankers". It is the confidence in their people that has enabled WesBank to advertise their proposition of "Put us to the Test" nationally.

So strong and alive is the WesBank culture amongst its people that it resulted in WesBank being named in the Top 10 South African companies to work for for five consecutive years.

Source: <http://wesbank.co.za> accessed on 12 December 2006 at 13h09

WesBank attributes its success to the strategy of partnerships with leading brands in the markets they have elected to participate in. Here is a list of some of the partners that WesBank has formed joint ventures and alliances with.

Figure 1: WesBank Joint Venture Partners



Source: <http://www.wesbank.co.za/worldofwesbank/partners.asp>

WesBank, as part of The FirstRand Group, participated actively in developing and fine-tuning the Financial Sector Charter (FSC), which is in essence, a transformation blueprint which outlines the Group's Black Economic Empowerment approach as well as issues relating to Employment Equity Act.

According to Watson (2006: 9) transformation is a process of changing, re-defining and re-establishing us and our country. It is a personal development and collective growth. It is a process of re-awakening, re-looking and re-evaluating. It is exciting and challenging. It is never easy or comfortable.

For a number of years, WesBank has strived to promote a transformed, vibrant and globally competitive financial sector, with a view to reflecting the demographics of South Africa and contributing to the establishment of an equitable organisation and society.

Because of our history, South Africa is currently unbalanced with a minority having the majority of the skills and opportunities. Although WesBank and indeed other corporates have embarked on the transformation process, it is a process that needs to be followed through in order to achieve a truly rainbow nation, a representative country of which we can all be justly proud.

At the core of transformation are people. This study will reflect and put emphasis on the importance of people, especially those whom WesBank is grooming and mentoring, preparing them to take their places in the business world. It is against this background that this document seeks to investigate the effectiveness of the transformation processes employed by WesBank.

According to Watson (2006:17), if transformation, affirmative action or equity strategies are implemented holistically, consistently and positively, "we can bake a new cake wherein dignity, diversity, equity, motivation and productivity can be enhanced". To do this, organizations need to have a positive attitude and a business goal in mind.

It is very important that an organization considers its environment before beginning any process.

The P.E.S.T Model was used to analyse the industry environment and the competitive forces at play within WesBank's chosen market.

Figure 2: PEST Model

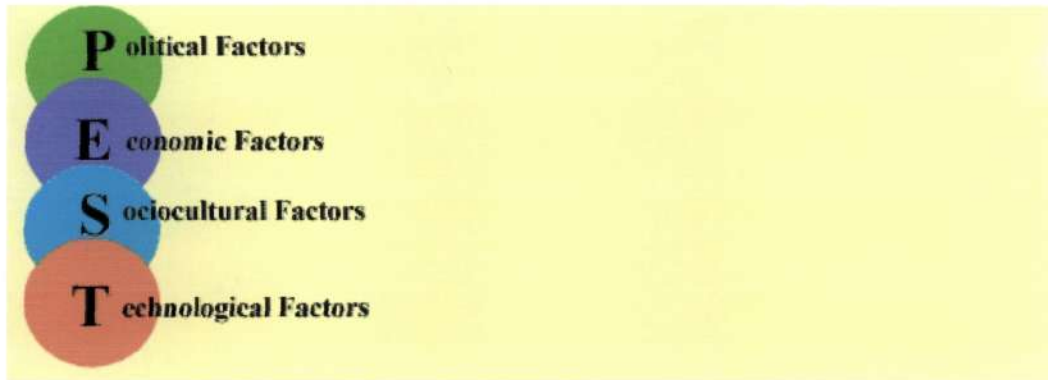


Figure 2.1: P.E.S.T. Model for WesBank

<p>Political/Legal Factors</p> <ul style="list-style-type: none"> • Financial Intelligence Centre Act • Financial Advisory Intermediary Services • National Credit Act • Consumer Protection Act • Privacy Bill • Code of Banking Practice 	<p>Economic Factors</p> <ul style="list-style-type: none"> • Overheating Economy • Volatile Interest Rates • Rising Inflation • Rising Debt Levels • Slow Reduction of unemployment rate • Weak Pre-Owned car market • Slowing new car demand
<p>Socio-Cultural Factors</p> <ul style="list-style-type: none"> • Financial Services Charter • Scarcity of Resources • Training and Development • Staff Retention • Experience 	<p>Technological</p> <ul style="list-style-type: none"> • Aggressive move towards digitization • Introduction of Vendors • Industry Switch • Mobile phone Threat • Further commoditization

Source: WesBank Motor Division Strategy Session (2007:14)

This study serves to analyse WesBank's commitment towards it reflecting the changing face of workforce and general society. Watson (2006:12) suggests that WesBank operates under the presumption that, because of the history of South Africa, it is working towards being equitable and that "Equity for All" is an ideal that it hopes to achieve in the shortest time-frame possible.

This document recognizes that it is generally accepted as fact that historically, race was a major determinant of an individual's status in the greater society. It also recognizes that this philosophy over time influenced the culture and the daily workings of the WesBank Society. The resultant race barriers, while no longer being upheld by law, nevertheless continue to operate in a covert form. This means that WesBank, through a structured process will continue to critically examine all of its processes to ensure that no bias and prejudice can exist in its workplace and in its workplace practices.

In its Transformation Statement of Intent (http://wesbank/ee/policy_strategy.asp) WesBank acknowledges and understands the impact of our history on our society, which excluded Black people, women and the disabled from enjoying opportunities to reach their full potential and partake in the benefits of true citizenship in South Africa. With this in mind WesBank will use to gauge the correction of this historical imbalance in the WesBank Society. The WesBank Society will never again reflect an imbalance of any kind because of its pursuance of its Equity objectives.

WesBank strongly subscribes to the shared value, "WE BELIEVE IN OUR PEOPLE AS INDIVIDUALS".

This value is the measure of how WesBank intends to lead and manage the people of the organization and its truth will be reflected in the fair representation of diversity at all levels of the organization. As long as disparities exist, groups of people will feel excluded from and not feel a part of the organization.

1.2 The Problem Statement

Although South Africa is now its the twelfth year of democratic dispensation, by WesBank's senior management admission, transformation process has not produced pleasing results in terms of advancing Black people and women. How effective are the processes employed by WesBank in this regard? How can this be accelerated without compromising quality, lowering standards or just being politically correct? These are some of the questions this study will address.

1.3 Rationale for Research

WesBank currently employs approximately 3 600 people in South Africa of which 51% are Black. Of the total staff complement, only 19,498% of Blacks occupy management positions. This means that although WesBank has done a reasonably good job in employing the previously disadvantaged, questions must be asked about the levels at which Black people are being employed.

WesBank aims to become an equitable organisation and an employer of choice. It will be fully representative, at all levels, of the economically active people of the society in which it operates.

WesBank's vision is to have an environment that will reflect a climate where all staff and customers are treated equitably and fairly and where access to opportunities and services are accessible to all.

The past 12 years of democratic rule in South Africa witnessed a myriad of changes in many industries of the South African environment. While the new political dispensation is now firmly established, the keenly awaited economic miracle remains a dream for the majority of South Africans, particularly Blacks and women. Notwithstanding the fact that some progress has been made by WesBank regarding transformation, growing the Black staff complement from a mere 35% in 1995 to 51% in 2005 is commendable. Although there is this noticeable change and WesBank is

employing the previously disadvantaged more, transformation at the managerial levels of this organization appears to not have been at the desired pace.

Since South Africa's first democratic elections, the ruling party has taken steps to ensure increasing levels of women representation at the highest levels of government. In 1994, two women were appointed to Cabinet positions. By the end of the former President, Dr. Nelson Mandela's term in 1999, this number had increased to four. President Thabo Mbeki, in turn, doubled this representation, bringing the total number of female Cabinet Ministers to eight. Today eleven of President Mbeki's Cabinet Ministers are women, not to mention the recent appointment of South Africa's very first female Deputy President.

Just prior to the change of government, a large number of White people considered leaving the country in fear that the country was to become poverty stricken as a result of the lack of expertise by the new Black government. The opposite is of course true. The country is doing much better with the GDP at unprecedented levels. By the same token, WesBank has achieved excellent financial results in the recent past. An unprecedented level of Black staff at the operational levels has not seen the company losing ground.

1.3.1 Business Case for Transformation

WesBank recognizes, among others, the following business reasons for Transformation:

WesBank must be positioned to dominate its market and sustain its profitability and viability and therefore must be able to fully serve a multi-racial customer base.

- WesBank has a predominantly White customer base and it is showing signs of levelling off.
- The emergence of a strong Black market presents business opportunity.

WesBank must be the choice for strategic alliance partners both locally and internationally:

- WesBank must reflect the multi-racial environment of target market.
- To gain access and increase customer profile in the emerging black market, staff profile must reflect the country's demographics. A representative diverse profile of workforce will assist in securing and effectively tendering for business.
- To ensure that WesBank is not excluded from participating in tendering for business specifically from government and multi-nationals.

It is essential to ensure a diverse workforce where individual capabilities and performance are maximised to serve a multi-racial community and business.

- WesBank must become the preferred employer of an entrepreneurial workforce of top quality diverse individuals that subscribe to the value "Equity for All". In this WesBank must be able to attract the most talented black people and women who will play a meaningful part in the continued successful future of WesBank.
- Employment Equity initiatives will ensure that WesBank is well placed in meeting skills shortages.
- A diverse and talented work force will provide different views and innovations to market and serve a multi-racial and multi-cultural business environment.
- The contributions of a diverse and talented workforce will enhance WesBank's ability to meet market needs and to remain market leaders.

1.4 Objectives of the Research

The objective of the study is to determine the effectiveness of the transformation processes as employed by WesBank thus far. In so doing it is hoped that the data will provide sufficient evidence to establish the extent to which the Transformation process in WesBank has been satisfactory and how this can be enhanced, regardless of the level the research will reveal it to be at.

1.5 Research Methodology

Since the research will be qualitative in nature, it will be a mixture of the rational exploration and intuition. Sanders et al. (2003: 132) submit that the skills needed to conduct qualitative research are: thinking abstractly, stepping back and critically analysing situations, recognising and avoiding biases, obtaining valid and reliable information, having theoretical and social sensitivity and the ability to keep analytical distance while at the same time utilising past experience and a shrewd sense of *observation and interaction*.

The determination of the economically active Black people and women in South Africa will be carried out through an analysis of Blacks and women employed in both the public and private sectors. This will be compared with WesBank data. In addition, the evaluation of skills development processes will be evaluated in terms of the percentages of Blacks and women being developed as well as the monetary budget for such training and development initiatives.

The study will also analyse the composition of all management positions as occupied by Black people and women as a percentage of total staff complement and compare this to the industry norms as well as the Financial Sector Charter.

Limitations of the Study

The scope of this research is limited to affirmative action, employment equity, training and development and will not extend to other factors of transformation such as procurement. WesBank has requested the research to cover the human capital part of transformation. To this end, access to all the information that may be deemed necessary for the purposes of this project is granted without condition except that of company confidentiality in the usage of such information.

1.6 Proposed Structure of the Research

Chapter Two: Literature Review

The literature review will initially detail the purpose of effective implementation of Affirmative Action and Employment Equity Act. It is at this level that a discussion on the history of WesBank, its strategies in terms of management and leadership will be detailed. Theoretical background in terms of employment equity, affirmative action and skills development will be addressed at length.

Chapter Three focus on Research Methodology.

Chapter Four

In the light of the discussion in chapters two and three, using the models, the evaluation of all the information and data gathered will ensue. In this evaluation the study will also proceed to point out what it is that WesBank has done successfully and where there are areas that still need attention and improvement in the transformation process.

Chapter Five

This deals with major conclusions and the recommendations.

CHAPTER TWO: LITERATUR REVIEW

TRANSFORMATION

2.1 INTRODUCTION

“No economy can grow by excluding any part of its people, and an economy that is not growing cannot integrate all of its citizens in a meaningful way” – *BEE Strategy Document :An Empowdex Report (2006: 4)*

Like individuals, organisations change continuously, reacting to the developments and demands in the markets they have elected to operate in. Organisations also react to the arrival and departure of key people. Gavera (2004: 87) asserts that transformed companies have achieved unprecedented competitive power, a pride in everything they undertake and outsized returns to shareholders.

2.2 TRANSFORMATION DEFINED

Transformation has been defined in numerous ways. Definitions of the term range from narrow to very broad.

The Webster English dictionary defines transformation as “An act, process or instance of change in structure appearance. A conversion, revolution, makeover, alteration or renovation”

The definition of transformation in the Concise Oxford Dictionary concurs: “A process of making a thorough or dramatic change in the form, outward appearance or character”

Tomervik (2005: 96) identified four basic themes related to the definition of transformation:

1. The transformation concept includes a broad range of differences in the work force—age, disability, education levels, ethnicity, family structure, function, geographic location, race, religion, sexual orientation, style, and values. Definitions are extremely broad and all inclusive;
2. The meaningful aspects of transformation are how it affects the individual and the organization;

3. The broadened definition of transformation requires a culture change within organizations. Work force diversity necessitates changes in management styles, human resource systems, philosophies, and approaches;
4. There is an emphasis on communicating a concept of transformation as more than race, gender, affirmative action and equal employment opportunity.

Levy and Merry (1986: 23) suggest that organizational transformation is based on, and embedded in, macro theories, and the evolution and consciousness perspective. It is also rooted in the phenomenon and learning views on change and change management. According to this strategy, the main task of the manager or consultant is to help organization's members to be aware of the existence of the processes of evolution in their organization and of its stages, its characteristics, and its impact, so that they will be able to consciously and deliberately participate, effectuate, and manage the process. Transformation consultants, like organizational development consultants in its first years, find it difficult to define and explain specifically what organizational transformation is. There are some obvious reasons for this. First, organizational transformation is a new field; its theory and practice are not yet well developed, organized, and integrated. Second, organizational transformation taps the "soft side," of the company. An observation is made by Mc Kinsey (1999:122) that oddly, it is the leaders of companies in crisis who may be best placed to achieve a true transformation. He further asserts that most transformations undertaken under non-crisis conditions end up failing as employees' attitudes and behaviour remain unchanged, ambitious targets slip downward and the programs are finally abandoned. When things are going well especially, senior executives are somewhat justifiable in the reluctance to undertake transformation programs.

According to Fernandez (1993: 88), in order for transformation processes and initiatives to be a success, organisations undertaking such initiatives have to embark on strategic multifaceted plans that include the following components:

- Create employment policies and practices that support the company's commitment to diversity (including performance, potential, career planning and counseling systems, training and development strategies, diverse career tracks with appropriate resources, and leading-edge flexible-benefit packages).
- Integrate work force diversity goals with all organizational design activities.
- Create an organizational structure to support the company's commitment to diversity.
- Establish a link between diversity goals and performance review and reward systems.
- Establish shared values throughout the organization to support the company's vision of diversity.
- Develop a diverse mix of qualified candidates to ensure that the work force of the company mirrors the communities that it serves.
- Provide employees with the skills needed to perform in a culturally diverse environment.
- Create an atmosphere/culture in which all employees take ownership of the diversity problems and recognize they are part of the problem as well as the solution.
- Create an organizational culture where racist, ethnocentric, and sexist language is totally absent.

According to Baytos (1995: 71) these points are synthesized in the following table:

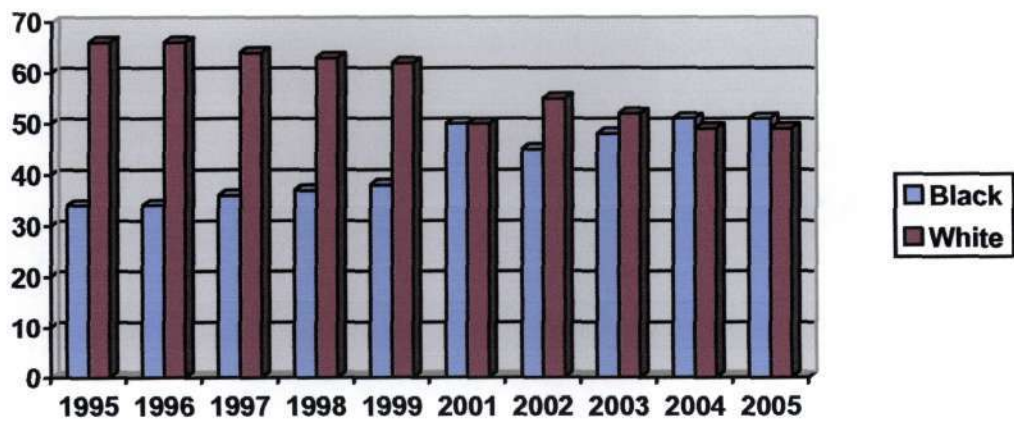
Figure No. 3: Summary of Strategies for Transformation	
Needs assessment	Assess organizational readiness and need before beginning; identify the transformation problems in the organization by collecting relevant information; seek employee input; answer the questions why, what, how, when, where, and who of the managing transformation strategy; start the change process with careful assessment of one's own bias.
Organizational commitment	Obtain senior management commitment; establish management responsibility for climate setting; make awareness education an organizational priority
Business strategy	Establish a clear business rationale for the initiative; link transformation to strategic vision; design transformation strategy—develop goals, objectives, methods, dimensions, management, actions, priorities, and resources of the plan
Integration and implementation	Use a holistic, integrated approach; consciously work to integrate transformation values into the broader organizational values; integrate responsibility for transformation initiatives into other management functions and initiatives; integrate transformation efforts with existing strategic objectives and programs and other large-scale organizational change efforts

Assessment and refinement	Evaluate and monitor transformation efforts to ensure ongoing improvement; measure performance results against program/process objectives and strategic organizational goals; monitor recruitment, promotion, and development trends; use the results to reinforce the commitment of the organization
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According to Watson (2006: 4), the goal of achieving successful employment equity and transformation is driven by WesBank’s leadership and is being achieved through the enthusiastic participation of employees. WesBank currently employs approximately 3600 people in South Africa of which 51% are black.

The figure below depicts the Employment Equity Staff Compliment at WesBank.

Figure 4: Employment Equity Staff Compliment

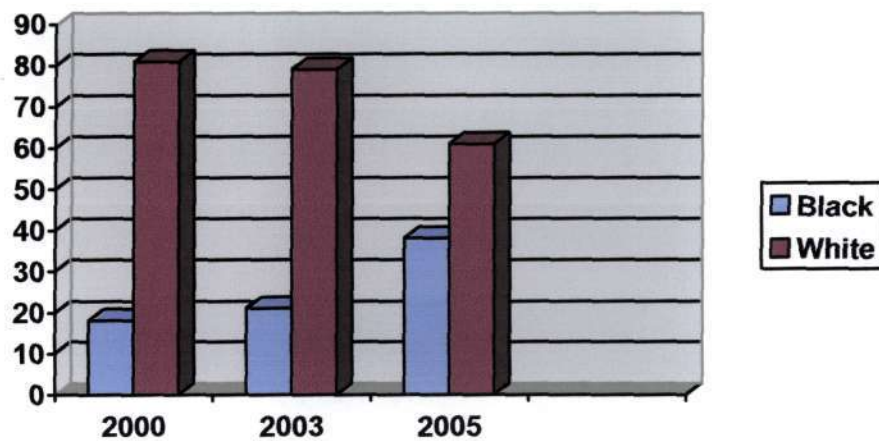


Source: WesBank Transformation Report 2005.

According to Baytos (1995: 73), the key components of transformation in the workplace are employment equity, affirmative action, skills development, procurement, beneficiation and community development.

Baytos (1995: 76) suggests that leadership development forms the integral part of transformation in that all other endeavors may not yield desired results if the organisation does not invest in skills development, particularly leadership development. The graph below reflects an increase in the number of blacks for leadership development programmes at WesBank.

Figure 5: Leadership Development Programmes



Source: WesBank Transformation Report 2005.

According to Watson (2006: 6), middle and junior management continue to reflect a slight shortfall against desired representation. The breakdown of the workforce profile is as follows:

Figure 6 Workforce Profile

Occupational Levels	Designated							Non-designated			TOTAL
	Male			Female				White Male W	Foreign Nationals		
	A	C	I	A	C	I	W		Male	Female	
Top management	1			2			3	11	1		17
Senior management	10	2	4			4	36	77	1		134
Professionally qualified and experienced specialists and mid	50	16	30	40	18	40	193	270			657
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	147	55	84	158	122	109	544	210	1		1437
Semi-skilled and discretionary decision making	163	66	55	353	151	97	178	53		1	1117
Unskilled and defined decision making	1			12							13
TOTAL PERMANENT	372	139	173	565	291	250	954	620	3	1	3361
Non – permanent employees	144	65	56	250	131	69	160	159			1015
GRAND TOTAL	516	204	229	815	422	319	1114	779	3	1	4400

Stoner et al. (1995: 198) concur and proceed to suggest the “spheres of activity for transformation as follows:

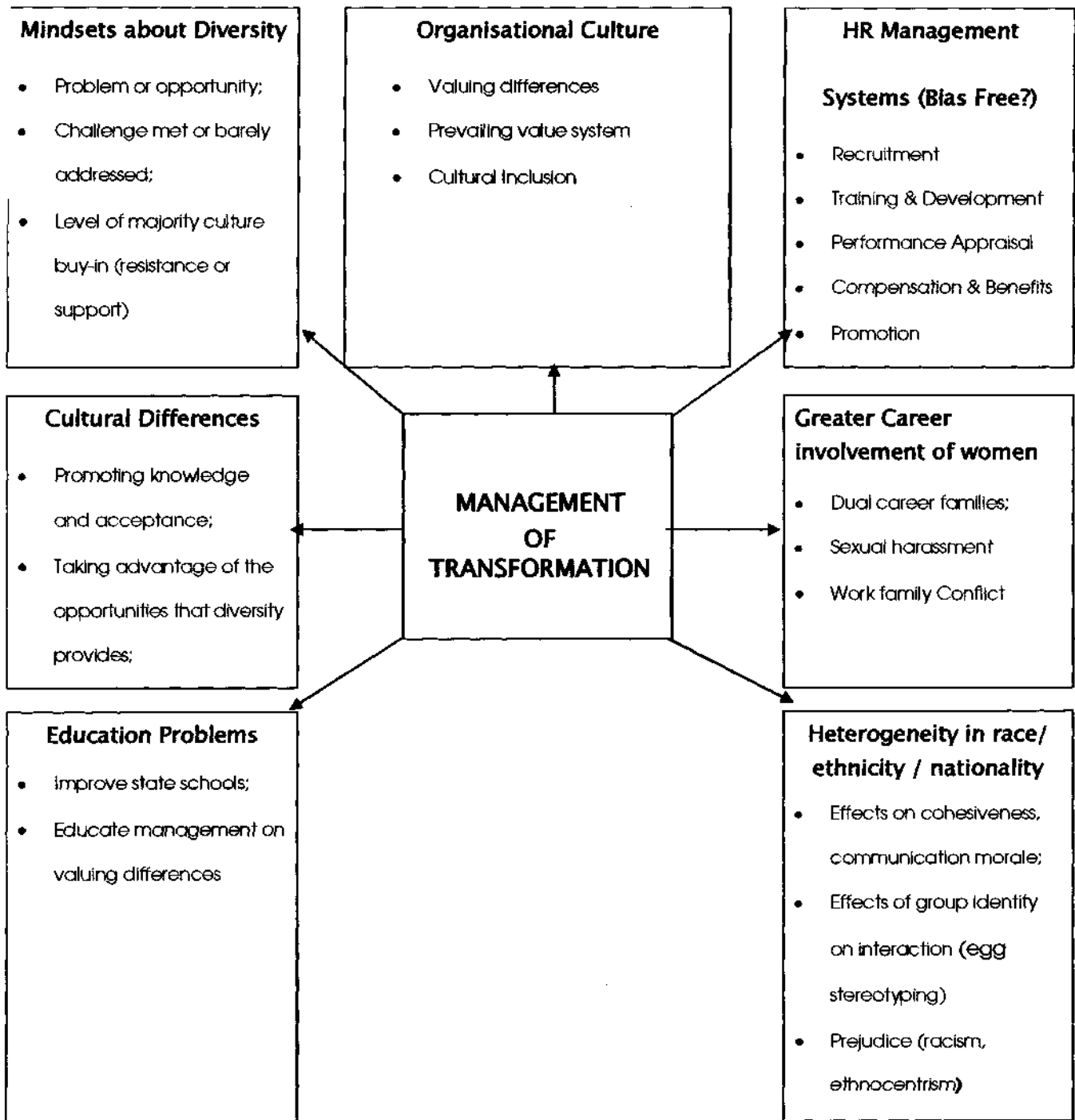


FIGURE 7. THE SPHERES OF MANAGING TRANSFORMATION

Source: Stoner JAF, Freeman RE, & Gilbert DR 1995 *Management* (Engelwood Cliffs NJ: Prentice Hall, p 198)

2.2.1 AFFIRMATIVE ACTION AND EMPLOYMENT EQUITY

“If we do not deal with the problems of our past, our problems of the past will live with us in our present and possibly in our future too” Dr. Wally Serobe: CEO: Freedom Park Trust.

There are many misconceptions about what affirmative action is and what it entails. According to Nzimande and Skhosana (1996: 88), Affirmative Action is about leveling the playing field in order to enable those who have been disadvantaged to come in and participate. In addition, Nzimande and Skhosana (1996: 89) submit that:

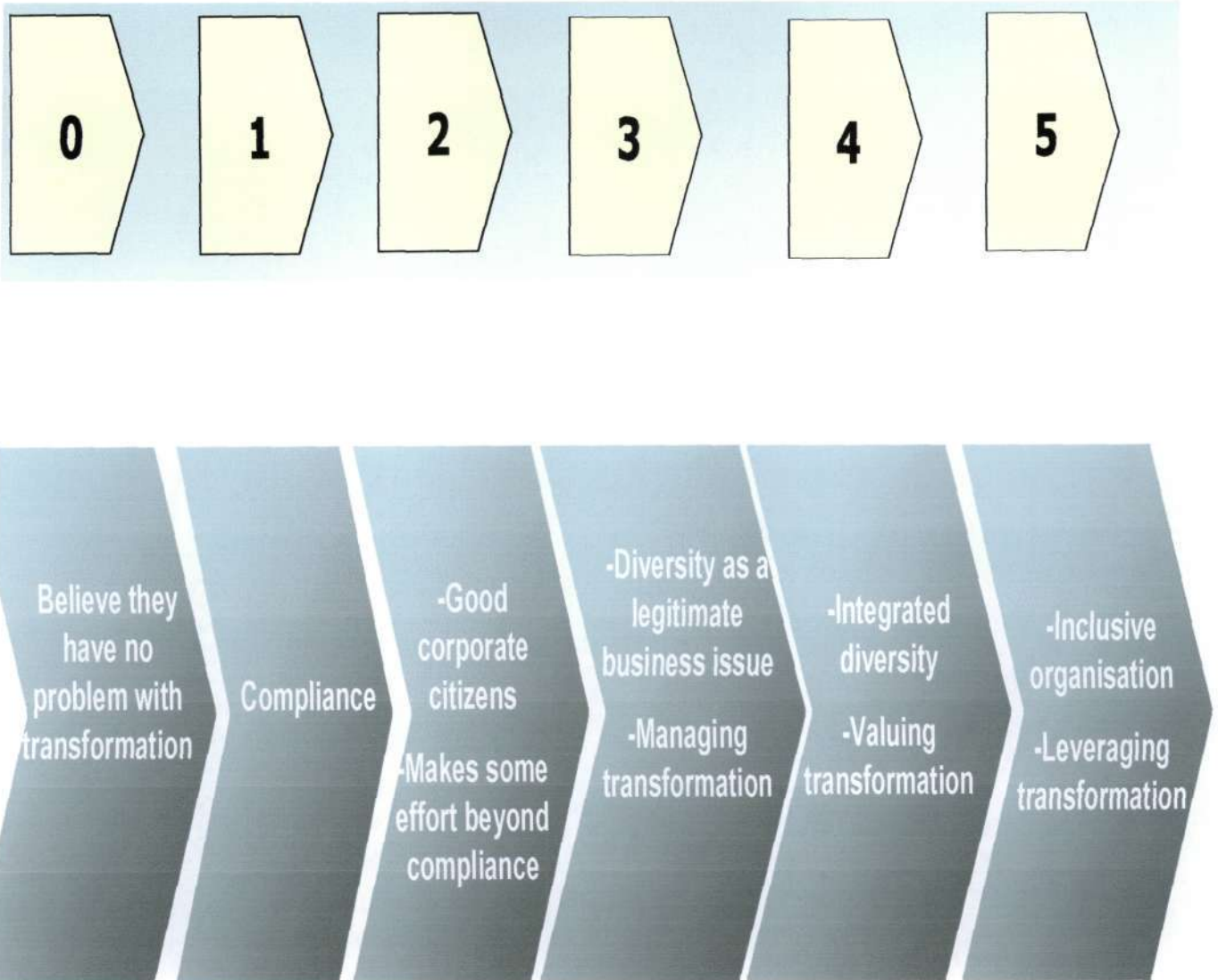
- It is about honestly confronting the fact that some of the privileges and powers certain groups have currently were never based on merit or any objective criteria, but simply on race and sex.
- Affirmative Action is not the same as a quota system.
- It is not about tokenism or simply promoting just anyone without skills and/or qualifications.
- It is not the same as preferential treatment.
- Affirmative Action is about supporting competency and opening up spaces for the previously excluded
- Collect data on current situation and see what needs to be addressed. For example, how many women are in top management? How many are Black?
- Having a clear picture of the situation at the beginning will enable the impact of the affirmative action policy.
- Set specific priorities and targets in respect of women, black women in particular.
- Monitor implementation of the policy and address obstacles.
- Monitor women’s participation in decision making processes and address gender based problems.
- Affirmative Action policies must go beyond increasing numbers, to enhancing qualitative participation.

Nzimande and Skhosana (1996: 82) add that Affirmative Action is a midwife of employment equity. Debate on employment equity is almost always invariably about affirmative action practices. One of the arguments owing to this fact is that anyone can profess to be not averse to fair employment practices. Debate generally is born out of the mention of affirmative action as being part of employment equity. The Employment Equity Act of 1998 incorporates both anti-discrimination and affirmative action.

According to Manning (1993: 42), before any transformation initiatives are undertaken, in order for success to be evident, the organisation must undergo a careful, sincere analysis of where it is at in this regard. The following transformation continuum is suggested by Manning (1993: 43) for this purpose.

Figure 8

Continuum of Transformation



2.3 THE EMPLOYMENT EQUITY ACT OF 1998

The Employment Equity Act was promulgated in 1998. It consists of a sum total of six chapters, with each of those chapters addressing different aspects of the Act.

Chapter 1 deals with the definitions, the purpose of the Act and the issues relating to the interpretations and application of the Act. Brief encapsulating of the purpose of the Act by Nzimande and Skhosana (1996) is that it is aimed at achieving equity in the workplace by:

Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantage in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce. The first part in the purpose of the Act is what can be considered to be an equal employment opportunity statement. It requires that discriminatory practices be stopped. All countries and indeed companies would like to be seen as being fair in their employment practices. The second part is what has created immense controversy all over the world. It has led to a lot of vigorous debate and resistance in many countries. Nzimande and Skhosana (1996: 63) define this second part as actions that are aimed at redressing inequalities and might involve preferential treatment. This is called Affirmative Action.

Chapter 2 of the Act is binding on all employers and employees except to members of the South African National Defence Force (SANDF), the National Intelligence Agency (NIA) and South African Secret Service. This chapter deals with prohibition of unfair discrimination. It lists grounds upon which unfair discrimination is prohibited.

The provision of the Act under this chapter is that no employer can discriminate on any of the following grounds:

- Race
- Gender
- Sex
- Pregnancy
- Marital status
- Family responsibility
- Ethnic or Social origin
- Colour
- Sexual Orientation
- Age
- Disability
- Religion
- HIV status
- Conscience
- Belief
- Political opinion
- Culture
- Language and
- Birth

According to Section 2(a) of chapter 2 of the Employment Equity Act, it is not considered unfair discrimination when affirmative action measures that are consistent with the purpose of the Employment Equity Act (EEA) are applied. Also, it is acceptable to exclude or prefer any person on the basis of an inherent requirement of the job.

Affirmative Action is provided for in Chapter III, but generally (see below) applies only to "designated employers". Designated employers are defined in Section 1 as

including an employer who employs 50 or more employees or less than 50 but with an annual turnover set out in Schedule 4 of the Act. A collective agreement can also provide that a given employer is a designated employer for the purposes of the Act. The public sector is also covered except for security and defence services.

Under Section 14 other employers may voluntarily agree to comply with Chapter III as if they were designated employers. Also the Labour Court may direct any employer, even if they do not fall within the definition of a "designated employer", to comply with Chapter III as if they were. In addition, schemes to avoid the application of Chapter III by taking a measure to avoid becoming a designated employer are prohibited by s. 61(2).

The incidence of atypical forms of work amongst women workers is an important issue. The application of Section 57 of the Act to temporary employment services is therefore significant. It deems the clients of the temporary employment service to be the employer if employment with the client is of indefinite duration or for a period of three months or longer. In addition, if a temporary employment service, on the express or implied instructions of a client, commits an act of unfair discrimination, both the temporary employment service and the client are jointly and severally liable.

The affirmative action provisions of the Act set out below only apply to "designated groups" which includes women. Under Section 13, "designated employers" must undertake the affirmative action measures set out in Section 15:

"15(1) Affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer..."

Affirmative action measures are defined broadly and include measures to:

Identify and eliminate employment barriers, including unfair discrimination;

Create diversity in the workplace based on equal dignity and respect of all people; and make "reasonable accommodation" for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workforce of a designated employer.

The measures can be designed to ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels, and the training and development of people from designated groups.

They can include preferential treatment and numerical goals, but can not include quotas. Also, nothing in Section 15 requires the establishment of absolute barriers to people who are not from designated groups.

The phrase "reasonable accommodation" is defined in Section 1 as "any modification or adjustment to a job or to the working environment that will enable a person from a designated group to have access to or participate or advance in employment".

In formulating affirmative action measures, employers are required to undertake consultation and attempt to reach agreement with employees (Section 16). In addition, under Section 19, employers must conduct an analysis of employment policies, practices, procedures and the working environment, which identifies employment barriers for people from designated groups, and determines the representation of people from designated groups in various occupational categories. Details of the requirements of the analysis are prescribed in the regulations.

The designation of employers is also on the basis of their annual turnover threshold. Designated employees are women, people living with disabilities and black people. For the purposes of the Act, the definition of black people includes Africans, Coloreds and Indians. It lists duties of the designated employer as follows:

- Consulting with its employees
- Conducting an organizational analysis
- Preparing and employment equity plan and
- Reporting progress on implementation of employment equity plan to the Director General of the Department of Labour.

As part of their obligation with employment equity plan, designated employers are expected to institute affirmative action measures. Such measures include preferential treatment and numerical goals but excludes quotas (Act No. 55, 1998: s15 (3)).

2.4 DEFINITIONS OF AFFIRMATIVE ACTION

According to Edwards (1995: 66), the word Affirmative Action first appeared in the United States of America in March 1961. It was part of Executive Order Number 10925 of President J.F. Kennedy. Edwards (1995: 69) advises that at that time, Affirmative Action meant a little more than desisting from discriminatory actions. Innes (1993: 41) argues that Affirmative Action is a set of procedures aimed at proactively addressing the disadvantages experienced by sections of the community in the past. He further emphasizes that it is not necessarily a single policy or strategy.

Van Wyk (1998: 32) defines Affirmative action as re-evaluating standards, attitudes and practices in respect of recruitment, training, development, qualifications and the corporate culture of the organisation. Section 15 of the Employment Equity Act defines affirmative action as:

“Measures designed to ensure that suitably qualified people from the designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of designated employer” (Employment Equity Act 1998:section 15).

2.5 INTERNATIONAL PERSPECTIVES ON EMPLOYMENT EQUITY AND AFFIRMATIVE ACTION

In order to bring a broader and meaningful argument on this subject, the study looked at three countries with different understandings and definitions of employment equity and affirmative action.

Bobocel et al. (1998: 102) have defined Affirmative Action as a body of policies and procedures designed to eliminate employment discrimination against previously disadvantaged groups, thereby redressing past discrimination.

They further provide that Affirmative Action is thus designed to assume a proactive stance in dealing with problems of discrimination and under- representation of previously excluded and therefore disadvantaged groups.

Affirmative Action is a relatively new concept in South Africa and while organizations are expected to focus on promoting equal opportunity at work, they still face the challenge of maintaining equilibrium in their workforce through diversity management. Agocs and Burr (1996: 88) argue that given South Africa's historical background; demographically representative work groups are fairly new within the workplace. Furthermore, it must be acknowledged that gender and racial discrimination are still deeply entrenched within the structure and culture of many South African organizations as a legacy of apartheid.

Under Section 46 of Employment Equity Act Number 55 of 1998, Affirmative Action measures are mandatory in all designated organizations. Affirmative Action in South Africa may therefore be seen as an equal employment initiative in which Affirmative Action is a vehicle that is being used to drive the transformation towards fair labor practices. Despite its noble intentions, Affirmative Action is often reduced to just being a preferential treatment based on group membership. Heilman (1994: 2) suggests that this common misconception in turn affects the way in which the beneficiaries of Affirmative Action may view themselves and their work as well as how they orient themselves to work tasks.

A look at this international experience reveals that the terms employment equity and affirmative action have been used interchangeably. The United States of America never used the term employment equity at all whilst the Canadians never used the term affirmative action. A closer scrutiny at the two systems has revealed some similarities. The most common factor is that, although they use different terms, they are not at variance with the view that affirmative action and/or employment equity are tools to assist the economic minorities to increase their participation in their national economies. South Africa on the other hand, has two interlinked policies that deal with employment equity and Black Economic Empowerment (BEE) and now the improved Broad Based Black Economic Empowerment (BBBEE).

For the purposes of this research, the three countries that this study has examined are Canada, Malaysia and United States of America.

2.5.1 THE CANADIAN EXPERIENCE

As mentioned earlier, Canada does not use affirmative action in its terminology but uses employment equity. In the Canadian experience, employment equity is defined as the “program of planned change, a program to make sure that the workforce reflects the community”. (Chegwidden and Katz 2004: 8)

According to Chegwidden and Katz (2004: 12), the first Employment Equity legislation in Canada was passed in 1986. What triggered employment equity legislation in Canada was employment discrimination and disadvantage on the basis of race, gender, disability and ancestry. Its intended results were fair employment policies and practices, improved representation and supportive climate for the previously excluded groups. The act was revised exactly ten years later in 1996 with the passing of the Employment Equity Act of 1996. The revised act was driven at obligating employers with one hundred (100) and/or more employees to identify and eliminate barriers to employment of people in the designated groups and instituting positive corrective policies and practices thereby ensuring reasonable accommodation of persons in the designated groups. The first obligation is more of an anti-discrimination statement. It deals with what could be described as fair employment practices. The second obligation is what in the South African legislative framework is viewed as affirmative action. It must be noted here that the South African Employment Equity Act is indeed modeled on the Canadian Employment Equity Act of 1996.

Critics of the Canadian Employment Equity such as Lum et al. (1996: 87) highlight that it did not require the employer to demonstrate employment equity initiatives but rather to only submit annual reports showing the numerical representation of the designated groups. According to Lum et al. (1996: 92) there was no effective and assurance of compliance.

The Act of 1986 was also criticized for leading to increased hiring of able bodied white women and, to a lesser degree, of racial minority women. Its main emphasis was on numerical representation and lacked attention to the need to identify and change discriminatory organizational policies, practices and culture. According to Lum et al. (1996: 92), the revision in 1996 was meant to address all of these and other weaknesses identified. In recent years, organizations have recognized that they serve customers in many different markets. One estimate is that visible minorities possess \$76 billion worth of combined purchasing power in Canada. By 2001, visible minorities formed 48 percent of the consumer market in Toronto, 20 percent in Montreal and 39 percent in Vancouver. Even if the home base of an organization is located in a culturally and ethnically homogenous market, it may have very substantial numbers of customers who are located in other communities, in its home country or abroad.

Chegwidden and Katz (2004: 33) write that this "responsiveness to customer needs" occurs at three levels: the service level at point-of-contact between organization and customer or client; the design level where product or service design decisions are made; and at the strategy level where fundamental decisions about markets and entry strategies are made.

On one level – the service level – organizations have concluded that they need employees drawn from different backgrounds and groups within their customer base in order to understand and serve their customer needs better. At its most simplistic this may require Mandarin or Gujarati-speaking customer service representatives in bank branches in Chinese or East Indian communities; it may require young people to serve customers in music stores and senior citizens to act as tour guides or hosts on Caribbean cruises. At this level it all seems so much common sense and it is in these areas that there is evidence of the most progress being made toward workplace diversity.

- The Dimensions of Diversity in Canadian Business report (1996 p. 1) highlights that a Petro-Canada site in Vancouver's Chinese community posted signs in English and Mandarin, was officially blessed and was graced with a performance of a dragon dance in an effort to increase the centre's profile within the community. A true connection was not made, however, until the team of sales associates assembled to market to this community realized that

attracting new customers was not enough; they had to be able to speak their language. Some of the sales associates were realigned to serve distinctive ethno-cultural communities. An increase in sales was the result. Between 1991 and 1994, kiosk sales increased by 15% and gasoline sales rose from 2.7 million liters to 3.1 million liters at the Main and Terminal station.

- According to Spears (1995:43), the Bank of Montreal, which has won several awards for its overall Workplace Equality Program has increased its business by hiring Chinese-speaking employees who are better able to communicate with Chinese customers and build a rapport which raises the Bank's esteem in the Chinese communities it hopes to serve. Spears (1995: 58) quotes Peggy Sum, vice-president of Asian markets, as saying that diversity has been able to add such details to the branches as changing the bank's corporate colors to red in Chinese branches-blue and white are associated with death and funerals. These details have accumulated in the form of a 400 percent increase in Chinese business at the bank in the last five years.
- According to Lum et al. (1996: 81), National Grocers transformation initiatives have also focused on customer relations and have been reflected in their bottom line. At a Loblaw's location in Toronto the potential customer base had shifted as the area had seen an influx of Mandarin and Cantonese-speaking immigrants. The store advertised for a pharmacist who spoke both languages, filled the position and immediately saw revenues increase significantly.
- Fortune Magazine (2001: 9) reports that the Mouvement des caisses Desjardins, a community-centered network of financial institutions in Quebec, offers service in nine languages and select marketing and promotional material has been produced in these languages. According to Diane Deslauriers, the CEO is quoted as saying that "If we had not been valuing transformation we would have lost market share" "Obviously, if you're not able to understand the community you're serving, then the customers will go elsewhere-to where they are understood."
- According to Gandz (2002: 74), there are many other examples of customer-focused transformation benefits in the Canadian Experience. DuPont Refrigerants, a company that makes air-conditioning and refrigeration

possible has benefited from the transformation of its workforce to the tune of at least \$45 million.

Gandz (2002: 77) reports that a multicultural team increased their business by significant margins world-wide when they changed the way DuPont develops and markets decorating materials like its Corian countertops. The team recommended an array of new colours that appealed to overseas customers. According to Gandz (2002: 56), another group of African-American workers recently opened up promising new markets for DuPont's agricultural products by focusing on an untapped market of black farmers. Fortune magazine (1996) reports that McDonald's actively recruits older workers for management jobs and also employs thousands of older workers in its restaurants. O'Grady reports in the Fortune Magazine (1996: 9) that CEO Edward Rensi says: "We find these people to be particularly well motivated, with the sort of discipline and work habits hard to find in younger employees."

Gandz (2002: 66) asserts that at another level -- **the design level** -- organizations which have diverse workforces that extend into management positions, engineering groups, marketing departments and other operational groups -- have discovered that gender, ethno cultural or other transformation can help them design and deliver products in ways which appeal to diverse customer segments.

- Glatter and Hamilton (1995: 39) report that Human Resources Vice President at Frito-Lay Incorporated, Dennis Zeleny says transformation of backgrounds yields a transformation of ideas, which is key to creating the best marketing strategies. "How could you not have women, for example, involved in all aspects of the operation when half of your customers are women?"

Gandz (2002: 44) proceeds to submit that at the very highest level -- **the strategic level** -- we have organizations that are so attuned to their marketplaces that they make fundamental strategic decisions based on an in-depth understanding of how different groups of customers perceive the world, perceive their organizations, and how they feel about doing business with those who may not understand or empathize with their needs.

2.5.2 THE MALAYSIAN EXPERIENCE

According to Emsley (1996: 72), the Malaysian Affirmative Action Experience has been the most extensive and the most successful. The Malaysian population comprises three major ethnic groups, namely the Bumiputras (Indigenous Malays), the Malaysian Chinese and the Malaysian Indians. The Indigenous Malaysian, the Bumiputras by far constitute the majority with a 62% composition. The next population group is the Chinese with a percentage of 30% and finally the Indians with just over 8%. Malaysia obtained its independence from Britain in 1957 and formed a coalition government representing the three ethnic groups mentioned above. The indigenous Malaysians, the Bumiputras, were the poorest of all Malaysians while the Chinese possessed most of the wealth of the country. Riots in 1969 forced the Malaysian government to embark on means to bringing an end to the other groups' dissatisfaction about the unevenness of the wealth distribution in Malaysia. As a corrective measure, the government introduced the New Economic Policy (NEP) in 1970. The life span of the NEP was said to be no more than 20 years. According to Manning (1993: 55), the aim and purpose of this policy was to significantly reduce poverty and effect a fundamental restructuring of society. It sought to eliminate the correspondence between race and economic functions. Efforts were made to concentrate on improving the socio-economic position of the poorest that were the economic minority even though they were the numerical majority. The Malaysian New Economic Policy was a poverty reduction strategy and an affirmative action program.

The understanding of affirmative action in Malaysia goes far beyond reforming the labour market. It encompasses the broader economic empowerment. Labour market reform as well as economic empowerment were the main reasons of the promulgation of the New Economic Policy in Malaysia in 1970. The Malaysian government did not create two programs for dealing with preferential labour practices and preferential economic empowerment targeted at the same group. Employment policies that advocated preferential treatment for the Bumiputras were developed, driven and monitored. These were accompanied by preferential treatment in business opportunities through, *inter alia*, public procurement contracts. This, in many ways, is what sets Malaysian transformation process apart from other countries.

Emsley (1996:7) applauds the Malaysian Affirmative Action process for realizing its set objectives and for doing so within the allocated time. Emsley (1996: 12), asserts that the key success factor for the Malaysian experience is the Malaysian government's realization that economic growth is "indispensable to successful affirmative action". Analysts point out that the success of the NEP in reducing overall poverty levels within the Bumiputras can be seen in how significantly the income differentials between the Bumiputras and other groups were significantly reduced.

Manning (1993: 24) highlights the major criticism of the Malaysian Affirmative Action process as the extent to which it created major inequalities within the Bumiputras. He argues that the NEP concentrated more resources in the middle class and created a number of Bumiputra millionaires. In education, the Bumiputras constituted an increasing proportion of students being trained in public institutions at all levels of education and training. The richer Bumiputras received disproportionately more benefits from the affirmative action education policies.

Labour market affirmative action revealed the disproportionate benefits of the Bumiputra classes. One of the main concerns of this affirmative action initiative was with the higher paying professions. There was no vigorous training and development emphasis on the lowest ranks of the Bumiputras. According to Manning (1993: 24), this led to a large percentage of the Bumiputras to be still located in occupations requiring low skills and therefore paying low wages.

Political and business leaders in countries such as Malaysia, are also beginning to realize that diversity is critically important. For example, in an article entitled "The Malaysian Economy in 2020" by Kesavapany (2004: 18) it is stated that: "To ensure that Malaysia is able to develop competitive industries and increase overall economic resilience, certain underlying socio-economic qualities must prevail. Political stability and social justice operating within a generally accepted institutional framework will ensure dissensions caused by political, class or ethnic differences do not result in open conflict which disrupts economic activities." The initiative born of Malaysia's desire to become competitive is strikingly ahead of the North American norm as far as newly implemented equity programs go; already included in their notion of diversity are "political, class or ethnic differences". Although the program is meant to stave off "open conflict", much like South Africa's, Malaysia is clearly aware that diversity is inclusive, about everyone, in and out of the workforce.

2.5.3 THE AMERICAN EXPERIENCE

The concept of affirmative action first appeared in the United States of America in the year 1961 in the form of a President J.F. Kennedy's Executive Order Number 10925 (Edwards 1995: 62). According to Edwards (1995: 79), at the time, affirmative action meant a little more than desisting from discriminatory actions in employment practices. Discrimination in the United States of America was mainly on the basis of race and gender.

When the Civil Rights Act of 1964 was passed, the American understanding of affirmative action took another direction. For the purposes of affirmative action, section 7 of the Act is the most appropriate. Its purpose is stated as "To improve the economic and social conditions of minorities and women by providing equality of opportunity in the workplace". It prohibited discrimination by employers of 15 or more employees by employment agencies and unions engaged in industry affecting commerce. It required the most radical action and in fact went to the extent of imposing quotas.

This Act also created the Equal Employment Opportunity Commission (EEOC), which was charged with the responsibility of overseeing the implementation of article 7. The Civil Rights Act of 1964 was amended by the Equal Employment Opportunity Act of 1972, which added the Federal, State and local public employers and educational institutions (Edwards 1995: 100). In the American setting, the understanding of affirmative action was shaped more by the courts' interpretation of the legislation. According to Edwards (1995: 113), as examples, the following are some important court decisions that gave shape to the definition and practice of affirmative action in America.

The *Griggs vs. Duke Power Co.* (1971: 9) set the stage for what was to be known as the Griggs Doctrine. The court ruled that not only intent but also consequences are adequate grounds for a finding of unlawful discrimination. The ruling opened way for whole class remedies and hence to affirmative action, first as a remedial practice and subsequently as a prophylactic (Edwards 1995: 163).

Practices that at face value looked non discriminatory and without intent to discriminate but which nonetheless had a disproportionate impact on one racial group compared with the other were, within the meaning of section 7, discriminatory.

The Griggs ruling brought about the socio-economic element to the field of recruitment. In *Gregory vs. Litton Systems Inc.* 1972, a case was brought against an employer for refusing to hire applicants because of their arrest record.

Equal Employment Opportunity Commission dealt with the refusal to employ applicants because of their credit records (EEOC decision Number 72-0427, 1972). Owing to the legacy of black people's exclusion, the above situations were affecting black people more than the whites. This made such refusals to appoint them as unlawful discrimination because of disparate impact. The Griggs ruling on disparate impact seems to be what led the inclusion of the indirect discrimination clause in Employment Equity legislations including the South African Employment Equity Act of 1998.

Many court judgments of the 1980s reversed the affirmative action gains made in the previous years and thus again changed the understanding of affirmative action in the United States of America. In the *City of Richmond vs. Antonio* (1989) it was found that an employer has got to demonstrate "identified discrimination" and set up a properly tailored remedy to correct the identified imbalances. *Word's Cove Packaging vs. Antonio* (1989: 74) shifted the burden of proof from the employer to the employee.

The above are some of the cases that challenged the previous good judgments for affirmative action. According to Edwards (1995: 133), the year 1989 became a roll back year for affirmative action in the United States of America in the sense that the courts easily ruled against affirmative action initiatives. The judiciary became a powerful weapon in the hands of those who were against affirmative action. This pointed to a change of attitude within the judiciary that was an important avenue for enforcing affirmative action later in the 1960s and 1970s.

2.5.4 THE SOUTH AFRICAN EXPERIENCE

Innes (1993: 26) says that the South African debate on employment equity and affirmative action took centre stage when it was becoming clear that there was going to be a democratically elected government in the foreseeable future. The demographics in the highly racialised South Africa meant that it was almost a foregone conclusion that a predominantly black government was to be in place. According to Innes (1993: 44), the need for affirmative action in South Africa arose out of conditions of deeply entrenched discrimination. He states that generations of Black South Africans were subject to legal, educational and economic forms of disadvantage. Denial of opportunity was institutionalized and officially sanctioned. He adds that positions of authority in major South African companies were exclusively reserved by custom and practice, for white male managers. This meant that the debate in South Africa was mainly divided between those who had fears about their jobs and privileges and those who had expectations that their fate will improve and their skin colour would no longer be a barrier to employment opportunities and promotion. Political parties, business organizations, individual commentators and the general media were mainly divided along racial lines. Innes (1993: 50) submits that issues under debate ranged from whether the country needed legislation to facilitate employment equity or this was to be left in the employer's goodwill.

Manning (1993: 106) suggests that given our history, it makes no sense to even debate whether or not affirmative action in South Africa should be practiced. He adds that there are still many companies that include affirmative action in their value statements but do not set specific objectives or pressurize their managers for meaningful progress in this area.

Starting in 1948, the Nationalist Government in South Africa enacted laws to define and enforce segregation. What makes South Africa's apartheid era different to segregation and racial hatred that have occurred in other countries is the systematic way in which the National Party, which came into power in 1948, formalized it through the law.

The Employment Equity Act was only passed in 1998 but a number of books debating the issues sprang up around 1993. Academics debated based mainly on their own persuasions.

Muendane (2006:61) writes that politicians debated in a way that protected and advanced their constituency's interests. He adds that Civil Society lent their voices to the debate based on their convictions. The debate continued into the submissions to the Parliamentary Committee on Labour in relation to the Employment Equity Bill in 1998. This study will not look into all the issues covered in the Employment Equity Act but will be limited to the Affirmative Action as a tool to redress the past imbalances.

2.6 ARGUMENTS FOR EMPLOYMENT EQUITY.

- Price Waterhouse (1996) asserts that four separate arguments exist that provide justification for the adoption of employment equity strategies in South Africa. These are:
 - Political Feasibility
 - Bridging cultural differences
 - Changes in aggregate consumption powers
 - Redressing the legacy of discrimination

Muendane (2006: 56) concurs and adds two other justifications namely, correcting the imbalances of the past and economic sense. Wingrove (1995: 11) states that it is generally accepted that Blacks in South Africa have been denied the capacity to compete and have not been able to realize their full potential as a result of long history of discrimination. This Wingrove (1995: 13) says "... has in turn led to their not being able to acquire the maximum amount of merit that accrues to those who live in a society where merit relates in some way to developed potential. A just society would seek to provide for the full development of everyone's potential and it would ensure that merit was fully equated with social roles such as jobs."

According to Muendane (2006: 59) the arguments of those that are convinced of a need for legislation that will enforce and facilitate implementation of Employment Equity Act was mainly based on the need for reparation and the economic sense of it as illustrated below:

2.6.1 Correcting the imbalances of the past.

South Africa has a mammoth task of realizing a state of unity among all its citizens. Muendane (2006: 52) submits that segregationist laws and practices are some of the examples of the injustices suffered by a large section of the population. These segregationist laws created scars that have to be dealt with effectively before there is equal participation by all groups in the economy of the country. Wingrove (1995: 64) states that his argument aligns itself with what Lyndon Johnson, the former American President once said “You do not take a person who for years has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say ‘You are free to compete with the others: and still believe just believe that you have been completely fair. This is just not enough to open the gates of opportunity”

Muendane submits that during the debate around the passing of the Employment Equity Act, its main supporters were largely Black political parties. In its submission, the Pan Africanist Congress of Azania stated that “it is impossible for transformation to just occur merely by repealing existing discriminatory legislation (PAC 1998). This party’s belief is that a comprehensive approach is needed to eliminate all forms of discrimination by putting in place positive measures to overcome inequalities in the workplace.

In its submission, NAFCOOC, a black business organization, wrote that it was disturbed that there were some who continued to attack efforts that were meant to bring about equality and referred to market driven phenomena as a solution to resolving the imbalances of the past. NAFCOOC (NAFCOC 1998) believes that people must take action about change and not to leave it to “undefined market forces”.

Transformation efforts were driven in the 1980’s, and early 1990’s primarily by the need to begin to adapt to the realities of a shrinking talent pool, and revised legislation ‘outlawing’ discriminatory HR practices based on colour and gender. For instance, ‘Equal Employment Opportunity’ practices and subsequent ‘Valuing Transformation’ efforts focused on a subset of the population, requiring employers to increase the presence of under-represented groups in their workforce.

The scope of Transformation work expanded dramatically from 1994 onwards with the promulgation of the South Africa Constitution Act, and from 1998 onwards with the passing of the Employment Equity Act, recently the Sector charters and the BEE Act (2003). Employers have been forced (by law) to accelerate the hiring of a more diverse workforce and to remove the barriers to employment progress for previously disadvantaged groups. However, changing the numbers has not been enough; figuring out how to effectively work together is the bigger challenge, and education about differences has been introduced.

Muendane (2006: 22) argues that while heeding the law is mandatory, this "extra effort," which focuses on transformation training and interpersonal learning, is still perhaps viewed as an optional extra frequently not tied to the business, and often not as effective as newly 'affirmed' leadership intends. While there are a few success stories (like SA Breweries), there were many cases in which participants either do not know why they are there or are not able to apply what they had learned back on the job because their corporate culture does not reinforce components of the education they receive.

Muendane (2006: 25) argues that Affirmative Action is an issue about process and time. He uses the analogy that if at the crossroads you take a left turn and travel for a certain number of kilometers and discover after having traveled that distance that you are in the wrong direction, you have to travel back by the same route to the intended destination. The fact that you now know which direction you should have taken, does not immediately place you back at the cross roads or at the intended destination. He further asserts that if it has taken you ten hours walking from the crossroads in the wrong direction, it will also take you ten hours to go back, assuming you are moving at the same pace. The point Muendane (2006: 32) is making is that simply because South Africa is politically free, it does not mean therefore that everything is fine and there should be no road to walk back on.

2.6.2 Economic Sense

The economic sense perspective of the argument is that skills are concentrated in the minority of the South African population. This makes it difficult for the needs of the economy to be met. There is therefore a need for a creation of a wider skills base. This can be done by bringing the Black majority in to the mainstream of the economy.

Madi (1993: 67) quotes the Institute For Future Research Statistics that shows that in 1985:

“The ratio of managers to non-managers on average in this country was 1:42 Compared to 1:12 in most industrialized nations. By the year 2000, a shortfall of managers is estimated. This will seriously compromise the standard of management in our country and will contribute significantly in a Negative manner to productivity”.

In order to address the skills shortage that South Africa is suffering as a result of the past imbalances, the Skills Development Act was instituted in 1998.

Purposes of Act.--(1) The purposes of this Act are--

(a) To develop the skills of the South African workforce--

- i. to improve the quality of life of workers, their prospects of work and labour mobility;
- ii. to improve productivity in the workplace and the competitiveness of employers;
- iii. to promote self-employment; and
- iv. to improve the delivery of social services;

(b) To increase the levels of investment in education and training in the labour market and to improve the return on that investment;

(c) To encourage employers--

- i. to use the workplace as an active learning environment;
- ii. to provide employees with the opportunities to acquire new skills;
- iii. to provide opportunities for new entrants to the labour market to gain work experience; and
- iv. to employ persons who find it difficult to be employed;

(d) To encourage workers to participate in learnership and other training programmes;

(e) To improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;

(f) To ensure the quality of education and training in and for the workplace;

(g) To assist--

- i. work-seekers to find work;
- ii. retrenched workers to re-enter the labour market;
- iii. employers to find qualified employees; and

(h) To provide and regulate employment services.

According to Collins (1994: 19), the Congress of South African Trade Unions also believes that there is an economic argument to affirmative action. The labour federations argue that: *there are acute "diseconomies associated with the lingering inequality in the labour market. In the context of South Africa where the majority has been excluded by discriminatory legislative framework, this means that a substantial portion of the productive population is under-utilised"* (COSATU 1998).

According to COSATU, this means that economic participation is skewed towards the minority and this is too narrow to maintain the country's economy.

In her bulletin, Collins (1994: 41) makes the point that skills development is a business imperative. She argues that it is an irony of the South African situation that "while unemployment continues to spiral, the economy is severely constrained by a shortage of technical and managerial skills"

These skills can not be met from the white population alone, nor can skilled foreign labour, which has been used in the past-fill the gap. (Collins 1994: 42)

Israelstam (1999: 40) argues that the obvious need for the correction of the past imbalances arises not only from our duty to restore justice but also from the point of view of common business sense. The lack of skills and development of the large majority of our population contributes strongly to the lack of productivity in our economy and makes South African industry highly uncompetitive in world market terms.

2.7 ARGUMENTS AGAINST AFFIRMATIVE ACTION

According to Karzdin (2006: 102), the list of the most common arguments against affirmative is as follows:

- #1: The only way to create a color-blind society is to adopt Color-blind policies.

- #2: Affirmative action has not succeeded in increasing female and minority representation.

- #3: Affirmative action may have been necessary 30 years ago, but the playing field is fairly level today. In our South African scenario, critics of affirmative action argue that the current generation of workers should not be subject to affirmative action any more, 12 years after apartheid was abolished.

- #4: The public doesn't support affirmative action anymore.

- #5: A large percentage of White workers will lose out if affirmative action is continued.

- #6: If Jewish people and Asian Americans can rapidly advance economically in other parts of the globe, Africans should be able to do the same.

- #7: You can't cure discrimination with discrimination.

- #8: Affirmative action tends to undermine the self-esteem of women and racial minorities.

- #9: Affirmative action is nothing more than an attempt at social engineering by liberal Democrats.

- #10: Support for affirmative action means support for preferential selection procedures that favor unqualified candidates over qualified candidates.

Quata (1995:20) notes that those who are arguing against affirmative action are usually, not though not always, white. She further comments that they usually prefix their assertions with the comment that in the principle of affirmative action they do not have the arguments but rather the manner in which “it is being implemented”. She argues that the white people would say this before proceeding to systematically reject the principle and any effective measures to redress the past imbalances. Below are some of the arguments used to reject Affirmative Action.

2.7.1 Reverse Discrimination

The reverse racism argument is premised on the belief that blacks want to take revenge on their previous oppressors. It seems to be a major contributor to what is referred to as “white fears” in South Africa. Proponents of this thinking find representation in the arguments of organizations like Institute of Race Relations and political parties like Democratic Alliance. The above mentioned organizations argue that because the Employment Equity Act of 1998 recognizes racial categories, it is no different from the laws that buttressed apartheid. (Business Day, 28 September 2006)

In its submission prior to the promulgation of the Employment Equity Act, the then Democratic Party equated affirmative action to re-racialisation of the South African society. This party, together with the National Party, went on to submit to the Parliamentary Committee on Labour that they would support the Employment Equity Bill if it did not make reference to race. They asserted that they supported the elimination of unfair discrimination in the labour market and the addressing of the imbalances of the past. The National Party goes on to state that that it “rejects even the slightest attempt to re-introduce the principles of apartheid or any other discriminatory provisions of whatsoever nature. The National Party also rejects the slightest attempt of reversed discrimination” (National Party 1998). The National party believes that the Employment Equity Act would re-racialize the South African workforce by mentioning Black people as one of the designated groups. It wanted designated groups to be defined as:

“Any persons or categories of persons disadvantaged by unfair discrimination of whatsoever nature which will include discrimination based on ability, qualification and /or capability.”

Such an argument is also supported by one other argument that those who end up benefiting from a “group based” strategy are the “best qualified within the designated group” and not the ones who are deserving. Van Wyk (1993: 112) argues that by giving preference to the better qualified within the protected group, affirmative action programs tend to push the worse off even lower down. The arguments against affirmative action are influenced by those that purport to have a commitment to colorblindness. Notably, the argument for colorblindness comes mainly, from the groups that benefited immensely from a segregated society. In response hereto, according to Muendane (2006: 81), COSATU argues that the argument for colorblindness is flawed as without concrete programs to redress past imbalances the market will simply perpetuate inequality on the basis of race, gender, disability and income.

The South African Catholics’ Bishops Conference (SACBS), in its rejection of the arguments that the workplace in South Africa is being re-racialised, they mention that the South African work force has never been de-racialised. The Bishops under the auspices of the above faith based organisation believe that it is fallacious to suggest that the racial imbalances of the past be dealt with simply by ignoring race as a social reality (SACBS 1998). They argue that to do so will be to entrench racial discrimination and therefore it would be irresponsible, they say, to hope that racial discrimination will die a natural death.

2.7.2 Dropping the Standards

Van Wyk (1998: 27) argues that affirmative action programs lead to lowered standards as a consequence of hiring unqualified and under qualified people, resulting in decreased productivity and a lowering of international competitiveness. Stones (2006: 9) quotes The Afrikaanse Handel Instituut (AHI) in the Business Day dated 28 September 2006 as arguing that employment equity leads to a situation where organizations are not able to appoint the “best person for the job”.

Anderson (2001: 12), in his statement addressing this and other conceptions relating to the perceived dropping of standards, asserts as follows:

Myth: Affirmative Action is a form of reverse discrimination.

REALITY: Affirmative Action does not mean giving preference to any group. In fact, it stands for just the opposite. Included in the concept of Affirmative Action is the idea that all individuals must be treated equally and that a position should be given to the candidate most qualified. However, a hiring committee **MUST** make a good-faith effort to create a pool of candidates which reflects the number of women and minorities who possess proper training for the position. Once the qualified candidates are identified, a candidate's ability to provide cultural diversity to a department, to serve as a role model, and to offer a range of perspectives should be major elements in the evaluation and selection progress.

Myth: Affirmative Action means establishing a 'quota' system for women and minorities.

REALITY: There is a difference between goals and quotas. Ideally, the percentage of women and minorities working in the position should be similar to the percentage of women and minorities qualified for such positions. Affirmative Action does not mean showing partiality but rather reaching out to candidates and treating them with fairness and equity. Quotas, on the other hand, are court-assigned to redress a pattern of discriminatory hiring.

Myth: Once you hire an Affirmative Action candidate, you can never fire him/her.

REALITY: The terms of employment are the same for women and minorities as they are for men and non-minorities. In fact, in terms of Affirmative Action principles, standards of achievement, job requirements, and job expectations should be applied equally to all individuals.

Myth: To satisfy Affirmative Action responsibilities, all that needs to be done is to hire one or two women or minorities for dead-end jobs.

REALITY: This is called tokenism. Hiring women and minorities for positions which are terminal in terms of advancement does not satisfy the Affirmative Action goals. The same opportunities for employment and career advancement must exist for all individuals.

Myth: Affirmative Action will result in lowering the standards and reputation of a company.

REALITY: This will not happen if a qualified candidate is selected for a position. Diverse staff providing varying talents and points of view increases the effectiveness and vitality and can lead to an enhanced reputation.

Myth: Affirmative Action and Equal Employment Opportunity are the same things.

REALITY: Equal_Employment_Opportunity means that all individuals must be treated equally in the hiring process and in advancement once on the job. Each person is to be evaluated as an individual on his or her merits and not on a stereotypic conception of what members of specific groups are like. Affirmative_Action is a more proactive concept. It means that one will actively and aggressively seek to recruit women and minorities by making a positive and continuous effort in their recruitment, employment, retention, and promotion.

Myth: Affirmative Action means applying a double standard; one for white males and a somewhat lower one for women and minorities.

REALITY: Double standards are inconsistent with the principles and spirit of Affirmative Action. One standard should be applied to all candidates. This myth, of course, implies that women and minorities are inherently less qualified than white males.

Myth: Unqualified individuals are being hired and promoted for the sake of diversity/affirmative action.

REALITY: Affirmative action plans that compromise valid job or educational qualifications are illegal. Plans must be flexible, realistic, reviewable, and fair. The US Supreme Court has found that there are at least two permissible basis for voluntary affirmative action by employers under Title VII, the Federal law that prohibits discrimination in employment on the basis of race, national origin, sex, or religion: (1) to remedy a clear and convincing history of past discrimination by the

employer or union, and (2) to cure a manifest imbalance in the employer's work force. Thus, affirmative action programs are intended to hire the most qualified individuals, while achieving equal opportunity for all.

Among Black South African commentators, there is also suspicion the concept of merit that has been used so far. There is therefore a call for the use of a more objective and fair definition of what constitutes merit. Qunta (1995: 42) quotes the Former Director of the Black Management Forum saying that people feel comfortable with those who are like themselves. A person who fits the typical South African corporate executive profile (white male) is therefore more likely to pass the merit test than an African person (Qunta 1995: 23).

Cooke (1998: 52) believes that advancing the designated groups is not necessarily dropping standards because it advocates for the appointment of a designated group person who meets the minimum requirements of the job. This person "can do the job well enough to keep it going, though not as well as is required to make a really adequate contribution". According to Cooke (1998: 61), this would come later as the person is trained and grown into the job. Cooke (1998: 73) also argues that the assertion of the lowering of standards undermines the capabilities of the designated groups.

2.8 Successful Implementation of Employment Equity

The promulgation of the Employment Equity Act meant that the debate had to shift more to how best to implement effective employment equity. This debate had to take into account what could be described as a successful employment equity process. This has been an area where race lines tended to be blurred to a certain extent.

Wingrove (1995: 88) believes that a successful employment equity intervention will have as its end product the following:

- Blacks in senior line positions.
- Blacks having real decision making input. Cooke (1998: 79) supports this and adds that they should have clear, measurable output criteria which they understand and accept.

- Blacks successfully doing jobs that were formerly referred to and even reserved for whites.
- Lower turnover/higher retention rates for Blacks.
- Positive, visible, active support and commitment given to strategy by top management.
- Workplace and social acceptance by all.
- Positive trade union involvement.

Experts make a number of recommendations about what should be done so as to attain a state of successful Employment Equity process. For instance, Cooke (1998: 92) makes a point for “highly skilled and wise leaders to handle the complexity of human attitudes and emotions that flow from a prospect and the fact of the changes involved. Such leadership will ensure that Employment Equity is not implemented on an ad hoc basis but forms part of the of the overall strategic business plans. This point is also made by Israelstam (1999: 51) who believes that one of the reasons for failure in Employment Equity implementation has been a lack of “rational and systematic planning”.

Thomas (1998: 66) argues for an Employment Equity process that focuses on internal promotion rather than external recruitment. A focus on external recruitment, he adds, has the propensity to demoralize both black and white within the organization. Training and development therefore becomes essential as a component of Employment Equity program. Training initiatives should not be formulated with the belief that all black people need all kinds of training.

Cooke (1998: 72) raises the element of recognition of prior learning in saying that companies have to devise and/or obtain methods to take into account the value of life and job experiences attained by previously disadvantaged people available to them, inside or outside the organization.

It also has to be considered that Blacks are also very wary of being perpetual development candidates. According to Cooke (1998: 45), personal mentors and subject gurus have to be appointed to guide and support affirmative action appointees in their training and their jobs but also in their lives when they are called upon.

Thomas (1998: 96) defines a mentor as relatively senior and experienced employee, who provides guidance and support in a variety of ways, to the developing candidate.

Wingrove (1998: 71) on the other hand cautions about a situation where mentors are not chosen by the protégés and personal dynamics between the two become negative. Another drawback is that mentors who are often selected as a result of level of position they hold and not because of necessary mentorship skills. According to Thomas (1998: 112), the following list encapsulates some of the qualities that should be taken into account in the selection of mentors:

- Empathy
- Flexibility
- Ability to Trust
- Having a focus both on process and task
- Possessing Good communication skills
- Listening abilities
- Creativity
- Having a moderate propensity for risk
- Ability to cope with ambiguity and conflict
- A personal willingness to be a mentor
- An achievement based track record.

Broad consultation is important for the success of any employment equity program. All stakeholders have to be made to understand the importance of employment equity.

According to Israelstam (1999: 19) the failure of many organizations to win the support of the white employees for their employment equity initiatives tends to lead to the whites covertly resisting the implementation of employment equity.

Authors on the subject of Affirmative Action implementation sight some of the reasons for limited successes in employment equity programs as:

- Shortage of well qualified, experienced blacks in all fields and at all levels (Wingrove 1995: 68).

- A problem of setting targets and dead lines that are not specific, measurable, realistic, and achievable and time bound (Israelstam 1999: 16).
- Wingrove (1995: 12) also adds that lack of genuine commitment from the top as well as a lack of understanding of magnitude of the process and its impact on organization leads to failure of Employment Equity programs.

The following factors will be important in the successful transformation for the betterment of the organisation:

- Diversity Management
- Organisational Culture and Values
- Sound recruitment practices and effective human resources systems
- Career development and succession planning
- Flexible remuneration and benefits
- Retention strategy.

Unless these factors are correctly addressed, there will be a difference between employees' expectations I respect of factors that will advance transformation and current practice within the organisation.

2.9 Succession Planning

Succession planning for effective transformation has reached proportions of crisis in many organisations due to the increasing pace of change that has rendered traditional planning tools ineffective. Most senior executives recognize the need to develop executive talent (Beeson, 1999).

According to Kennedy (1999: 19), succession planning involves the identification and preparation of the movement of appropriate employees within the organisation. The goal of succession planning is to develop candidates for major openings before such openings exist. Kennedy (1999: 27) further asserts that succession planning relates to perceived success. Therefore, successful recruitment practices require the promotion of talented employees. D'Alonzo (2000: 102) suggests that succession

planning processes start with the consideration of a situation whereby a central incumbent was unable to continue without notice. Kennedy (1999: 83) states that succession planning is important because it addresses the following issues:

- Reduction of recruitment time for major positions and dispensing of the need to search among external candidates;
- Opportunities for internal development and advancement;
- Reduction of employee turnover, because employees know they will be offered opportunities for advancement in their present organisation;
- Improved continuity of leadership and;
- Rendering an organization an attractive place to work.

D'Alonzo (2000: 93) concurred, noting the following points:

- Employees have expectations of career trajectories and their professional development.
- Customers have expectations of regarding stability in their suppliers.
- Shareholders have expectations of competent management and Board oversight.
- The stock exchange has expectations in the short and long term performance for a company which drives in great measure from stable leadership and orderly transition.

D'Alonzo (2000: 128) believes that senior management considers the lack of management depth to be serious detractors of a company's development and future profitability. However, top management considers the process of administering succession planning to be time consuming, and of a doubtful validity.

2.9.1 Effective Succession Planning: Obstacles

During the 1990s many South African organisations undertook various forms of restructuring which comprised downsizing, re-engineering or increasing the managerial span of control. These had a great impact on organisations in many

ways as follows. D'Alonzo (2000: 77) mentions some of the ways in which organizations are impacted:

- Due to further organisational structures and broader span of control, companies were finding it difficult to expose employees with potential to projects that would provide them with skills and experience necessary to advance.
- The flattening of organisational structures limited employees' career paths in organisations.
- The need to attract young talent increased, mostly due to the need for employment equity, which forced organisations to recruit black talent rather grow and develop their own from within.
- The continuous decrease in training budget in favour of "concentrate on basic profitability" forced most companies to neglect human resource development.

All these factors impacted on succession planning and the development of highly talented people who could take these leadership positions in the future. D'Alonzo (2000: 94) identified some of the obstacles to effective succession planning as follows:

2.9.2 Ineffective Executive Reviews

D'Alonzo (2000: 102) argues that most large organisations focused on succession planning according to top down executive performance reviews. He asserts that this is time consuming and over-dependent on administration. In most instances reviews are conducted to justify the award or non-award of a salary increase. They tend to focus on the major performance areas of the individual so as to be able to identify the development needs of highly potential employees. This therefore blocks the quality of discussion that could comprise the career management necessary for future growth

2.9.3 Poor Follow-Up on Development Plans

Line managers are renowned for delaying the development plans of a candidate who is a high performer, for fear of losing them. This is typical in organisations with management reward systems that are linked only to performance and have no regard to how best management develops their people. According to D'Alonzo (2000: 144), other obstacles are as follows:

- Inadequate input from employees and feedback to managers;
- Narrow points of view when assessing potential;
- Over-emphasis on replacement planning;
- Identify talent relatively late in people's careers and;
- Failure to ensure a linkage with the reward system.

All these factors can lead to poor retention of staff especially in a period when the supply of future executives is declining and competition for highly talented black people is rising.

2.10 Best practices for Succession Planning for Transformation

D'Alonzo (2000: 152) investigated some of the best practices that addressed all these obstacles in order to build strong talent for the future. One of these was the early identification of talent.

This often depends on assistance from senior executives and non-executive board members.

D'Alonzo (2000: 152) explains that best practice organisations often identify critical functions for high performers so that they can gain experience in challenging projects. This in turn accelerates their development mechanism for future performance. Evaluation mechanisms are implemented on a continuous basis for feedback following their completion of development projects.

Board and other top management can identify key positions in an organisation and provide the necessary training and development to develop their competencies.

Through training and development, they are able to determine the length of time it will take for the candidates to be ready to take up key positions. D'Alonzo (2000: 154) provides suggestions for all boards:

- Simple plan;
- Linkage of plan to the company's incentive scheme;
- Evaluation of the plan on an ongoing basis;
- View of new recruits as succession planning opportunities for the company and;
- Networking with internal candidates by way of social events and formal presentation of their projects.

First world organisations have progressed beyond the concept of individual interviews to multi-rater (360 degree) feedback which involves candidates, managers, peers and subordinates, internal customers and, in some cases, external customers. This type of feedback was found to be a cost effective way to promote awareness and self development and to motivate developmental actions (D'Alonzo, 2000: 172).

D'Alonzo (2000: 125) suggests that to enable companies to benchmark their internal candidates by comparison with external candidates, company representatives may interview external candidates even after they have already identified an internal candidate for a position. This enables them to assess the quality of their internal candidate against the open market world class talent from other organisations and to upgrade its talent base where necessary.

2.11 WHY TRANSFORMATION IN SOUTH AFRICA IS PERCEIVED TO BE SLOW.

Many reasons are advanced to try and explain the lack of progress. According to Hofmeyr (1993: 43), these range from constraints imposed by a slow economic growth rate of the country to problems experienced in the educational system. He states that some companies profess to be committed to employee advancement

although in practice very little happens. Hofmeyr (1993: 61) asserts that the following aspects contribute to the failure of numerous transformation programmes:

- Inadequate clarification of corporate values and philosophy;
- Lack of commitment by senior management;
- No strategic human resources planning;
- Lack of line management ownership and accountability of transformation;
- Inadequate setting of targets for employment equity and affirmative action;
- Negative attitudes of white employees;
- No two way communication;
- Discriminatory practices;
- Little or no monitoring and follow up.

Craayenstein (1994: 79) found that the following aspects impacted on affirmative action in the companies surveyed:

- Career planning and development;
- Top management commitment;
- Work environment;
- Prejudice and
- Unclear performance standards.

Similar issues are still being advanced for the perceived failure of transformation initiatives. Literature reviewed indicated that the following issues impact on the success of transformation:

2.11.1 Lack of Top Management Commitment

Thomas (1998: 123) suggests that an important, and most probably the most crucial, practical reason why transformation programmes fail is that top management is not committed to it. Experts such as Human(1991: 22), Madi (1993: 56), the Black

Management Forum (BMF), (1993: 122), the Institute of Personnel Management (IPM) (1995: 17) and Thomas (1995: 53) all concur that the Chief Executive Officer should be responsible and accountable for transformation programmes in the organisations.

Thomas (1995: 101) says that "... in many cases, affirmative action has been nothing more than window-dressing with training tacked on in an attempt to impart skills and knowledge management feels new recruits need to learn". Human (1991: 33) points out that in order to achieve results, the long term commitment of top management is crucial; a failure to retain commitment over time could result in regression to the status quo. Wingrove (1995: 82) cites lack of personal commitment (time, energy and visibility) by top managers as an issue contributing to the perceived failure of affirmative action programmes in South Africa.

2.11.2 Skills, Training and Development

Human (1993: 55) suggests that transformation programmes should be concerned with the development of people to allow them to compete on merit and on equal basis. Waltman (1995: 82) on the other hand warns that transformation should not be a policy of handouts but should rather be a plan of action which is proactively aimed at self-upliftment through creating greater equal opportunities. He suggests that academic and technical qualifications should be supplemented with leadership qualities.

Price Waterhouse (1996: 9) report that a large scale investment in human capital is required to ensure that transformation is successful. They suggest that training programmes should include information on the principles underpinning the existing business culture in South Africa.

They further assert that educational bridging programmes may be necessary and suggest that mentoring should become an integral part of transformation. Kruger (1995: 178) supports this and says that bridging programmes often enhance the acclimatization process into the organisation specifically as well into the business culture in general. He suggests that proper awareness training on how businesses

operate and how the employees fit into the whole picture should be incorporated into the development of people. He says that training should be seen in a holistic sense to assist people in furthering their own careers.

Wingrove (1995: 100) reports that the shortage of appropriately qualified, experienced blacks in all fields and at all levels is problematic. This is supported by an Ernst & Young Survey (2004: 14) which found that the one of the major obstacles to affirmative action and transformation was the shortage of suitably qualified candidates (84% of respondents). The situation is exacerbated by the fact that the increase in demand causes inflated remuneration and unrealistic expectations. Wingrove (1995: 87) says this "...causes job hopping which has a negative influence on career development and contributes to the decrease in experience obtained, preventing the employee from developing commitment to an organisation that has often invested large sums of money and time in his/her development".

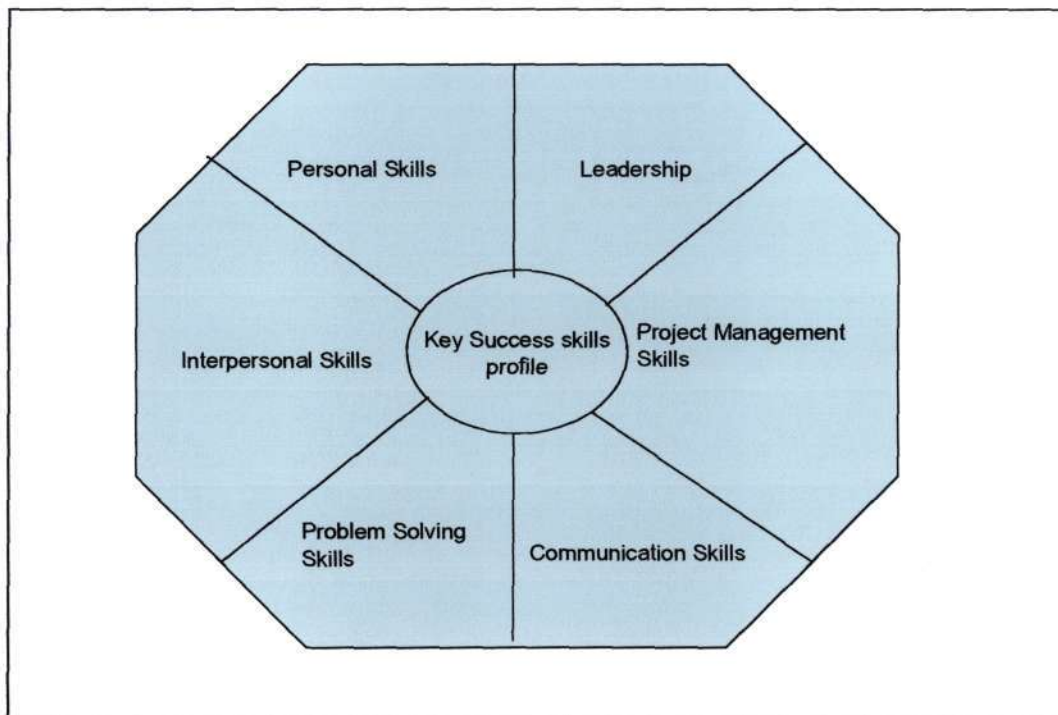
Cruz (2006: 61) agrees and asserts that South African companies have been hard hit by job-hopping - particularly among black employees. While a global trend among the younger generation, the phenomenon appears to be exacerbated in South Africa due to the unique circumstances created by apartheid, coupled with new BEE legislation.

Harvey et al. (2001: 94) suggest six key skill areas that are critical to the success of the transformation appointees. These are:

- Leadership;
- Project Management;
- Communication;
- Problem Solving;
- Interpersonal;
- Personal

Harvey et al. (2001: 80) suggest the following as key success factors concept for transformation:

Figure No. 6: Key Success Skills Profile For Transformation



Adopted from Harvey D. & Brown D.R. (2001): An Experiential Approach to Organisational Development, Sixth Edition, Prentice Hall, California

Wingrove (1995: 91) says that more often than not emphasis is placed on short term numbers and not on long term development. She asserts that "... often the process is incorrectly managed as Black up-liftment and not as Black empowerment". She argues that empowerment is about an enablement to get results. She further argues that deliberate plans should be formulated for the identification of talent within the organisation and for the training and development of these employees. She asserts that these plans should include job restructuring. She supports the view of accelerated training and development as well as bridging programmes.

2.12 Chapter Summary

From the literature review, it is evident that different countries can implement the same process in different ways based on their unique conditions. This indicates that South Africa can learn from other countries but it ultimately has to develop homegrown methods of redressing the past imbalances. The key distinction between the Canadian and American experience and that of Malaysia and South Africa is that the former dealt with advancement of minorities whereas the latter dealt with the advancement of majority populations. The debate as to whether it is right or wrong to implement employment equity has been overtaken by a legislation passed in 1998. Prejudice arising out of threat, is seen as a factor that shapes attitudes towards Affirmative Action. It is therefore imperative that Affirmative Action and its impacts, intended or unintended, be studied empirically so that the research findings will guide transformation thereby preserving organizational effectiveness and employee well being.

Chapter 3: Research Methodology and Data Collection

Exploratory, qualitative research was conducted using questionnaires. According to Bless and Higson-Smith (1995: 21), this approach to research is used when the purpose of the study is to investigate a broad phenomenon or situation, particularly when there is a basic lack of information on the subject, which often occurs in a recent area of interest.

In line with Leedy (1997: 43), this approach allows for data to be collected directly from the individuals in their natural environment. This methodology allows for cognitive and effective components to be explored in a greater depth and the identification of long standing changes.

Saunders et al. (2003: 86) suggest that the questionnaire will affect the response rate and the reliability and validity of the data collected. They further assert that response rates, validity and reliability can be maximized by:

- Careful design of individual questions,
- Clear layout of questionnaire form,
- Lucid explanation of the purpose of the questionnaire,
- Pilot testing and,
- Carefully planned and executed administration.

These are all the attributes the researcher took into account in both the questionnaire design as well as the administration of same. The methodology encouraged the respondents to introduce new concepts that were important to the subject areas.

3.1 Population

The target population was all categories of employees in the employ of WesBank as at the time of the survey. The questionnaire was distributed across all grades and levels of responsibility, from the most junior of staff to executive management level. No preclusions were made in terms of length of service either. It must be noted also that the study was limited to employees of WesBank within the Gauteng province. The researcher chose Gauteng province because not only is it the hub of economic activity for WesBank but also because more than 70% (approximately 2350 employees) of all WesBank employees are in this province.

3.2 Sample

3.2.1 Sample Size

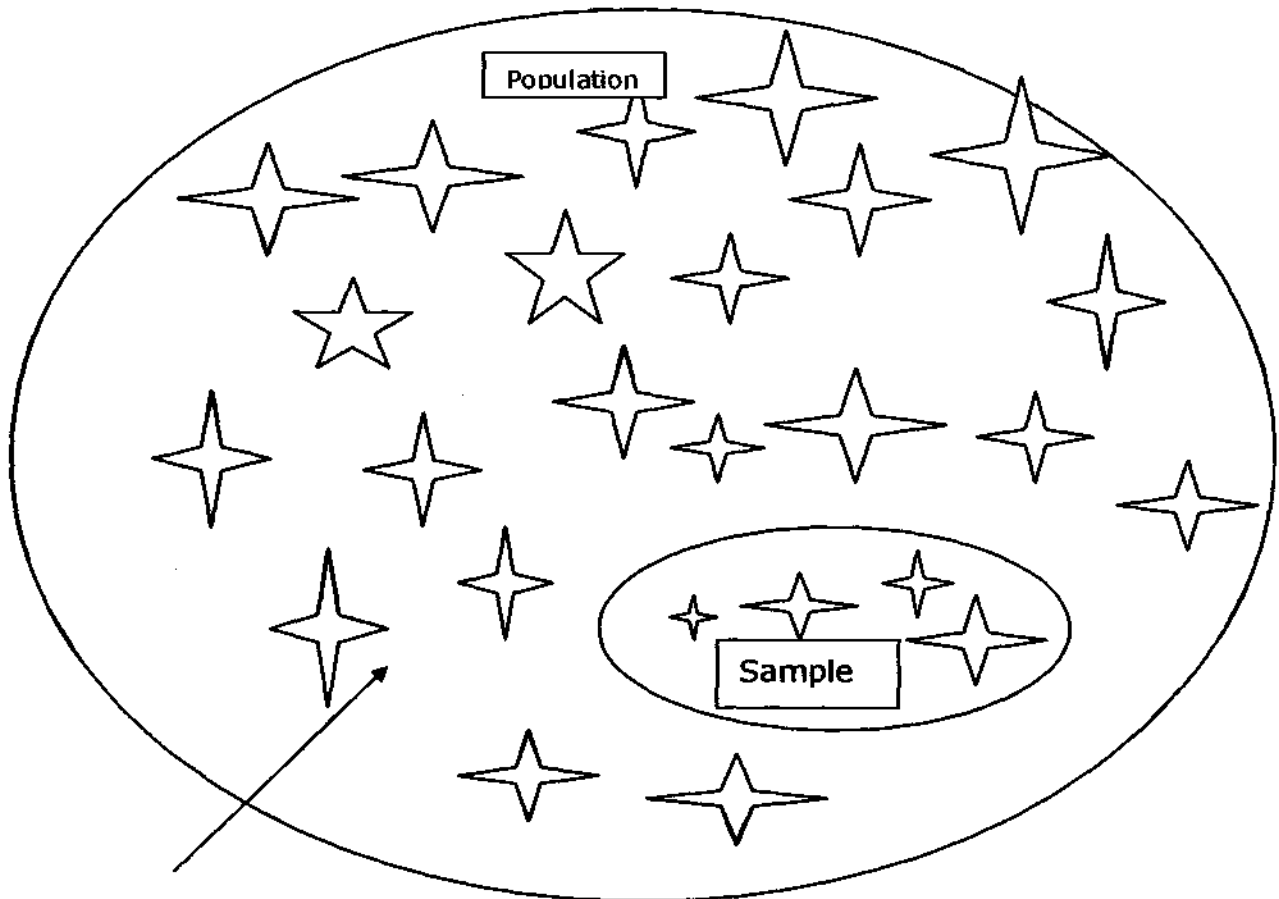
Three hundred and sixty four questionnaires were sent out to various divisions of WesBank. They were distributed via Senior Managers heading up the respective divisions for them to ensure that they were cascaded to all their subordinate employees as well as ensure that the responses were collected. Since informed consent had been obtained from General Management, it was not difficult at all to obtain permission from respondents.

3.2.2 Sample Selection

According to Saunders et al. (2003: 66), sampling provides a valid alternative to a complete population survey. The reasons that they sight for sampling are:

- It would be impractical to survey the entire population,
- Time constraints always prevent the possibility of the entire population survey,
- Budget constraints,
- When data has been collected, the researcher/s may need the results quickly.

Depicted graphically,



Case or element

Population, sample and individual cases: Saunders, Lewis and Thornhill, 2003, Research Methods for Business Students, 3rd Edition, Prentice Hall, England. P.151

The sample was selected using the stratified random method.

Figure 10: Sample selection by stratified random method

Category	Sample Size
Female	276
Male	88
Senior Manager	9
Middle/Junior Manager	43
Consultant/Clerical	312
Indian	19
White	122
Coloured	9
Black	214
Other	Nil
Below Std 8	12
Below Matric	52
Matric Only	121
Tertiary Qualification	179
Total Respondents	364

3.3 Research Instrument

The data was collected by means of a self administered questionnaire. Saunders et. al (2003: 65) suggest however that a questionnaire should only be as long as necessary for its purpose but cautions at the same time that too long a questionnaire can be demoralising to both the researcher and the respondent. The timing of the questionnaire was found to be fifteen minutes.

The researcher arranged that the business unit heads of various WesBank units and regions have copies of the questionnaire in line with their staff numbers. The questionnaires were then completed, put together in a sealed envelop and sent back to the researcher. Since the researcher was one of the Senior Managers of the organization being profiled, there was immense cooperation by other senior managers, consequently, there were no problems experienced during the data collection stage. In drawing up the research instrument, the Transformation Department of First Rand Bank Limited was contacted to enquire if a study similar to this had been conducted before and also to check what research instrument was used. Various questionnaires were looked at and the necessary questions adopted from those different established questionnaires. The process of standardizing the research instrument that was used followed a series of meeting with some members of the Transformation Forum of WesBank.

3.3.1 Questionnaire Design

The questionnaire consisted of 35 questions broken down as follows:

Understanding of Transformation	14 Questions
Leadership	5 Questions
Equity/Diversity	8 Questions
Training and Development	5 Questions
General	4 Questions

The last part, “general”, was made up of open ended questions. Open ended questions were most useful for this research in that they yielded valuable insights into what the respondents were thinking, since the purpose of the research was to establish the respondents’ views on the effects of transformation on the organization and why it is important that the organization transforms. In addition, this was the part that was most challenging as not many respondents provided their responses to these questions. Careful analysis of the entire research instrument appeared to suggest that respondents preferred questions that they did not have to write long answers to.

3.3.2 Pilot Study

A pilot study was conducted to test whether the questionnaire was readily understandable, usable and asked relevant questions. Twelve people were selected from the sample to pretest the questionnaire and suggestions of dimensions for inclusion were incorporated into the questionnaire outline.

3.3.3 Reliability and Validity Testing

Saunders et al, (2003:292) outline in the following steps as what must occur if a question is to be valid and reliable:

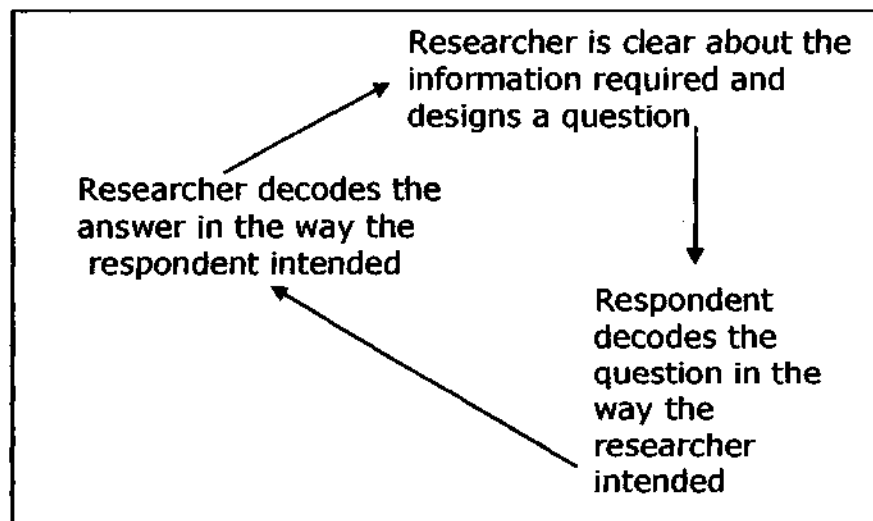


Figure 11: Stages that must occur if a question is to be valid and reliable

Source: Developed from Foddy (1994)

The above figures support the view that the questions formulated must be thought through. Reliability as put forward by Saunders et. al (2005: 198) “reflects whether asking the same question of the same person on a subsequent occasion will elicit the same response. Validity reflects whether you are ascertaining through the question what you think you are ascertaining.”

3.4 Confidentiality

Anonymity of respondent has to be adhered to as advised by Saunders et al (2003). The informed consent form gave the undertaking that the information supplied by the respondent was going to be treated as confidential. Respondents were also given to right to withdraw from the study at any given time they felt like. Serving in the steering committee of the researcher was an added advantage in that it was easy to verify information. No one’s job was at stake as the researcher does not work directly with the department that is providing information.

3.5 Problems Encountered

The research was undertaken late in November into early December. The main problem encountered was that of the people’s availability to respond to a questionnaire of this nature. It was at the time that most senior managers and staff were already beginning to make arrangements for their December vacations. Some of the branches that participated were already operating on approximately 80% staff than they normally would. This challenge was resolved by involving the Senior Management in soliciting cooperation from all branches, citing the importance of the research to the growth and sustainability of the organisation.

3.6 Chapter Summary

This chapter looked at the research methodology suitable for this study. Data collection methods were also covered in this chapter. The checking of reliability and validity were discussed. The next chapter will look at the analysis of data that was collected during the face to face interview process and the interpretation will be provided.

CHAPTER 4: DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter describes the theoretical framework used; the demographic profile of the respondents, the significance tests as well as provides the results of the research. It contains essentially three categories: research findings, research findings analysis and conclusions about the findings.

4.2 Theoretical Framework

The research was qualitative in nature. This was seen to be appropriate as the topic deals with individuals' perceptions, attitudes and feelings. According to Leedy (1993: 92), qualitative research aims to go beneath manifest behavior to the meaning events have for those who experience them. The research did not aim to produce precise definitions and concrete quantitative measurements but attempted to find meaning and make sense of some underlying behavioral patterns as regards to the transformation in WesBank.

Many authors draw a distinction between qualitative and quantitative research (for example, Bryman, 1988; Easterby-Smith et al., 2002: 74). However, attempts to define the distinctiveness of qualitative research, and therefore the way in which it can be distinguished from quantitative research can be problematic (Silverman, 1993: 47). Nevertheless, according to Saunders et al. (2003: 82) when one looks at the data produced by qualitative research one is able to draw some significant distinctions from those that result from quantitative work. Saunders et al. (2003: 88) identify three main characteristics of qualitative data:

- Based on meanings expressed through words;
- Collection results in non-standardised data requiring classification into categories;
- Analysis conducted through the use of conceptualization.

As the research was qualitative in nature, the analysis of the data gathered did not lend itself to high level inferential statistics. What did however emerge, was trend regarding what is happening in the area of transformation in WesBank. The following process was followed in the analysis of the data obtained during the research:

Demographic Profile of the Sample

Figure 12

Figure 1.1		n	%
GENDER			
Gender	Female	276	76%
	Male	88	24%
Total		364	100.0%

Figure 1.2
AGE GROUP

		n	%
Age	18-25	122	33.5%
	26-30	107	29.4%
	31-35	82	22.5%
	36- and above	53	14.6%
Total		364	100.0%

Figure 1.3

EDUCATIONAL LEVEL

		n	%
Educational Level	Below Standard 8	12	3.3%
	Below Standard 10	52	14.3%
	With Matric only	121	33.2%
	With tertiary qualification	179	49.2%
Total		364	100.0%
		n	%
Employment	Full Time	291	79.9%
	Part Time	73	20.06%
Total		364	100.0%

Figure 1.4

POSITION/ LEVEL

	n	%
Position/Level	312	85.7%
Consultant/Clerical	43	11.8%
Middle/Junior Management	9	2.5%
Senior Management		
Total	364	100.0%

Figure 1.5

RACIAL MIX

Race	n	%
Indian	19	5.2
White	122	33.5
Black	214	58.9
Coloured	9	2.5
Other	0	0
Total	364	100

The above demographic information indicates that there were more female respondents than males (76% versus 24%). This is in line with the workforce profile of WesBank in that the company employs 62% females and 38% males. The highest proportion of the respondents is the group that is between 18 and 25 years of age (34%), followed by the group between 26 and 30 years of age (29.4%). The 31 to 35 years group reflected a respondent percentage at 22.5%. The lowest percentage respondents by age was that of the 36 years and over at 14.6%. Almost 50% of respondents have a post matric academic qualification employed at non-managerial level. The racial composition of the respondents reflects 60% Blacks, 33.5% Whites, 5.2% Indian and 2.4% Coloureds.

4.2.1 Findings: Section 1

Statement 1: Transformation leads to reduced profitability.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			8	
Black Middle Managers	6				
White Middle Managers			9		28
Consultants/Clerical	236	52	4	11	9

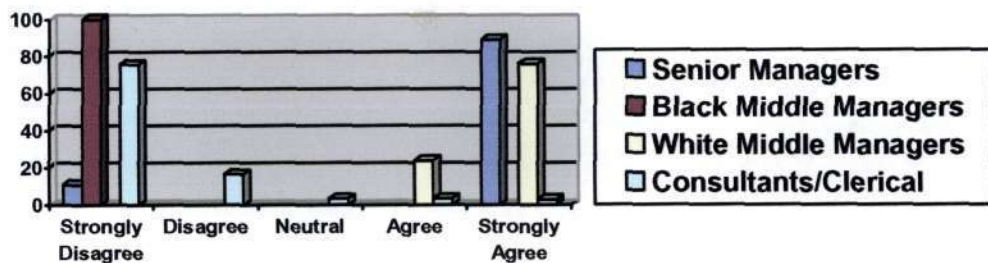
Analysis

89% of the respondent Senior Managers (8 out of 9) agree that transformation leads to reduced profitability. It must be noted that only 2.5% of the respondents were representative of the Senior Managers.

76% of White respondent Middle Managers (28 out 37) strongly agree that transformation leads to transformation while the remaining 24% mildly agree with the statement.

100% of Black respondent Middle Managers strongly disagree with the statement.

75.6% of all respondent consultants strongly disagree with the statement, 16.6% disagree, 1.3% opted to remain neutral, 3.5% agree and 2.9% strongly agree.



Sub-conclusion

The views about the effect of transformation between Black and White employees differ vastly. Such vast differences are evident across all levels of the organisation. The White employees see transformation as a factor that leads to a reduction in profitability whereas the Black employees disagree with the phenomenon.

Statement 2: Transformation awareness programs are done effectively here

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1	1		3	4
Black Middle Managers		4		2	
White Middle Managers		2	4	9	22
Consultants/Clerical	228	52	12	16	4

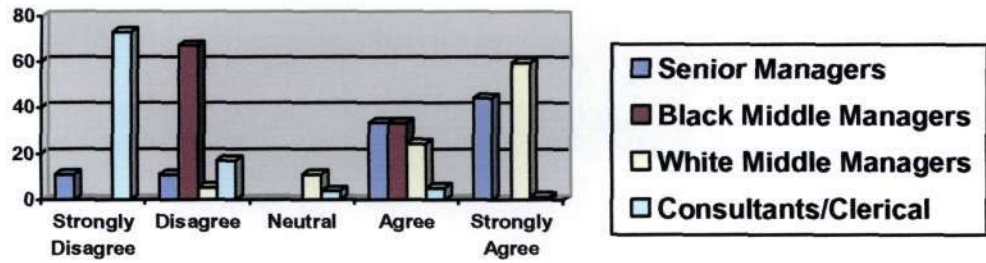
Analysis

78% of Senior Managers strongly agree that transformation awareness programs are effective with 44% of respondents strongly agreeing with the statement.

66% of Black respondent Middle Managers disagree with the statement while 33% of this group agrees with the statement.

24.3% of White respondent Middle Managers agree that transformation awareness programs are done effectively, 59.5% strongly agree, 5.4% disagrees while 10.8% opted to remain neutral.

73% of consultants strongly disagree with the statement, 16.66% mildly disagree, 3.85% remained neutral, 5.12% agree and 1.3% strongly agree.



Sub-conclusion

The perceptions of employees about the effectiveness of the transformation awareness programs reflect immense gaps between different race groups and levels within the organisation. The White Managers, both junior and senior believe the programs are effective while the Black, predominantly at the bottom end of the hierarchy disagree. The extreme ends in terms of perceptions held by the employees demand that some alignment mechanism be devised.

Statement 3: The organisation deals with transformation issues proactively

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1	2		2	4
Black Middle Managers	4	2			
White Middle Managers		2	4	7	24
Consultants/Clerical	186	48	8	64	6

Analysis

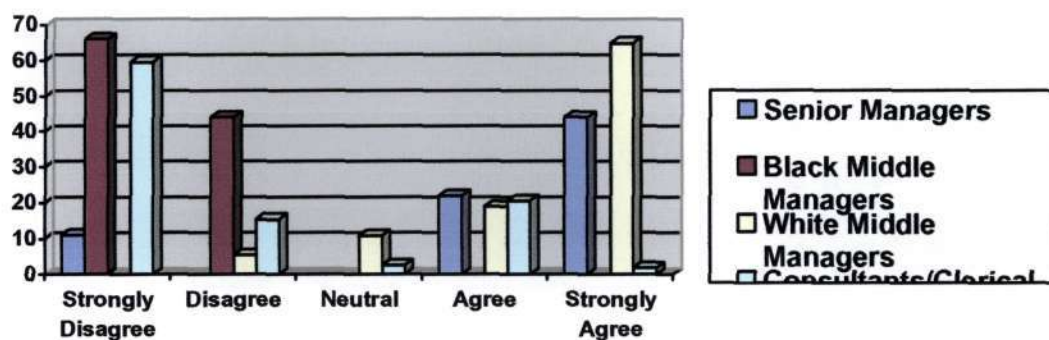
44% of respondent Senior Managers strongly agree that WesBank deals with transformation issues proactively, half this number mildly agrees.

22.22% of respondent Senior Managers disagree and 11% strongly disagrees.

100% of respondent Black Managers do not agree with 66% disagreeing strongly.

64.8% of respondent White Managers strongly agree, 18.9%% agree, 10.8% remained neutral and only 5.4% disagree.

59.6% of respondent consultants strongly disagree, 15.38% disagree, 2.56% remained neutral, 20.5% agree and less than 2% strongly agree.



Sub-conclusion

The manner in which WesBank deals proactively with issues of transformation is viewed favourably by Senior Management as well as the White component of the workforce. The Blacks see transformation as not being dealt with proactively at all.

Statement 4: The organisation has an effective transformation plan.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			4	4
Black Middle Managers	5	1			
White Middle Managers		2	2	6	27
Consultants/Clerical	188	44	9	67	4

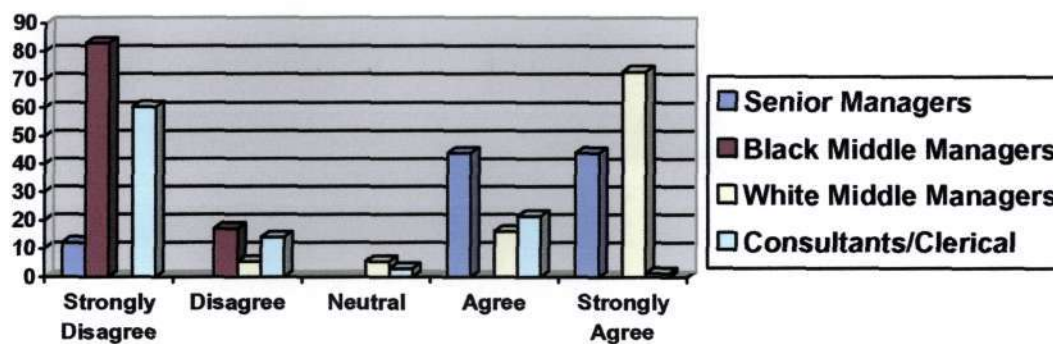
Analysis

44% of respondent Senior Managers strongly agree with the statement that WesBank has an effective transformation plan. An equal number of Senior Managers agree.

83% of respondent Black Middle Managers strongly disagree while the remaining 17% disagrees mildly.

72.9% of respondent White Managers strongly agree that WesBank has an effective transformation plan, 16% agree, 5.4% remained neutral and the remaining 5.4% disagree.

60.25% of respondent non-managerial staff strongly disagree that WesBank has an effective transformation plan, 14% agree mildly, 2.88% remained neutral, 21.47% agree and only 1.3% strongly disagree.



Sub-conclusion

According to the perceptions of the Black Middle Managers WesBank does not have an effective transformation plan. The overwhelming majority (71%) of the respondents endorse this belief. This is in sharp contrast to the view held by Senior Managers as the interpretation of the result reflects that 88% of the respondent Senior Managers are in the affirmative of the statement.

Statement 5: This organisation ensures the necessary development and advancement of its previously disadvantaged employees.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			3	5
Black Middle Managers	4	2			
White Middle Managers		2	6	4	25
Consultants/Clerical	201	63	9	34	5

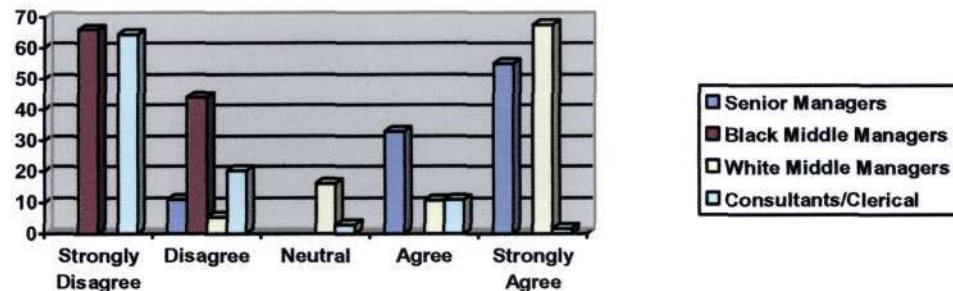
Analysis

55% of the respondent Senior Managers strongly agree that WesBank ensures the necessary development and advancement of its previously disadvantaged employees with the remaining 33% agreeing mildly. 11% believe that WesBank does not ensure that the necessary development and advancement of its previously disadvantaged employees.

66% of respondent Black Managers strongly disagree and 44% mildly agree.

67.5% of respondent White Managers strongly agree with the statement, 10.8% agree, 16.2% remained neutral and 5.4% disagree.

64.4% of non-managerial staff strongly disagree, 20% disagree, 3% remained neutral, 11% agree and less than 2% strongly agree.



Sub-conclusion

Black Middle Managers and Consultants do not believe that WesBank develops and advances previously disadvantaged employees.

Senior Managers strongly believe that WesBank not only ensure that there is development of the previously disadvantaged employees but believe that the organisation does in fact advance its previously disadvantaged. White Managers agree with this view.

Statement 6: Prevention measures are applied in curbing the migration of Black talent.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			2	6
Black Middle Managers	6				
White Middle Managers		1		9	27
Consultants/Clerical	189	75		41	7

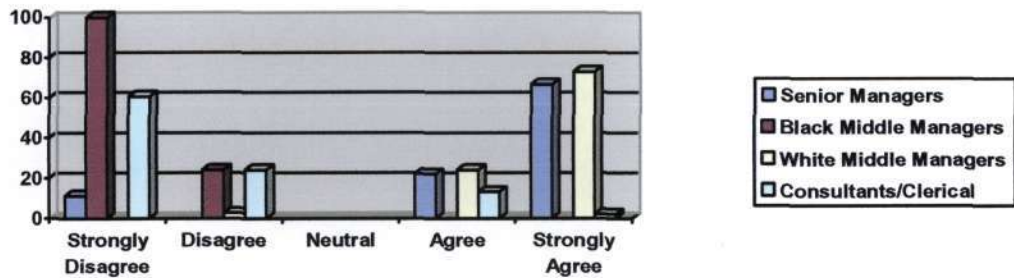
Analysis

66.66% of respondent Senior Managers strongly assert that WesBank prevents the migration of Black talent, 22.22% agree and only 11% strongly disagree.

100% of respondent Black Middle Managers strongly disagree

73% of respondent White Middle Managers strongly agree, 24% agree and only 2.7% disagree.

60.6% of respondent non-managerial staff strongly disagree that WesBank prevents the migration of Black talent, 24% disagree, no respondents remained neutral on this question and 13.1% agree while only 2.2% strongly agree.



Sub-conclusion

Black Middle Managers and non-managerial staff do not see the organisation as having measures aimed at preventing the migration of Black talent.

White Middle Managers and Senior Managers strongly agree that WesBank does in fact take prevention measures that are aimed at curbing the migration of Black talent.

Statement 7: This organisation is effectively applying its Transformation Policy

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

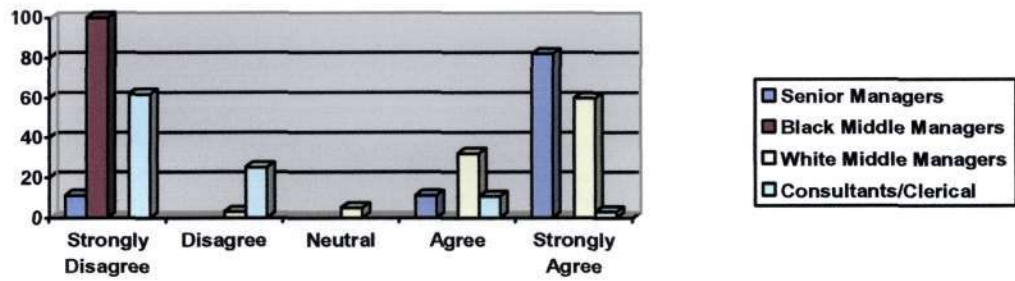
	1	2	3	4	5
Senior Managers	1			1	7
Black Middle Managers	6				
White Middle Managers		1	2	12	22
Consultants/Clerical	193	77		33	9

Analysis

82% of respondent Senior Managers strongly agree that WesBank is effectively applying its transformation policy, 11% agree and the remaining 11% strongly disagree.

100% of the respondent Black Middle Managers strongly disagrees with the statement while 59.9% of the respondent White Managers strongly agree, 32% agree, 5% remained neutral and the 3% disagree with the statement.

62% of respondent non-managerial staff strongly disagree with the statement, 25% disagree, 10.58% agree and less than 3% strongly agree with the statement.



1b-conclusion

WesBank Senior Managers strongly agree that the organisation effectively applies its transformation policy. White middle Managers concur.

Black Middle Managers and the majority of the consultant are at variance with this statement.

Statement 8: This organisation takes the initiative in addressing transformation.

The following ratings were given:

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1				8
Black Middle Managers	6				
White Middle Managers		3	1	10	23
Consultants/Clerical	195	79		31	7

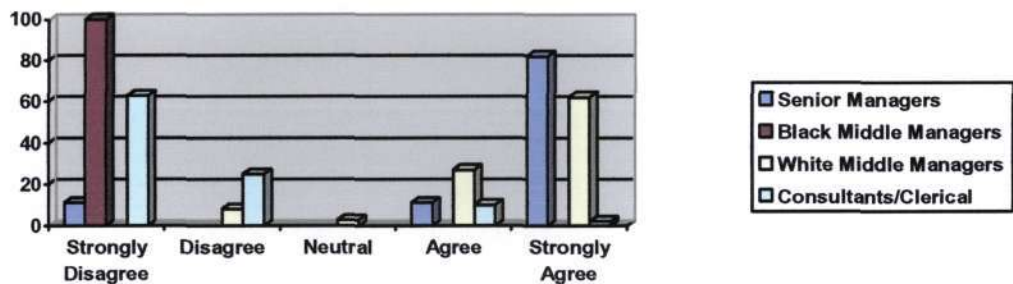
Analysis

89% of respondent Senior Managers strongly agree, only 11% strongly disagree.

100% of respondent Black Middle Managers strongly disagree.

62% of respondent White Managers strongly agree, 27% agree, 2.7% remained neutral and 8% disagree.

63% of respondent non-managerial staff strongly disagree, 25% disagree, 10% agree and the remaining 2.2% strongly agree.



Sub-conclusion

Non-managerial staff and Black Middle Managers appear not to see any evidence of transformation initiatives. On the other hand, Senior Managers and mainly White Middle Managers see things differently as they agree strongly that WesBank does take the initiatives in addressing transformation.

Statement 9: The pace of transformation at WesBank is fast enough.

The following ratings were given:

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			3	5
Black Middle Managers	6				
White Middle Managers		3	1	10	23
Consultants/Clerical	195	79		31	7

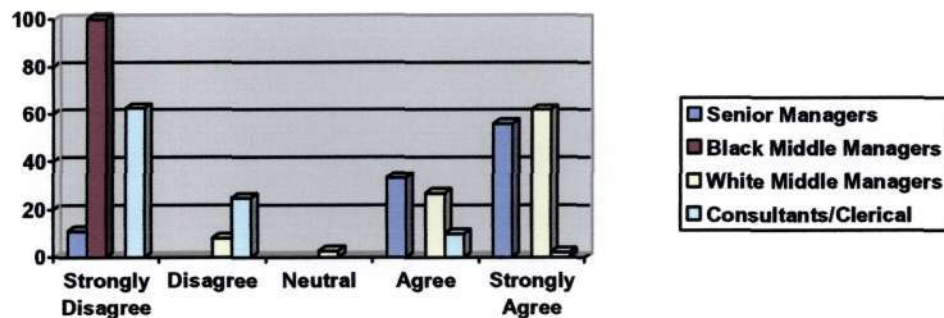
Analysis

56% of responded Senior Managers strongly agree that the pace of transformation at WesBank is fast enough, 33.33% agree and 11% strongly disagree.

100% of respondent Black Managers strongly disagree with the statement.

62% of respondent White Middle Managers strongly agree with the statement that the pace of transformation at WesBank is fast enough, 27% agree, 2.7% remained neutral and 8.11% disagree.

62.50% of responded non-managerial staff strongly disagree that the pace of transformation is fast enough, 25% disagree, 9.94% agree and the remaining 2.24% strongly agree.



Sub-conclusion

The pace of transformation is not fast enough as far as the Black Middle Managers are concerned. Consultants / non-managerial staff do not seem to have a consensus as the ratings are spread across the spectrum although 60% of respondents strongly disagree. Senior managers do not have a resounding agreement either.

Statement 10: There is a big pool of Black talent in this organisation

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1	4		2	2
Black Middle Managers					6
White Middle Managers	12	9	5	4	1
Consultants/Clerical	14	15		74	209

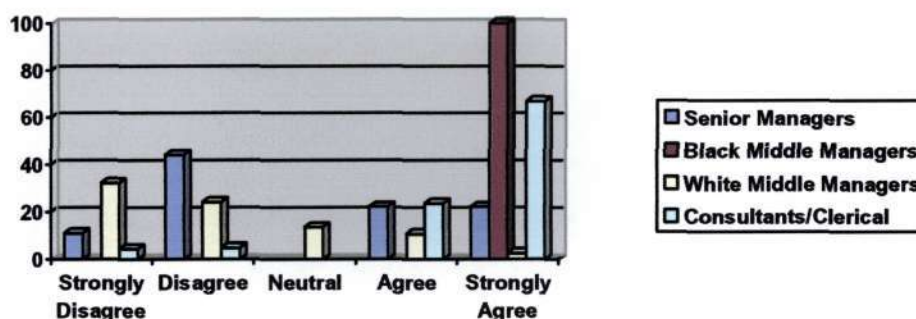
Analysis

22.22% of respondent Senior Managers strongly agree that there is a big pool of Black talent within WesBank. 22.22% agree with the statement. 44% disagree and 11% strongly disagree.

100% of responded Black Middle Managers strongly agree that there is a big pool of Black talent.

White Middle Managers respond as follows: 32.43% strongly disagree, 24.32% disagree, 13.51% neutral, 10.81% agree and 2.7% strongly agree.

67% of responded consultants/clerical staff strongly agree that there is a big pool of Black talent within WesBank, 23.72% agree, 4.81% disagree and 4.49% strongly disagree.



Sub-conclusion

Senior Managers do not share similar views about the Black talent within. Black Middle Managers and non-managerial personnel agree that WesBank has a big pool of Black talent.

Statement 11: Remuneration in WesBank is regardless of sex, race, colour or creed.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1				8
Black Middle Managers	1			3	2
White Middle Managers		2		7	28
Consultants/Clerical	172	32		82	26

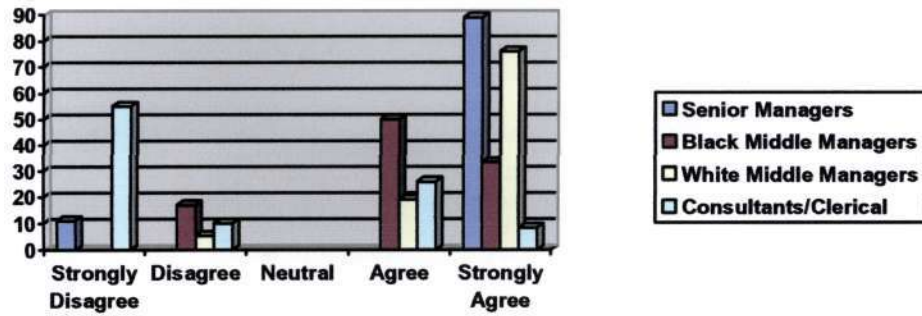
Analysis

89% of respondent Senior Managers strongly believe that remuneration in WesBank is regardless of sex, race, colour or creed. The remaining 11% respondents strongly disagree.

33.33% of respondent Black Middle Managers strongly agree with the statement, 50% agree and only 17% disagree

76% of respondent White Middle Managers strongly agree with the statement, 19 % agree and 5.41% disagree.

55% of respondent consultants strongly disagree, 10% disagree, 26% agree and 8.33% strongly agree.



Sub-conclusion

Remuneration packages are fair at WesBank. Senior Managers and Middle Managers agree. Non-managerial staff do not have a significantly different view on this statement.

Statement 12: Productivity and profitability are compromised by transformation processes.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			3	5
Black Middle Managers	6				
White Middle Managers		3	1	10	27
Consultants/Clerical	195	79		31	7

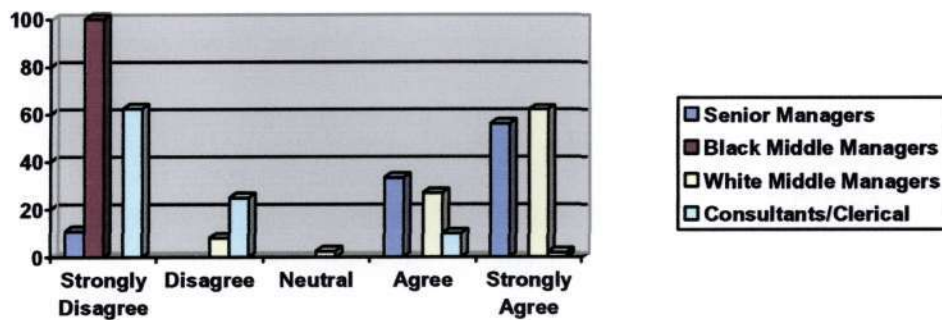
Analysis

56% of responded Senior Managers strongly agree that profitability and productivity are compromised by transformation processes, 33.33% agree and 11% strongly disagree.

100% of respondent Black Managers strongly disagree with the statement.

62% of respondent White Middle Managers strongly agree with the statement, 27% agree, 2.7% remained neutral and 8.11% disagree.

62.50% of responded non-managerial staff strongly disagree, 25% disagree, 9.94% agree and the remaining 2.24% strongly agree.



Sub-conclusion

Senior Managers do not necessarily see transformation as compromising productivity and profitability. White Middle Managers see transformation as having a negative effect on the company's profitability. Black Managers and Consultants view transformation as necessary and they disagree that it leads to compromised profitability.

Statement 13: I am aware of other companies that have collapsed as a result of transformation.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	4	2		3	
Black Middle Managers	6				
White Middle Managers	27	9	1		
Consultants/Clerical	261	38		7	6

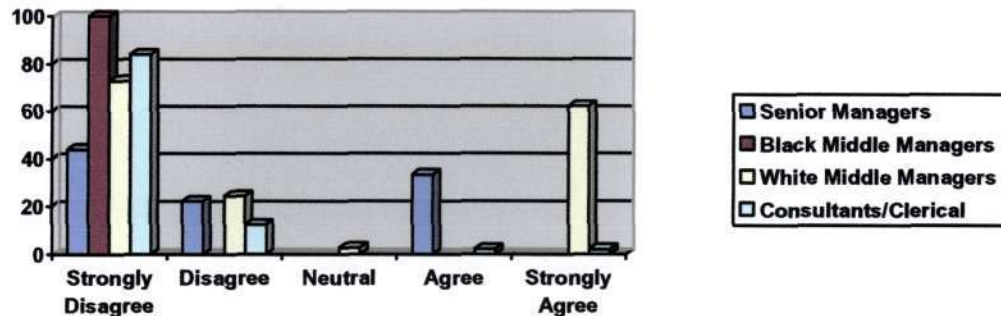
Analysis

44.44% of respondent Senior Managers strongly disagree with the statement, 22.22% disagree and 33.33% agree.

100% of respondent Black Middle Managers vehemently disagree.

73% of respondent White Middle Managers also strongly disagree, 24.32% disagree and 2.70% remain neutral.

84% of respondent consultants strongly disagree, 12.18% disagree, 2.24% agree and 1.92% strongly agree.



Sub-conclusion

Most employees do not know of any company that has collapsed as a result of transformation process.

Statement 14: I am aware of and clearly understand WesBank's transformation policy.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers				3	6
Black Middle Managers					6
White Middle Managers	12	9	5	4	1
Consultants/Clerical	14	15		74	209

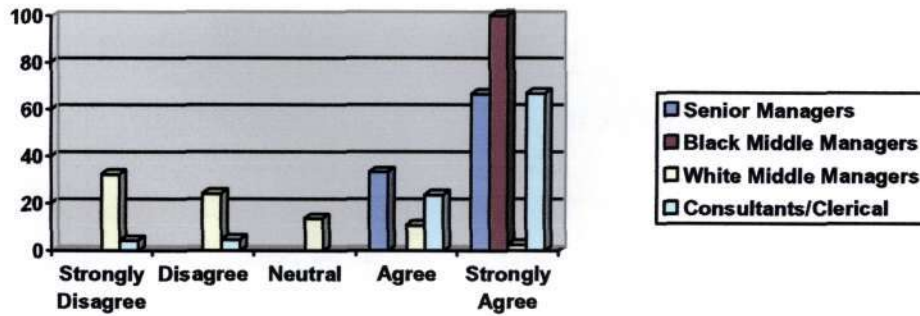
Analysis

66.66% of respondent Senior Managers strongly agree that they are aware of and clearly understand WesBank's transformation policy. 33.33% agree with the statement.

100% of responded Black Middle Managers strongly agree with the statement.

White Middle Managers respond as follows: 32.43% strongly disagree, 24.32% disagree, 13.51% neutral, 10.81% agree and 2.7% strongly agree.

67% of responded consultants/clerical staff strongly agree that they are aware of and clearly understand WesBank's transformation policy, 23.72% agree, 4.81% disagree and 4.49% strongly disagree.



Sub-conclusion

WesBank transformation policy is clearly understood by vast majority of employees across all levels.

4.2.2 Section 2: Leadership

Statement 1: Information concerning organizational performance is readily available to all employees.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

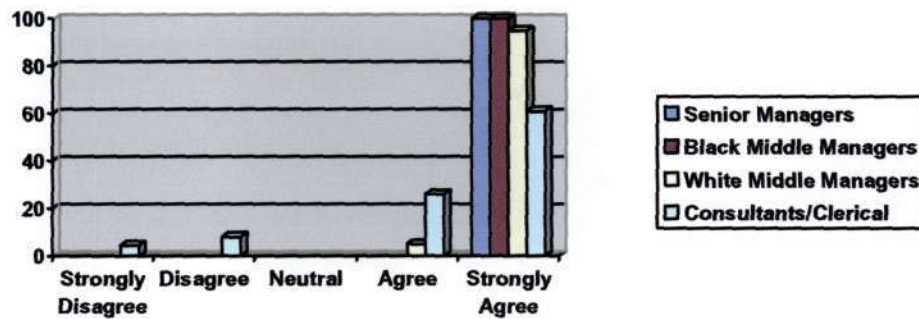
	1	2	3	4	5
Senior Managers					9
Black Middle Managers					6
White Middle Managers				2	35
Consultants/Clerical	14	26		82	190

Analysis

100% of responded Senior and Middle Black Managers strongly agree that information concerning organizational performance is readily available to all employees.

95% of respondent White Middle Managers strongly agree and 5% agree.

61% of respondent consultants strongly agree with the notion, 26% agree, 8% disagree and 4.49% strongly disagree.



Sub-conclusion

Employees are kept aware of the organisation's performance. WesBank appears to have a culture of transparency.

Statement 2: Management operates in a transparent way in the organisation.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1				8
Black Middle Managers	2	4			
White Middle Managers			3	4	29
Consultants/Clerical	177	91		32	12

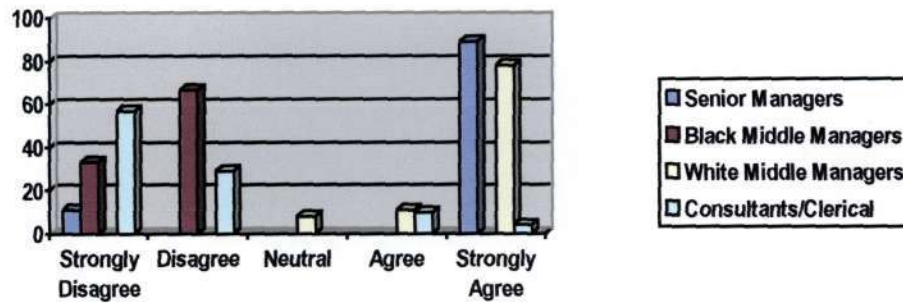
Analysis

89% of respondent Senior Managers strongly agree that management operates in a transparent way while 11% strongly disagree.

33.33% of respondent Black Middle Managers strongly disagree, 66.66% mildly disagree.

78% of respondent White Middle Managers strongly agree, 11% agree and 8% remain neutral.

57% of respondent consultants strongly disagree, 29% agree, 10% agree and 4% strongly agree.



Sub-conclusion

Junior staff members are not happy with the degree of transparency exhibited by management.

Statement 3: The organisation has an effective system to report Employment Equity progress and Financial Sector Charter progress.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			3	4
Black Middle Managers	3	3			
White Middle Managers			2	5	30
Consultants/Clerical	201	87		19	5

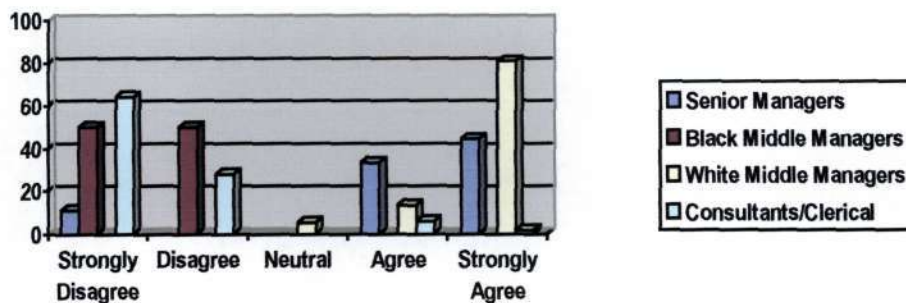
Analysis

44.44% of respondent Senior Managers strongly agree, 33.33% agree and 11.11% strongly disagree.

50% of respondent Black Middle Managers strongly disagree while the other 50% disagree mildly.

81% of respondent White Middle Managers strongly agree, 13.51% agree and 5.41% opted to remain neutral

64.42% of respondent consultants strongly disagree, 28% disagree, 6% agree and 1.6% strongly agree.



Sub-conclusion

The reporting of progress on Employment Equity and Financial Sector Charter targets is inconsistent.

Statement 4: The advancement of previously disadvantaged individuals is strongly encouraged by Senior Management.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers				5	4
Black Middle Managers	3	2		1	
White Middle Managers			3	9	25
Consultants/Clerical	277	19		9	7

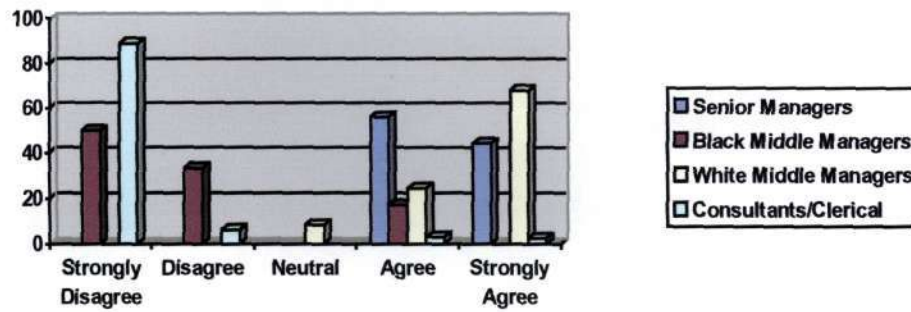
Analysis

44% of respondent Senior Managers strongly agree, 56% agree.

50% of respondent Black Middle Managers strongly disagree, 33.33% disagree and only 17% agree.

68% of respondent White Middle Managers strongly agree, 24.32% agree, 8.11% remain neutral.

89% of respondent consultants strongly disagree with the statement, 6% disagree mildly, 2.88% agree and 2.24% strongly agree.



Sub-conclusion

The advancement of previously disadvantage individuals is viewed differently by the various population groups and levels of employment.

Statement 5: The organisation enforces discipline and focus in attaining its transformation targets.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers				3	6
Black Middle Managers	6				
White Middle Managers		2	2	11	22
Consultants/Clerical	282	13		8	9

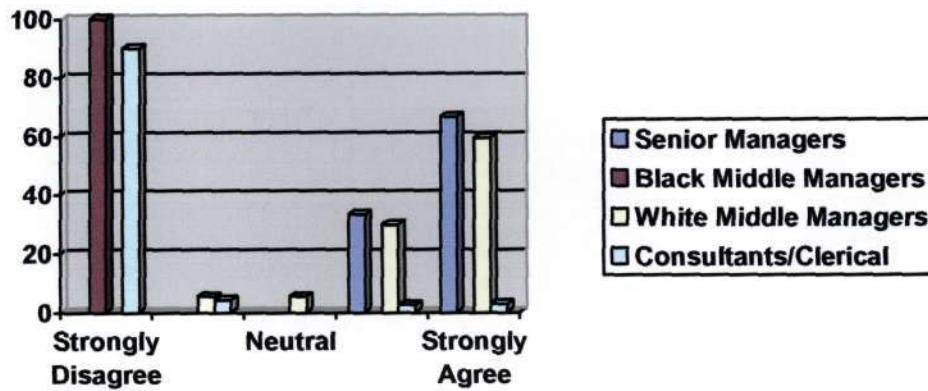
Analysis

66.66% of respondent Senior Managers strongly agree, 33.33% agree.

100% of respondent Black Middle Managers strongly disagree.

59.5% of respondent White Managers strongly agree, 29.73% agree, 5.41% neutral and the remaining 5.41% disagree.

90% of respondent consultants strongly disagree, 4.17% disagree, 2.56% agree and 2.88% strongly agree.



Sub-conclusion

Senior Managers believe that they enforce discipline and focus in attaining transformation targets. Junior staff and Black Middle Managers share a completely different view.

4.2.3 Findings: Section 3: Equity/Diversity

Statement 1: This organisation ensures proper demographic representation of its employed staff.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	2	2		5	
Black Middle Managers	6				
White Middle Managers		2	2	18	16
Consultants/Clerical	290	9		10	3

Analysis

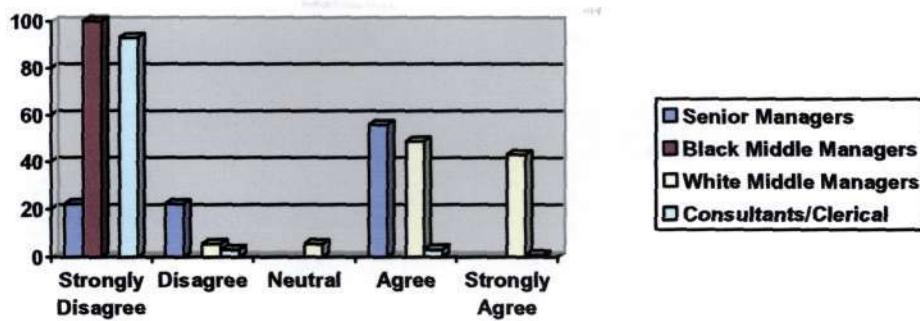
56% % of respondent Senior Managers agree that WesBank ensures proper demographic representation of its employed staff. 22.22% strongly disagree and the remaining 22.22% disagree.

100% of respondent Black Middle Managers strongly disagree.

43.24% of respondent White Middle Managers strongly agree that WesBank ensures proper demographic representation of its employees, 49% agree, 5.41% remain neutral and the remaining 5.41% disagrees with the statement

93% of respondent consultants strongly disagree, 3% disagree, 3.21% agree and 0.96% strongly agree.





Sub-conclusion

The staff complement of WesBank does not reflect the demographics of the economically active population of the country.

Statement 2: Employment Equity targets are effectively met by this organisation.

The following ratings were given:

- 1. Strongly disagree
- 2. Disagree
- 3. Neutral
- 4. Agree
- 5. Strongly Agree

	1	2	3	4	5
Senior Managers	2	3		4	
Black Middle Managers	6				
White Middle Managers		4	7	14	12
Consultants/Clerical	282	18		12	

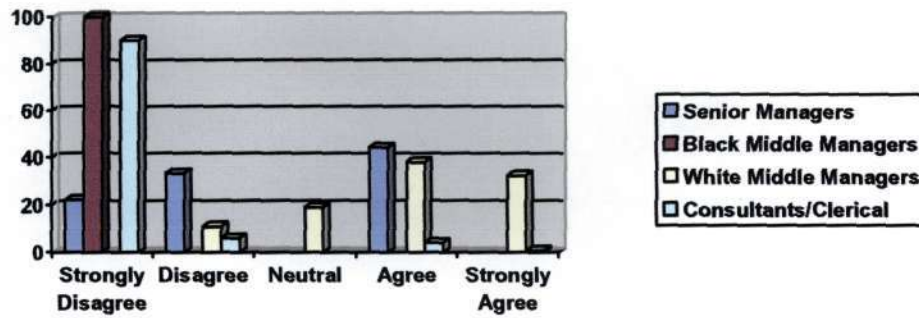
Analysis

44.44% of respondent Senior Managers agree that WesBank meets Employment Equity target, 33.33% disagree and 22.22% strongly disagree.

100% of respondent Black Middle Managers strongly disagree with the statement.

32.43% of respondent White Middle Managers strongly agree, 38% agree, 19% neutral and 11% disagree.

90% of respondent consultants strongly disagree, 6% disagree, 4% agree.



Sub-conclusion

Employment Equity targets are not met.

Statement 5: The promotion of people from the designated group is actively encouraged.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers				5	4
Black Middle Managers	3	2		1	
White Middle Managers			3	9	25
Consultants/Clerical	277	19		9	7

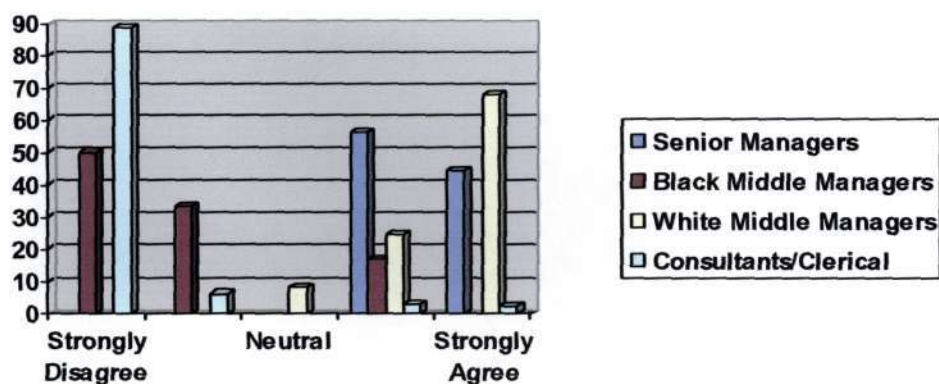
Analysis

44% of respondent Senior Managers strongly agree, 56% agree.

50% of respondent Black Middle Managers strongly disagree, 33.33% disagree and only 17% agree.

68% of respondent White Middle Managers strongly agree, 24.32% agree, 8.11% remain neutral.

89% of respondent consultants strongly disagree with the statement, 6% disagree mildly, 2.88% agree and 2.24% strongly agree.



Sub-conclusion

The promotion of previously disadvantage individuals is viewed differently by the various population groups and levels of employment.

Statement 6: The organisation encourages the adoption of diversity management practices.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers				3	6
Black Middle Managers	3	2		1	
White Middle Managers				5	32
Consultants/Clerical	291	12		9	3

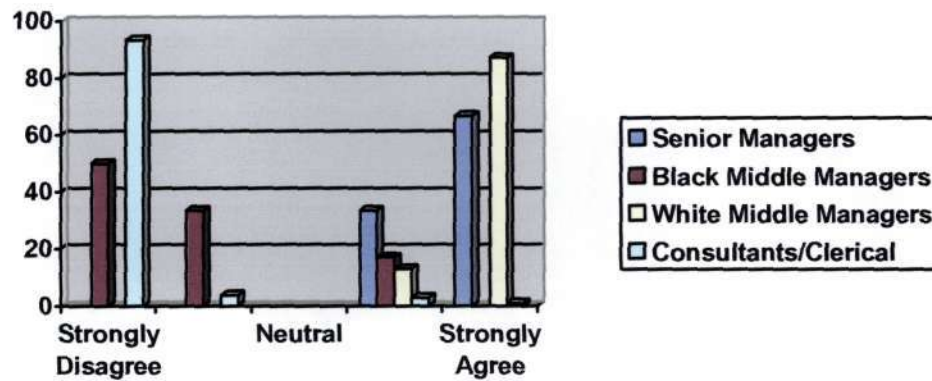
Analysis

66.66% of respondent Senior Managers strongly agree that WesBank encourages the adoption of diversity management practices, 33% agree.

50% of respondent Black Middle Managers strongly disagree, 33.33% disagree and only 17% agree.

87% of respondent White Managers strongly agree and the remaining 13% agree.

93.3% of respondent consultants strongly disagree, 3.85% disagree, 2.88% agree and .96% strongly agree.



Sub-conclusion

WesBank does encourage, although enforcement lacks, the adoption of diversity management practices.

Statement 7: This organisation loses top Black talent because people do not feel valued, included and heard.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	6	2			1
Black Middle Managers				1	5
White Middle Managers	28	3	4	2	
Consultants/Clerical		34		99	179

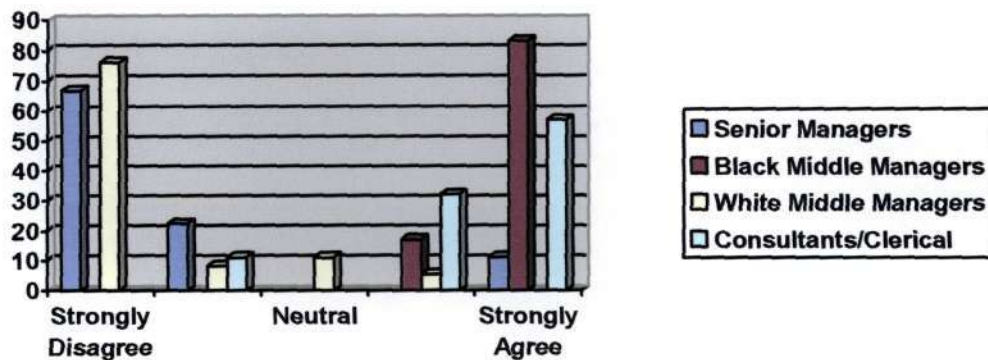
Analysis

66.67% of respondent Senior Managers strongly disagree that WesBank loses Black talent as a result of not feeling valued, included and heard. 22.22% disagree and only 11.11% strongly agree.

83% of respondent Black Middle Managers strongly agree, 17% agree.

76% of respondent White Middle Managers strongly disagree, 8.11% disagree, 11% neutral and 5.41% agree.

11% of respondent consultants disagree, 32% agree and 57% strongly agree.



Sub-conclusion

Some Black talent has left WesBank as a result of not feeling valued, included and heard. Those that have left probably shared their frustration with those that remain in the employ of the company.

Statement 8: My talents and skills are well rewarded.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers	1			1	7
Black Middle Managers	2	3		1	
White Middle Managers		2	9	2	24
Consultants/Clerical	209	52		34	17

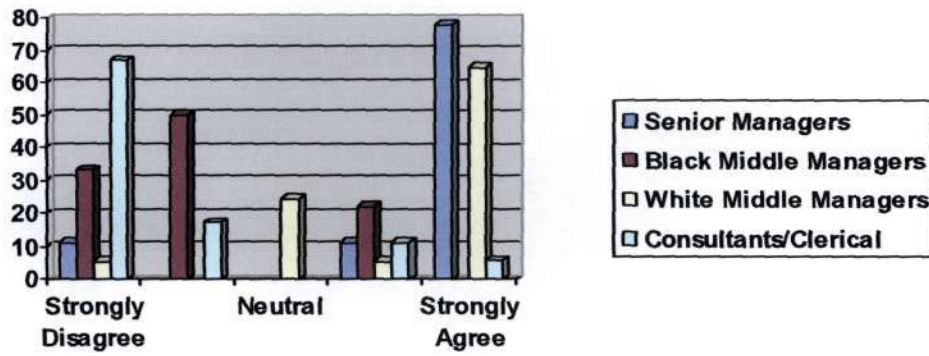
Analysis

78% of respondent Senior Managers strongly agree that their skills and talents are well rewarded, 11.11% agree and the remaining 11.11% strongly disagree.

33.33% of respondent Black Middle Managers strongly disagree, 50% disagree, 22.22% agree.

5.41% of respondent White Managers disagree, 24.32% remain neutral, 5.41% agree and 64.86% strongly agree.

67% of respondent consultants strongly disagree, 17% disagree, 11% agree and 5.45% strongly agree.



Sub-conclusion

There appears to be a perception of a disconnect between the skill and talent utilization between various race groups.

4.2.4 Findings: Section 4: Training and Development

Statement 1: Training needs analysis is effectively carried out in this organisation.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers				3	6
Black Middle Managers	3	2		1	
White Middle Managers		4	7	4	22
Consultants/Clerical	226	69		7	10

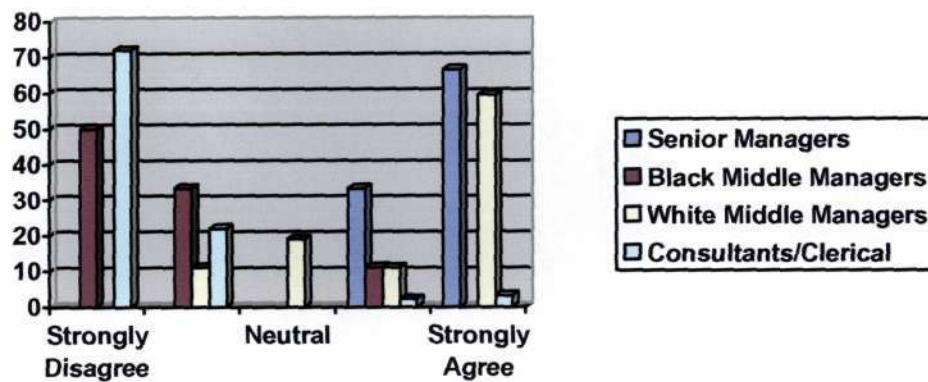
Analysis

66.67% of respondent Senior Managers strongly agree that training needs analysis is effectively carried out at WesBank, 33.33% mildly agree.

50% of respondent Black Middle Managers strongly disagree, 33.33% disagree and 11.11% agree.

59.5% of White Middle Managers strongly agree with the statement, 11% agree, 19% neutral and another 11% disagree.

72% of respondent consultants strongly disagree, 22% disagree, 2.24% agree and 3.21% strongly agree.



Sub-conclusion

The alignment of training with the needs of the business and individuals seems to be lacking.

Statement 2: There are effective human resource development plans in operation here.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers		1		3	5
Black Middle Managers	4	1		1	
White Middle Managers		4	7	4	22
Consultants/Clerical	224	55		17	16

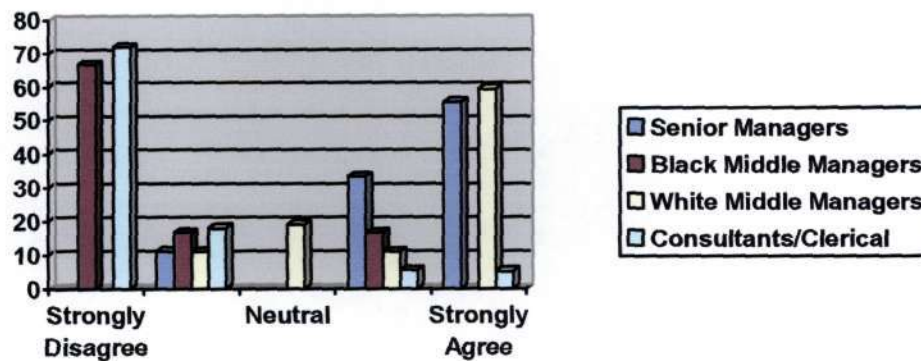
Analysis

55.56% of respondent Senior Managers strongly agree with the statement, 33.33% agree and 11.11% disagree.

66.67% of respondent Black Middle Managers strongly disagree, 16.67% disagree and the remaining 16.67% agree.

59.5% of respondent White Middle Managers strongly agree, 11% agree, 19% neutral and the remaining 11% disagree.

72% of respondent clerical staff strongly disagree, 18% disagree, 5.5% agree and 5.13% strongly agree.



Sub-conclusion

Human resource development plans could be put to more effective use that is currently the case.

Statement 3: Performance appraisals are effectively used for staff development

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers		5		4	
Black Middle Managers	5			1	
White Middle Managers	19	6	8	4	
Consultants/Clerical	256	42		14	

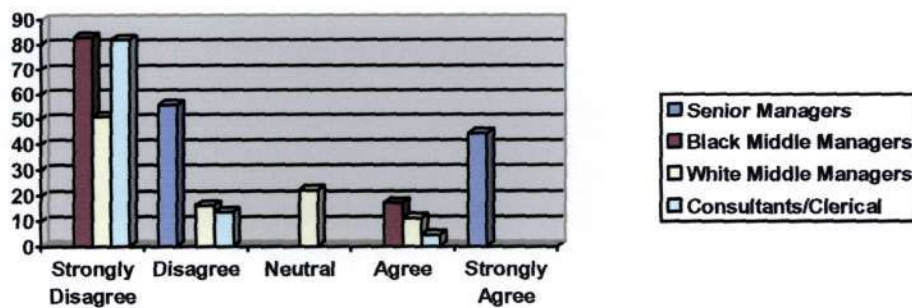
Analysis

44.44% of respondent Senior Managers agree with the statement while 56% disagree.

83% of respondent Black Middle Managers strongly disagree, 17% agree.

51% of respondent White Middle Managers strongly disagree, 16% disagree, 22% neutral and 11% agree.

82% of respondent clerical staff strongly disagree, 13.5% disagree, 4.5% agree.



Sub-conclusion

There is agreement across all levels that performance appraisals are not effectively used for staff developmental purposes.

Statement 4: Organisational training is generally effective in improving employee performance.

The following ratings were given:

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
Senior Managers		2		4	3
Black Middle Managers	4	1		1	
White Middle Managers		4	11	14	8
Consultants/Clerical	199	63		41	9

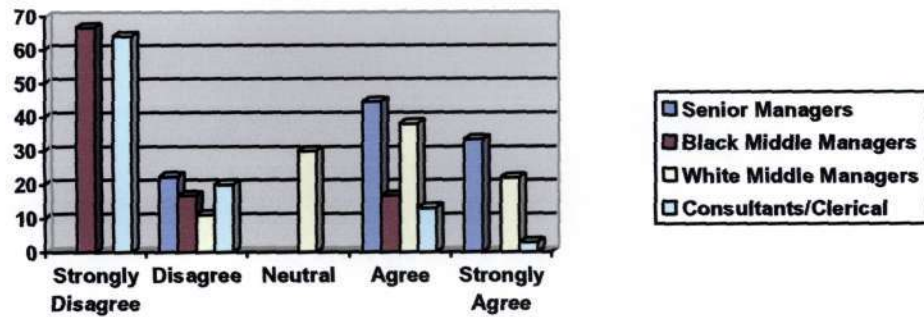
Analysis

33.33% of respondent Senior Managers strongly agree, 44.44% agree and only 22.22% disagree.

66.67% of respondent Black Middle Managers strongly disagree, 16.67% disagree, 16.67% agree.

11% of respondent White Middle Managers disagree, 30% remain neutral, 38% agree and 22% strongly agree.

64% of respondent clerical staff strongly disagree, 20% disagree, 13% agree, 2.88% strongly agree.



As a consequence of ineffective training needs analysis, training and development initiatives do not necessarily lead to improved employee performance.

Statement 5: This organisation invests more in the skills development of previously disadvantaged individuals than it does other race groups.

The following ratings were given:

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

	1	2	3	4	5
Senior Managers				2	7
Black Middle Managers				3	3
White Middle Managers				9	28
Consultants/Clerical		13		183	116

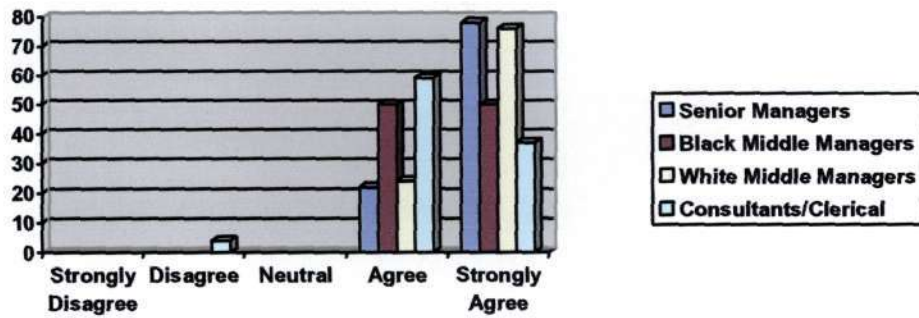
Analysis

78% of respondent Senior Managers strongly agree, 22% agree.

50% of respondent Black Middle Managers strongly agree and the other 50% agree.

76% of respondent White Middle Managers strongly agree, 24% agree.

37% of respondent clerical staff strongly agree, 59% agree and only 4% disagree.



Sub-conclusion

It is an irrefutable fact that WesBank invests more in skills development of previously disadvantaged groups.

4.3 DISCUSSION AND INTERPRETATION OF RESULTS

4.3. 1 Introduction

The results of this research are interpreted in this chapter with reference to research that was referred to in the literature review as well as the propositions to be discussed below.

4.3.2 Proposition

Careful analysis of the research findings reveal that the following factors will be important in the transformation within WesBank.

- Diversity management;
- Organisational culture and values;
- Sound and effective Human Resource practices, policies and procedures;
- Career development, skills development and succession planning;
- Leadership;
- Retention strategy.

In order to interpret the results, the factors mentioned within the proposition were analysed in terms of their frequency of mention as identified in the table below.

4.3.2 Summary of Findings

Figure 13 : SUMMARY OF FINDINGS

LITERATURE	TRANSFORMATION FACTOR
Diversity Management	Employment Equity, diversity in race, age and gender; sense of belonging; integration of people.
Organisational Culture	Management Attitude; leadership style; Real commitment to transformation; responsibility and accountability; valued opinion; respect for other races; affiliation with others
Sound and effective Human Resources Practices; policies and procedures	Recruitment and selection practices; promotions; remuneration policies and practices; coaching and mentorship; succession planning.
Skills Development, Career Development and Succession Planning	Successful recruitment practices; performance management; career development and advancement; exposure to different jobs; challenge of a job; fulfillment; multi-skilling; Technological improvements
Leadership	Guidance; mentorship and coaching; fair treatment; 'walk the talk'; succession planning; trust in others; destruction of stereotyping behaviour.
Retention strategy	Recruitment practices; developmental plans; flexibility; job rotation; succession planning; career management strategy; comprehensive approach.

4.3.3 Diversity Management

The need to focus attention and resources on a wider spectrum of the population group, and the ability to manage a multi-cultural workforce, were seen as the major competitive factors for the organisation in its ability to effectively transform itself for the betterment of all its stakeholders.

McGregor (1994: 102) notes that the management of diversity in the organisation should be started with the identification of the fundamental elements of the corporate culture in the organisation, especially those that are influenced or they themselves influence the corporate philosophy. The advancement of blacks into middle and senior management positions was seen as progress towards a workplace that was fully reflective of the demographics of the country's population groups. Development of a holistic strategy to address the management of diverse workforce, as well as a process for training employees at all levels to manage diversity was recommended. Diversity training was seen as a way of addressing the fears associated with employment equity, affirmative action and building effective teams.

4.3.4 Organisational Culture and Values

The culture of the organisation, especially the values and beliefs, behaviours and attitudes of the people in the organisation are keys in encouraging people to be attracted and retained in an organisation. Furthermore, transformation is effective in such organisations where values, beliefs, behaviours and attitude are positive. Robbins (1992: 44) explains that it is a system of shared meaning held by members that distinguishes one organisation from the rest. By and large, the participants believe that people would like to associate with a company that that shared the same values with them. If they value being given responsibility, freedom and risk taking, they tend to stay in the organisations that will share these same values with them. Sherratt (2000: 91) shares the view that company culture is important in determining the stability of a candidate, and act as a determining factor for retention.

The participants believe that the dominant culture in the organisation expressed the core values that are shared by the majority of the organisation's members hence it is a

determining factor to stay. Robbins (1992: 38) believes that a strong culture is characterized by the organisation's core values being both intensely held and shared. The participants believe that in line with what they believe, a strong culture will obviously have a great influence on the behaviour of its members. The management of diversity and a culture that does not allow blacks being developed to reach their full potential were seen to be inhibiting factors. Sherratt (2000: 62) advises that organisational culture is important in determining employees' happiness within the organisation. He regards leadership in an organisation as the custodians for determining its culture and employees often conform to that culture.

Some black respondents believe that the previous leaders did not 'walk the talk', but it is apparent that the current leadership is more adaptable and serious about their intentions to ensure change. As an indication for their commitment they require transparent details of employment equity achievements. According to Sherratt (2000: 81), culture can be very static over time but can never be stable. Participants believe that with the challenges arising from the implementation of affirmative action, management needs to ensure that the diversity of their workforce is fully compliant with current requirements.

Muendane (2006: 48) says that white culture and indigenous Africa culture can find a common ground to form a common South African culture. McGregor (1994: 64) states that white managers need to reconsider their management styles in order to accommodate relevant social and political changes. The participants believe that in order to have diverse leadership, organisations need to ensure that blacks are given the opportunities for advancement to leadership levels. According to Sherratt (2000: 87), cultural diversity in leadership pertains to diverse leadership and leadership of a diverse workforce. Sherratt (2000: 89) believes that when blacks are employed by organisations that are run according to western style management, the culture of the organisation does not fully accommodate the needs of black employees.

4.3.5 Sound Recruitment Practices and Effective Human Resources Practices, Policies and Procedures

Sound human resources practices and effective policies were seen to be highly important for employees to choose to stay or leave the organisation. There can be no transformation if people do not stay as a consequence of unsound practices. Sherratt (2000: 92) suggests that retention begins at recruitment stage. Sound recruitment practices that target people from designated groups were seen to be healthy attraction and retention factors, which when effectively implemented will lead to transformation. Such practices were considered to be an expression by the organisation of the importance of bringing talent into the organisation, particularly when the environment was not hostile to black talent. A review of all policies and procedures to ensure that the organisation was free of discriminatory practices was recommended by respondents. Participants felt a strong need for diverse panels in recruitment, development and promotion decisions. This would ensure equity in the selection of candidates. McGregor (1994: 44) notes that retention of employees begins with the recruitment process when a new employee forms a clear opinion or 'picture' of the organisation.

Providing candidates with a misleading picture of the organisation can lead to some high flying black talent leaving the company because of this only after two to three years, after experiencing the hostility. Dobbins (1992: 78) found that the most talented employees needed the 'best fit' with the organisation; otherwise they left. The best way to ensure their retention was through sound and transparent practices. Other human resource practices which were found to be effective were the establishment of competencies required for the job; clear career pathing, succession planning and performance management systems.

4.3.6 Career Development and Succession Planning

A clearly defined career development strategy and succession planning was seen by respondents as a good strategy for transformation.

Stoner et al. (1995: 22) assert that employees should be asked what they need in their jobs to ensure that their aspirations are matched with those of the organisation. When an executive is newly appointed, the tendency of bringing his/her own people, who might be perceived as supportive of the new executive, and to disregard existing talent should be discouraged. The required experience should be defined and success profile should be determined in the organisation. If the main performance areas of a successor are not defined this is seen by others to be making it impossible to ensure people's development to fulfill future roles. The competency profile of the employees should be well defined for career development.

Stoner et al. (1995: 47) identified early identification of talent as a "best practice" for succession planning and therefore transformation. A defined career management system was seen to be essential to ensure advancement of blacks, or their succession planning. Anderson (2001: 69) explains that succession planning requires the identification and preparation of the appropriate people for the relevant jobs. Therefore the black respondents felt it was important to prepare internal candidates for future jobs even before these occurred. This was to aid their development and was considered to be part of succession planning. Again, the black respondents in particular, expressed a need for a multiple career pathing in order to provide them with opportunities to learn other skills, including those outside the scope of their current mandates. Stoner et al. (1995: 52) note that a multi-career path rewarded employees by affording status, higher salaries and desirable incentives. Compensation was seen to be linked to employee development of competencies, and the achievement of their developmental goals.

Sherratt (2000: 88) explains that a company's competitive edge was determined by the quality of the people employed there. The ability of the organisation to become legitimate and gain business was dependent on management's ability to recruit and retain black people and to redress the imbalances of the past. Succession to senior

management positions was seen by most black respondents to be taking too long and was thus creating impatience amongst black talent.

The study shows that when black talent enters a corporate environment, they are already at a disadvantage in terms of their broad knowledge of the industry due to their background and past experiences. They have limited knowledge relating to the market being served, the competitors, the products being produced or services being rendered and the technology being used to leverage competitiveness as compared to their white counterparts. Their knowledge of who the key players are and what makes them tick is always limited and often ignored as they believe that they have to focus on their work and prove their worth.

In most instances, black talented individuals only learn about the culture and history of the organisation after they have been attracted to into the organisation. Unlike their white counterparts, black people often lack a broad set of solid relationships in the organisation they are attracted into, including the industry as a whole, hence it becomes lonely for them when they are in leadership positions. In line with Dobbins (1994: 61) most black talent have not been successful in building an excellent reputation and strong track record in a broad set of activities due to lack of exposure to stretch jobs and individuals are often encountered with frustration which results in the changing jobs.

The ability and skill is often experienced outside work in communities due to lack of exposure to skills previously reserved for their white counterparts. This impacts on the ability of most black talent to think strategically and multi-dimensionally. The African culture that is highly participative and inclusive allows black talent to have strong interpersonal skills through their ability to develop good working relationships quickly, empathise with colleagues and subordinates and sensitivity to people and human nature.

4.3.7 Competitive, Flexible Remuneration and Benefits

Salary and benefits were rated high as factors that will contribute to transformation. Market related salaries were crucially important in the recruitment and retention of black talent that could add value to the organisation. Stoner et al. (1995: 101) explain

that money is a very important attraction and retention factor. Together with basic remuneration, the benefits of a non-financial nature are relevant.

They further submit that companies with limited resources attempt to use non-financial incentives to retain back talent and effect transformation. Additional benefits such as on site daytime care for children, a gymnasium at a workplace and flexible work hours were seen as affording employees more time to be productive both at home and at work. Long term benefits such as share options are critical components of remuneration packaging.

4.3.8 Retention Strategy

Stoner et al. (1995: 81) believe that the most important employees were often the most difficult to retain. This is as a result of the degree to which talented individuals are highly and widely sought after. This is more the case in a South African environment today. Whilst the organisation retained whites, there was a perception that very little was done in attempts to retain black talent. Most senior executives had been in organisations for about twenty years due to previous retention strategy which ensured that they developed and advanced in the organisation. With the demands of the Employment Equity Act (1998) and Financial Sector Charter, the company was required to develop strategies to retain blacks.

Anderson (2001: 96) found that a culture where people were not afraid to contribute helped people to decide to stay and help the company gain competitive edge. A difficult corporate culture in which people do not receive recognition for their input renders it difficult for people to add value and to make a meaningful contribution. Lack of general support and respect are some of the factors expressed as inhibiting loyalty that may lead to bigger skills pool to choose from for purposes of effective transformation.

Retention of black talent is a major issue at WesBank. Lack of developmental strategy and career pathing was perceived by black respondents as one of the reasons that highly talented black people have left WesBank in the most recent past. McGregor (1994: 42) believes that a comprehensive approach to the retention of employees needs to be developed as a fragmented individual programme is unproductive.

The black respondents felt that the organisation should consider retaining and advancing current employees rather than attempting to hasten transformation by recruiting new people.

The research found that there was a difference between the expectations of participants in respect of the factors they perceived would attract and retain black talent and current practices within WesBank. The factors which were found to be highly inhibiting were: lack of succession planning; poor diversity management and racial discrimination; a domineering, resistant culture; and a lack of feelings of belonging, respect and recognition.

Figure 14 : Inhibiting Factors

FACTOR	PERCENTAGE
Culture	94%
Succession Planning	91%
Diversity Management	88%
Sense of Belonging	72%
Respect and Recognition	70%
Career Development	52%
Salary and Benefits	46%
Responsibility and Accountability	42%
Reputation and Integrity	32%

The culture of the organisation was seen to be somewhat racist and relatively hostile towards black talent. Black talent continually expressed their dissatisfaction at being undermined by white colleagues and worst still, subordinates. This was interpreted as an expression of disrespect for the black talents' authority. Non-verbal language was said to be dismissive when blacks gave input in meetings. The functions of black

people were sometimes duplicate by others line functionaries inside the organisation or through the use of external consultants.

Positions such as those in marketing would be confined to dealing with black consumers and not necessarily extended throughout marketing as a whole. A general lack of respect for an confidence in black competence was experienced. In some cases jobs were divided to ensure that black managers did not have full responsibility. There was often a dual reporting structure in place that minimized blacks' accountability and responsibility. The diversity climate was not thought to be attractive at WesBank because of the history of promotions and advancements that practically favours whites.

WesBank was successful in attracting talent due to their sound reputation and record of stability in the industry. Also, having entered the Best Company to work for and came in the top ten for five years running has meant that WesBank is able to attract the very best in the industry. However, the perceptions of the black respondents was that they could not retain such staff because they lacked the internal network and structure to facilitate this. The effect of this lack of structure leads to the black talent drainage and hence a slower pace of transformation. The organisation was found to be successful in providing market related salaries. According to Makwana (1997: 23), nine out of ten black people leave not for a better package but out of frustration. Training and development for blacks was perceived to have been good amongst those people who had been a long time in the organisation, but recently it had seemed to be lacking due to the shift in focus on the bottom line at the expense of people development.

Makwana (1997: 27) advises that the training of employees' skills is vital because talented employees often leave if they do not see opportunity to advance in the workplace. Lack of leadership, succession planning and career pathing was seen to be factors inhibiting blacks from advancing to their full potential.

According to Sherratt (2000: 132) multiple career path systems offered technical employees opportunities to develop laterally as well as vertically in an organisation. Therefore, lack of exposure to different careers tends to discourage people from staying in the organisation. Makwana (1997: 45) believes that a diversified company such as WesBank was able to train its managers to be adaptable enough to run

different types of operations. Stoner et al. (1995: 124) support this view by proposing that staffing for transformation requires a sound employee retention strategy.

The participants perceived the organisation to be offering fragmented programmes which lacked continuity and for which evaluation was difficult as their impact was harder to measure. Sherratt (2000: 77) believes that training, developing and retaining experienced employees is equivalent to retaining existing customers because they were both more loyal compared to the new ones. Sherratt (2000: 89) further advises that employers of choice first attract talented individuals with skills relevant to the needs of the organisation at the same time encourage those valuable employees to energetically participate in the company on an ongoing basis.

CHAPTER FIVE

CONCLUSSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

Transformation is a burning issue in South Africa. Executives are concerned that legislation passed in the form of Employment Equity Act (1998) may result in almost indecent haste to appoint blacks to various positions in their organisations. On the other hand is the issue of survival economically. South Africa has witnessed a growing number of the Black middle class that is said to be contributing more towards the country's Gross Domestic Product as their spending power increases. Companies therefore have to be appropriately representative in order to be better able to service this highly demanding "black diamond". As with most issues regarding sudden demand which exceeds supply, there is a form of jitteriness which has been manifested by the perceived affirmative action failures, disillusionment by whites and blacks, job-hopping, demand for higher salaries, followed by a huge amount of literature and media coverage.

5.2 SCOPE OF THE RESEARCH

The main purpose of this research was to examine the main constructs that WesBank would have to deal with in transforming itself. It also aimed to examine the impact these constructs on transformation and so create an environment free from prejudice and discrimination. This implies a strategic change in management thinking i.e. to develop the blacks in order for them to add value and contribute to the well being of the organisation. The research methods employed were effective and the main findings were as follows:

1. The Chief Executive Officer is responsible for transformation. Unless transformation is driven from the top and commitment to it is deliberately and consciously coming from the most senior leader, all other attempts may not

bear desired results. Sherratt (2000: 121)) provides an example of the letter the CE could address to all his direct reports in this regard (See annexure 5).

2. Training and Development is of vital importance.
3. Many large organisations who profess to be involved in transformation have done little to create an equity environment other than to appoint external black directors to their main boards.
4. The Human Resource Department will continue to be the facilitators of change, including all forms of transformation.
5. Transformation will fail at middle management level unless top management takes an active part in monitoring and managing the process themselves.

It appeared clear that management in WesBank found it difficult to identify diverse talent for development of core competencies for competitive advantage. It was felt by black respondents that white management in WesBank generally held the view that was a severe disadvantage to attract, develop, promote, utilise and retain black talent. Management should align equity issues with economic efficiency issues so as to translate these into higher performance and competitive advantage. For example, a talent capital programme should be implemented around specific strategic themes of the organisation and measured by means such as return on investment, capability utilization, market share and quality.

There was a need for Human Resource practitioners to implement sound Human Resources practices to facilitate the creation of competitive advantage by black talent. Effective strategies should be developed by organisations such as WesBank to manage black talent effectively. This is how transformation becomes successful and alleviates all the costly mistakes made by organisations that too short cuts.

5.3 RECOMMENDATIONS

Properly implemented, transformation initiatives should improve the organization for everyone. The factors identified in this study indicated a need for a more focused approach to transformation. The development of appropriate strategies for effective black talent attraction and retention can not be stressed enough. In order for transformation to bring about profitability, it has to be approached in a long term process perspective that has to be driven mainly by the chief executive officer.

Black people can do a lot on their own to mitigate the constraints of poor social background and lack of organisational opportunity for growth by being very involved in their organisations initiatives towards transformation. Black people should take it upon themselves to assess their job opportunities in the company or elsewhere. In terms of the options, they should assess how well the opportunities meet their career objectives and developmental needs. Key to this will also be to assess one's competency to perform well. The organisation should allow black people the opportunity to gain experience and exposure. Black people must use stretch projects to harness their personal development opportunities.

In light of the self-assessment and opportunity assessment, black people need to be proactive in determining what career plans are relevant for them in the next five years or so, taking into account short term business and political realities. After determining their career plans, they need to develop strategies for their superiors and mentors to get agreement, support and commitment. To equip black talent with the skill to perform self assessments and to identify opportunities, they need to be trained in vigorous career management skills that will empower them to be competent enough to deliver value.

For black talent to succeed in positioning themselves they should not compete head on with their white counterparts, they need to develop strategies that allow them to compete around, under or over them. This is called positioning. Only black people that know how to play the game of positioning will survive and win.

In order for black talent with diverse skills to be attracted and retained in the organisation, WesBank would need to assess the pool of talent currently in their employ to ascertain whether internal and external applicants should be considered. Clearly defined career strategies and performance levels would need to be developed in each position to ensure the selection of appropriate candidates, that is, those with targeted experience and potential.

- Line managers should seriously consider their employment equity targets for each department before making final decision regarding recruitment, so as to ensure that these are achieved.

- Proper Human Resource Records and information systems should be in place so that current employee records could be used to identify internal applicants who best meet the requirements of the internal positions and to assess them accordingly. Priority for selection should go to internal black candidates before external advertising.
- The selection panels within WesBank should be composed of a diversified group of people in terms of race, gender and function in order that candidates' potential is fairly assessed.
- Special care should be taken to target the designated groups at all times to ensure that the required skills are present in the incumbent.
- WesBank needs to develop an effective mentorship programme. The benefits of a facilitated mentorship process are vast. The prevailing mentorship model at WesBank is more of a programme coaching facility than it is a mentorship programme. Organisations that implemented formal, facilitated mentorship programmes had benefited through improved recruitment efforts and higher maintenance of motivated black people.
- WesBank needs to have leadership development programmes that would focus on black needs, with a forward focus and plan for black leadership. This would involve WesBank's need to fast track the commitment to the speedy development of talented black employees.

To ensure the success of black people, a cultural change would be needed to create an environment conducive to such success and grow it within WesBank. A number of interventions should be implemented that focus on the multicultural approach to diversity management in the workplace.

Leadership, in particular the chief executive officer, needs to act, and be seen to act as a champion in the promotion of transformation and to take a personal interest in implementing change. Through his personal involvement confidence would be built among the employees for their development, thus promoting the desired future visions of WesBank. The chief executive officer also needs to set an appropriate example for his management team to implement change.

Rewards for executives should be linked with their success in implementing affirmative action in line with company policy in this regard. The chief executive officer therefore needs to demand accountability and results throughout various organisational levels. Having commitment from the top sends a clear message to senior management about the seriousness and business relevance of this issue. The chief executive must explain the Business Case. Employees will naturally wonder why the organization is spending money, time, and energy on transformation. The first order of business is to explain its relevance to the objectives of the organization.

How does effective transformation impact the bottom line, productivity, and achievement of organizational goals? How is not dealing well with it sabotaging progress? A few statistics or a specific case may make a point here. Does WesBank need to serve an increasingly diverse customer base? The fact is that almost 40 percent of WesBank customers are black. Is turnover eating up profits and burning out remaining staff? Transformation is not an altruistic, feel good frill. Rather it is a pragmatic, strategic advantage. If competitors do it better, WesBank will lose out in the long run.

WesBank needs to put in place a career development strategy that would define selected targeted experiences for executives who are expected to succeed in the organisation. The development programmes should be results driven rather than attribute driven. Black people in the employ of WesBank generally were often uncertain what they needed to do in order to produce required results. The strategies to be considered are as follows:

- Identification of the core competencies required to do a job;
- Implementation of a multiple career pathing system to encourage cross-functional development;
- Promotion and acceleration of a pool of talent;
- Implementation of mentorship and coaching system to ensure continuous evaluation of performance and to identify development needs and areas of knowledge in order to address these.
- Develop self assessment methods that will afford the employees the ability to take ownership for personal development.

5.4 SUGGESTIONS FOR FURTHER RESEARCH

This research focused on impact of transformation on the viability of a company. This is a broad topic that comprises many aspects. The researcher focused on employment equity, affirmative action and development. Further areas for investigation are suggested as follows:

- The perceptions of black people who were in the employ of WesBank for a long time and were leaders who represented the sentiments of the junior employees need to be researched.
- The sample was limited to only 364 employees across all divisions. A larger sample that will look into different divisions of WesBank is suggested for future research. This will help identify the divisions that lag behind and reasons for such. Subsequently, division specific interventions can be made.
- The views of white people in the organisation, especially those who were advancing in the organisation, should be researched in order to identify their perceptions of the impact of transformation.

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Appendix 2

An investigation into the transformation processes employed by WesBank with a view to accelerating these processes thereby increasing productivity and profitability.

Letter of Informed Consent

10 November 2006

Dear Respondent

MBA Research Project

Researcher Name: Futhi Cabe, Cell Number 082 375 0001
Supervisor Name: Mr. Logan Govender, Telephone Number 031-260 7048
Graduate School of Business, University of KwaZulu Natal

I need to find out if there is in fact an unfavorable relationship between transformation in the workplace and profitability. I have elected the above mentioned research topic to establish this. It is hoped that at the end of the project, workable solution to accelerate transformation will be found if the relationship between transformation and profitability is in fact a positive, favorable one.

Consent and Participation.

Although you do not have to complete the questionnaire because it is voluntary, you will assist me greatly with your answers, which will take you only a few minutes.

Undertaking by researcher.

The researcher undertakes to:

- Honor the agreement that the participants can withdraw at any given time, should they wish without any negative or undesirable consequences to themselves.
- Treat responses in a confidential manner.
- Ensure anonymity where requested.
- Provide participants with copies of the survey results as benefits to them should they choose to receive such.
- Dispose of the collected data as soon as the MBA dissertation has been accepted and passed.

Consent

I, _____ (please provide your name and surname) hereby confirm that I understand the contents of this document and the nature of the research project, and I hereby agree to participate in the research project, provided that my personal identity is not revealed.

I understand that I can withdraw from the project at any time, should I so desire.

Signature of participant _____

Date _____

Appendix 4

VOLUNTARY QUESTIONNAIRE FOR MBA DISSERTATION

“An investigation into the transformation processes employed by WesBank with a view to accelerating these processes thereby increasing productivity and profitability”

Researcher: Futhi Cabe
Supervisor: Mr. L.N. Govender
School: Graduate School of Business, University of KwaZulu Natal
Year Study Conducted: 2006

Please complete this questionnaire for purposes of an investigation into the Transformation process of WesBank. This survey is purely for academic research purposes only and responses will be treated with strict confidentiality.

Note to the respondent:

- I need your help to understand how WesBank currently treats the subject of transformation and how this could be accelerated for the benefit of both WesBank and its diverse workforce.
- Although I would like you to help me, you do not have to take part in this survey as it is completely voluntary.
- If you do not want to take part, just hand in a blank questionnaire at the end of the survey.
- What you say in this questionnaire will remain private and confidential. No one will be able to trace your opinions back to you as a person.

How to complete this questionnaire

1. Please answer all questions as truthfully as you can.
2. If you do not feel comfortable answering any of the questions, you can indicate that you do not want to answer it. Please be assured that even for those questions you do not answer, your response will still be kept confidential.
3. You can mark each response by making a tick or a cross, or encircling each appropriate response with a Black Pen (no pencil please), or by filling in the required words or numbers.

Thank you for your time in completing this questionnaire

Section 1

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree

Transformation

	1	2	3	4	5
1. Transformation leads to reduced profitability					
2. Transformation awareness programs are done effectively here					
3. The organization deals with transformation issues proactively.					
4. The organization has an effective transformation plan.					
5. This organization ensures the necessary skilling and advancement of its previously disadvantaged employees.					
6. Prevention measures are applied in curbing the migration of "Black talent".					
7. This organization is effectively applying its transformation policy.					
8. This organization takes the initiative in addressing transformation.					
9. The pace of transformation at WesBank is fast enough.					
10. There is a big pool of Black talent in this organisation.					
11. Remuneration in WesBank is regardless of sex, race, colour or creed.					
12. Productivity and profitability are compromised by transformation processes.					
13. I am aware of other companies that have collapsed as a result of transformation.					
14. I am aware of and clearly understand WesBank's transformation policy					

Section 2

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree

Leadership

	1	2	3	4	5
1. Information concerning organizational performance is readily available to employees.					
2. Management operates in an transparent way in the organization					
3. The organization has an effective system to report Employment Equity progress and Financial Sector Charter progress.					
4. The advancement of Previously Disadvantaged Individuals is strongly encouraged by Senior Management.					

5. The organization enforces discipline and focus in attaining its transformation targets.					
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Section 3

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

Equity/Diversity

	1	2	3	4	5
1. This organization ensures proper demographic representation of in its employed staff.					
2. Employment equity targets are effectively met by this organization					
3. The organization effectively claims its skills development levies from SETA and re-invests it in the development of its employees.					
4. Organizational procurement procedures ensure opportunities for previously disadvantage companies.					
5. The promotion of people from the designated group is actively encouraged.					
6. The organization encourages the adoption of diversity management practices.					
7. This organization loses top Black talent because people do not feel valued, included or heard.					
8. My talents and skills are well rewarded					

Section 4

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

Training and Development

	1	2	3	4	5
1. Training needs analysis are effectively carried out in this organization					
2. There are effective human resource development plans in operation here.					
3. Performance appraisals are effectively used for staff development.					
4. Organizational training is generally effective in improving employee's performance.					
5. This organisation invests more in the skills development of PDI than it does other race groups.					

Section 5

In your view, what is transformation?

.....
.....
.....
.....

Why should there be transformation at WesBank?

.....
.....
.....
.....

In your view, what factors contribute or could contribute to the success of Transformation in WesBank?

.....
.....
.....
.....

Is there any thing you would like to add regarding transformation in this organization?

.....
.....
.....
.....

SECTION 6. BIOGRAPHICAL DETAILS / DEMOGRAPHIC INFORMATION

Gender

Female	
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Male	
------	--

Age

18 and below	
19 – 25	
26 – 30	
31 – 35	
36 and above	

Position

Position	Full Time	Part Time
Senior Management		
Middle/Junior Management		
Consultant		
Other (Please specify)		

Race

Indian	
White	
Coloured	
Black	
Other (Please Specify)	

Educational Level

Below Standard 8	
Below Standard 10	
With Matric only	
With tertiary qualification	
Without tertiary qualification	

MANY THANKS AGAIN FOR YOUR CO-OPERATION

APPENDIX 5

CEO Memo to Functional Heads on EE

This would begin with an introductory paragraph concerning the affirmative action programme taken from the policy statement. Then:

1. The implementation of an affirmative action programme is a line responsibility. Individual managers will therefore be held accountable for progress in this area. The role of the Human Resource Dept is to support you in your responsibilities; it is not their role to do your job for you.
2. External appointments should be made only where internal candidates are not available to fill vacant positions. Both internal and external appointments should be made according to the company's policy in this area.
3. The identification and development of employees internally is a key facet of the company's affirmative action programme. The responsibility that this places on individual managers may seem daunting at first, however, this responsibility is part and parcel of good people management and once you have come to grips with it you will wonder why you haven't been doing it all along.
4. What is required is that you spend some time thinking ahead and trying to visualize what your division/department will look like in about three years time; taking account of the strategic plan. Will it have shrunk or will it have grown? What kinds of positions will have been vacated and have to be refilled (due to retirements, resignations, promotions, lateral moves, etc) during this period? What succession plans have you in place to fill these positions? What development will your subordinates need in order to make sure that they are ready to fill these positions?
5. Having determined workforce, succession and development plans on a general level, look specifically at the progress of blacks and women:
 - Are there blacks and women in your department?
 - Are they part of your workforce, succession and development plans? (If not, why not).

- Are you underestimating the ability or motivation of your black and female employees?
- Can extra effort be put into their development to assist their progress toward higher level jobs?
- How many vacant posts can be filled by blacks and women?

The use of organisational chart may make this process a little easier.

6. Now make an appointment with your senior manager to discuss what you would like your department to look like in the short, medium and long term. Jot down brief but concise notes to record your thoughts and discussion. This will assist your functional head in getting together a plan for your whole department. Do not lose sight of the company's affirmative action strategy in this process
7. Make sure that you are satisfied that each job within your department is clearly defined in terms of:
 - Adequate Job description;
 - Specific job outputs required.
8. You are required, as part of your objectives, to manage your subordinates competently and effectively. This is particularly the case for blacks and women who do not have the same access to informal networks and support systems and who may require additional development in certain areas. You should be holding regular performance management and development discussion sessions with all your subordinates in which you and your subordinate:
 - Provide feedback on performance;
 - Identify areas of strength;
 - Identify areas where further coaching, training, or development is required;

- Put together or refine action plans to meet individual development needs in relation to the current job or potential future job;
- Set a specific date for the next performance and development review.

In order to do this successfully for each subordinate, you will need to:

- Identify and agree on job outputs and key tasks to achieve these outputs;
- Identify and agree on performance standards;
- Make sure you provide constructive performance feedback in a mature and dignified fashion;
- Identify and agree on current individual development and training needs as well as development needs in relation to potential future responsibilities;
- Learn how to coach the subordinate in a way which is comfortable for both of you;
- Undertake career planning; find out the aspirations of your subordinates and investigate ways in which your department and the company in general accommodate these; do not create expectations that cannot be met.

Should you require assistance in any of these areas, your manager should present these needs to the Human Resources Department as an identified training/development need. It is particularly important that you provide honest and constructive feedback to your subordinates and that unrealistic expectations are confronted in a positive and yet honest way.

Remember that it is important to take notes during these discussions. These notes are important for many reasons, including cross-functional succession planning and performance appraisal.

9. Having examined individual strength and weaknesses, aptitudes and aspirations against the requirements of the current job and future opportunities, you can draw up an individual development plan which will link into your overall department/company workforce plan. The development plan should focus on:
- Job outputs and key tasks;
 - Strengths/Development Areas/Aspirations;
 - Possible future job or development by manager. Be specific! What actions? By whom? By when?
 - Off the job training. Be specific! What training? By whom? By when?
 - Regular performance reviews on, for example, a monthly basis with notes taken.
10. Should you find that your department, for whatever reason, lacks candidates for affirmative action, discuss this with your senior manager so that meetings can be set up to look at the possibility of cross-functional moves.
11. Although the management and development of all of the people in your department is important, remember that the affirmative action policy requires that you consciously recognize the need to recruit, develop, and promote blacks and women and are able to justify decisions which count against them. This does not mean that you should practice reverse discrimination; rather it means that you should constantly question assumptions and practices that you may have taken for granted in the past.
12. It is important to remember that development is a joint responsibility shared by the manager and subordinate. Where the subordinate expresses a desire to remain in his/her current position; or is negative towards the development process, his or her decision in this regard should be respected. This leaves you with more time to devote to those subordinates who are motivated to develop themselves. It should also be remembered that employees of all races and both sexes do sometimes fail to meet our expectations of them.

Such instances of failure should, however, be seen as relating to individuals and not as confirmation of the stereotype that blacks and women are less competent.

Further information with regards to your roles and responsibilities is available from The Human Resources Director who would be pleased to answer any questions you may have.

(Signed): Futhi Cabe

Chief Executive Officer

Date:



**UNIVERSITY OF
KWAZULU-NATAL**

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25 MAY 2007

MR. NCF CABE (202526433)
MANAGEMENT STUDIES

Dear Mr. Cabe

ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0273/07M

I wish to confirm that ethical clearance has been granted for the following project:

"An investigation into the transformation processes employed by Wesbank"

Yours faithfully

Phumelele Ximba

MS. PHUMELELE XIMBA
RESEARCH OFFICE

cc. Post-Graduate Office (Andile Ndawo)
cc. Supervisor (Mr. L Govender)