

**EMPLOYMENT EQUITY PRACTICES IN A FINANCIAL
INSTITUTION**

By

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Dedicated to my Guru

Sri Swami Sivananda

13 February 2004

TO WHOM IT MAY CONCERN

RE: CONFIDENTIALITY CLAUSE

Due to the strategic importance of this research, it would be appreciated if the contents remained confidential and not be circulated for a period of five years.

Sincerely

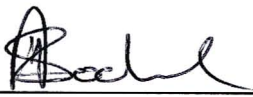


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DECLARATION

This research has not been previously accepted for any degree and is not being currently submitted in candidature for any degree.



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13/02/2004

DATE

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ABSTRACT

Historically, due to the policy of Apartheid, the South African labour market was beset with inequality in access to education, skills, managerial and professional work. Labour practices were based on race and ethnicity instead of talent, creativity and endeavour. Today, most major organisations in South Africa are staking their future growth on equity in the workplace. With the introduction of the Employment Equity Act (No. 55 of 1998), employers have a responsibility to take proactive steps in eliminating unfair discrimination and to promote equity in the workplace, especially with regard to people from the previously disadvantaged groups, namely African, Indian and Coloured people, women and the disabled.

The objective of this research is to critically evaluate how South African Financial Institutions have progressed in creating an employment structure based on equal opportunity and non-discrimination. This will be done using the ABSA Groups employment equity strategy as a case study.

Employment Equity in South African organisations has become essential. The business community at large therefore faces a very realistic challenge in order to initiate appropriate strategic moves and accelerate the much-needed impetus for change. Organisations will have to identify and eliminate unfair and discriminatory policies and practices so as to comply with the Employment Equity Act. As difficult as this may be, it is crucial that organisations comply with the Act or else heavy penalties will be imposed for their transgressions.

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Chapter 1: Introduction

1.1 Introduction

South Africa has emerged from a history of strife in which her people were treated disparately. The country has emerged from a system of a government, which used race, gender and physical status amongst other things as criteria for determining access to opportunities. This has contributed to a situation where, among other consequences, there were sustained disparities in employment opportunities.

While we now have a constitution in the country that outlaws discrimination on a range of grounds, including those that have been used in the past, there has been an outcry by labour leaders that this is insufficient to address the problem of disparities in employment. Unions argued that while, in theory, the constitution puts an end to the continuation of the above form of discrimination, it does very little, if anything, to address the former disparities. Legislation in the form of the Employment Equity Act, 1998 (No.55 of 1998) (EE Act) was therefore found to be a necessary facility to deal with these disparities.

The EE Act took effect in 1998. It was believed that by implementing the Employment Equity Act, South Africa would have, among other things, promoted economic development and efficiency in the workforce. The Act would also help to achieve a workforce representative of the people of South Africa, as well as fulfilling the obligations of the Republic as a member of the International Labour Organisation.

The purpose of the EE Act was to recognize past imbalances and to correct them by promoting the employment of people from the designated group, which includes Black people (a generic term encompassing Africans, Coloureds and Indians), women and people with disabilities.

The approach taken by the Act is that employment equity encompasses both the elimination of unfair discrimination as well as the establishment of specific measures, to accelerate the advancement of persons from the designated groups.

Relevant chapters of the EE Act will be discussed in this dissertation. These chapters are as follows.

Chapter 2 of the Act states that no person may unfairly discriminate, directly or indirectly, against an employee, in any employment policy or practice on one or more grounds, including race, gender, sexual orientation, age, disability, religion, HIV/AIDS status, conscience, belief, political opinion, culture, language and birth. Unfair medical or psychological testing of an employee, as well as workplace harassment (on the above mentioned grounds), is also regarded as unfair discrimination.

Chapter 3 of the Act specifies that every designated employer must, to achieve employment equity, implement affirmative action measures for people from designated groups.

While EE Act makes affirmative action compulsory and outlaws unfair discrimination, organizations today are confronted with the challenging task of compliance with the Act, while at the same time achieving organisational goals and remaining competitive. Just about every aspect of South African life has been touched by discrimination, and the challenge is to move away from discrimination towards equity. Engaging in Equity and affirmative action plans is therefore a crucial part of the process.

1.2 Background of the Research

ABSA Group Limited (ABSA) is one of South Africa's four largest banking institutions. ABSA was formed when Allied, United and Volkskas banks merged in 1991 and were joined by Bankorp, including Trust Bank and Bankfin (Vehicle Finance), in 1992 to form Amalgamated Banks of South Africa (ABSA). These banks

still traded as separate entities until ABSA Bank was officially launched on 26 October 1998 under a new ABSA logo.

Historically, ABSA has been looked upon as a White Afrikaner Bank. This was evident by its employee and customer profile, which mainly consisted of White Afrikaners.

Noting the above, it was imperative that ABSA implemented an Employment Equity strategy to bring its employee numbers inline with the demographics of the country. This was crucial to its survival and recognition in the Post Apartheid South Africa.

ABSA started the process of adopting an Employment Equity strategy to address the imbalances in its workforce. A 5 year strategy was implemented in 2000 with its core elements being the following:

- “All employees are treated as individuals, regardless of race, gender or creed.
- Opportunities should be given to all employees who have the potential to grow and to influence their own destinies.
- All employees are capable of making their own decisions regarding aspects that influence their lives and development, and are encouraged to do so.
- It is recognised that special efforts are required to assist in the development of employees who, through lack of past opportunities, do not possess the necessary skills” (ABSA Annual Financial Report, for year ended March 2002).

The basis of this research will focus on the ABSA Groups Employment Equity strategy and how successful it has been to date.

1.3 Motivation for the Research

As a person from a previously disadvantaged race group, the author was very eager to research the impact that the EE Act has had on Financial Institutions, namely ABSA, the organisation for which the author currently works.

1.4 Value of Study

- The study will serve as a working document for decision making by ABSA, regarding its Employment Equity plan for the future.
- To enable ABSA to provide its employees with equal and fair opportunities.
- To help bridge the gap between ABSA's targeted and actual figures with regards to their Employment Equity Strategy, if needed.

1.5 Problem Statement

Has ABSA's Employment Equity Strategy been effective in meeting its projected target in terms of affirmative action appointments at all job levels?

1.6 Objectives of the Study

- The objective of the study is to critically analyse ABSA's Employment Equity Strategy against legislated employment equity practices.
- Having established the above, the overall aim of the study will be to evaluate whether ABSA is currently in line with the Employment Equity targets set and has the necessary mechanisms to meet its forecasted Employment Equity targets.
- To make constructive recommendations on improving ABSA's Employment Equity Strategy and practices based on the findings.

1.7 Research Methodology

- The methodology used in this research study is qualitative in nature.
- A case study / document analysis approach is used for this exploratory investigation / qualitative research.
- The exploratory technique applicable in the case study approach / document analysis is secondary data analysis.
- The methodology used in the dissertation takes the form of a review of the relevant literature currently available.

1.7.1 Data Analysis

The first step in this exploratory study is a search for secondary data. Secondary data from studies made by others for ABSA will be obtained. This secondary data will take the form of historical data and reports from prior research studies. Once this data is obtained, it will be analysed to determine where the Group is in terms of its Employment Equity appointments, and at what job bands and levels these appointments are made. Conclusions and recommendations will be made based on the findings.

1.8 Limitations of the Study

- The research is limiting its focus to ABSA.
- The research will focus on certain relevant chapters of the EE Act.
- The research is limited to 2 years historical Employment Equity data (2001/2003). While this data may not be conclusive in measuring whether ABSA is meeting its Employment Equity targets, it is an indication of current employment equity trends within the Group. The data, though limited, is a reliable base for forecasting future employment equity trends, on which the author's recommendations will be based.
- Due to the sensitive nature of the topic, information had to be obtained from various sources within ABSA. Top management was reluctant to divulge information that could have a negative impact on the organisation. It is assumed, therefore that the information obtained from the various sources is accurate as it is generally available to employees within the Group.

1.9 Structure Of The Research

Chapter 2 of the dissertation will comprise of a discussion of the EE Act focusing on Chapter 2 and 3 of the Act. Literature pertaining to the South African EE Act will be reviewed. Chapter 2 of the Act deals with prohibition of unfair discrimination in the work place, while chapter 3 of the Act deals with affirmative action.

Chapter 3 of the dissertation will examine the Employment Equity Strategy of ABSA. A comparison will be done in Chapter 4 in terms of where ABSA is at present

and where they projected to be. This chapter will also deal with the analysis and interpretation of the secondary data obtained.

Chapter 5 will deal with recommendations and conclusions.

1.10 Conclusion

While post apartheid South Africa outlaws any form of discrimination, it was still necessary to pass legislation to address disparities in the workplace. This legislation took the form of the EE Act No.5 of 1998.

The EE Act calls for affirmative action in the workplace and outlaws all forms of unfair discrimination.

ABSA like many other South African Financial Institutions finds itself in a very challenging position of complying with the above Act due to its historically white dominated employee and customer profile.

The objective of this dissertation will be to critically analyse ABSA's Employment Equity Strategy against the legislated Employment Equity policies and practices.

Chapter 2: The Employment Equity Act, 1998 (Act No. 55 of 1998)

'The Employment Equity Act is an ambitious attempt at social engineering in the workplace. It aims to undo the huge disparities in employment, occupation and income levels brought about by apartheid' (Jordaan, 1998).

2.1 Introduction

South African organisations have progressed in creating an employment structure based on equal opportunity and non-discrimination. Historically, the labour market was a distorted one, with inequality in access to education, skills, managerial and professional work based on race and ethnicity. The first real law to enforce this was the Bantu Labour Act of 1956, later known as the Black Labour Relations Regulations Act. The main focus of the Act was to replace trade unions amongst Blacks by allowing for the establishment of worker committees for Black employees. This system did not prove to be very popular.

Three years after the passing of the Black Labour Relations Regulation Act the Industrial Conciliation Act was passed. This caused further polarisation, as it excluded all Black people and introduced a system of job reservation whereby a particular vacancy could be reserved for a particular race group.

By 1976 South Africa's major trading partners had, largely due to the 1976 riots, become more aware of the plight of the Black worker. To improve the image of the country the government appointed the Wiehahn Commission in 1977. Some of the salient reform proposals of the Wiehahn Commission is summarized as follows:

- "Full freedom of association be granted to all employees regardless of race, sex or creed.
- Trade unions, irrespective of composition in terms of colour, race or sex, be allowed to register.
- Fair employment practices be developed by the Industrial Court.
- Blacks should be permitted to become apprentices.
- Statutory job reservation should be removed" (Bendix 1996).

As a result, Parliament enacted the Industrial Conciliation Amendment Act of 1979, recognising Black unions and extending labour law protection to them for the first time. This was in form of collective bargaining rights with their employers and the right to strike.

In 1995 the Labour Relations Act of 1956 was repealed and replaced by the Labour Relations Act of 1995. The 1995 Act stated that the overall purpose of the legislation was the advancement of economic development, social justice, labour peace and the democratisation of the work place. The most significant changes from the 1956 Act were the provisions for legislated organisational rights, the granting of the right to strike without fear of dismissal, the limitations placed on the use of scab labour and the provision for the establishment of agency shops and closed shops.

The EE Act took effect in October 1998. The rationale behind the passing of the Act was to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination and by implementing affirmative action measures to redress the disadvantages experienced by members of designated groups.

2.2 The purpose of the EE Act

“The purpose of this act is to achieve equity in the work place by:

- Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and
- Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure the equitable representation in all occupational categories and levels in the workforce” (Chapter 1, Section 2).

Thus achieving these objectives means confronting a legacy of unequal education, job reservation, racism and discrimination in the workplace.

2.3 Definitions

2.3.1 Introduction

The EE Act aims at creating equal opportunities for all employees and job applicants, to ensure that anyone capable of performing the job, or who meets the requirements of it, will be able to compete fairly for it. It does not dictate to employers or workers what they must do to bring about equality in the workplace, mainly because solutions vary from company to company. It does, however, set a framework for employers and workers to work together to achieve equity. The preamble of the EE Act concisely defines what it is that this Act proposes to do. It states:

“Recognising that as result of apartheid and other discriminatory laws and practices, there are disparities in employment, occupation and income within the national labour market; and that those disparities create such pronounced disadvantages for certain categories of people that they cannot be addressed simply by replacing discriminatory laws.

Therefore, in order to achieve employment equity, organisations will have to:

- Promote the constitutional right of equality and the exercise of true democracy;
- Eliminate unfair discrimination in employment;
- Ensure the implementation of employment equity to redress the effects of discrimination;
- Achieve a diverse workforce broadly representative of our people;
- Promote economic development and efficiency in the workplace; and
- Give effect to the obligations of the Republic as a member of the Institutional Labour Organisation”.

Based on the above points, if implemented correctly organisations will be able to achieve equity within their workplaces. This would also add to the enhancement of a productive workforce.

2.3.2 The Act defines many terms (Chapter 1, Section 1), these are:

i) A designated employer:

- A person who employs 50 or more employees;
- A person who employs fewer than 50 employees but has a total annual turnover that is equal to or above the applicable annual turnover of a small business in terms of the Schedule 4 of this Act

Schedule 4 of the Act reads as follows:

Table 2.1 Turnover threshold applicable to designated employers

Sector or sub sectors in accordance with the Standard Industrial Classification	Total annual turnover
Agriculture	R2,00m
Mining and Quarrying	R7,50m
Manufacturing	R10,00m
Electricity, Gas and Water	R10,00m
Construction	R5,00m
Retail and Motor Trade and Repair Services	R15,00m
Wholesale trade, Commercial Agents and Allied Services	R25,00m
Catering, Accommodation and other Trade	R5,00m
Transport, Storage and Communications	R10,00m
Finance and Business Services	R10,00m
Community, Social and Personal Services	R5,00m

ii) Designated groups:

Means Black people, women and the disabled. In terms of the Act, 'Black people' is a generic term, which means Africans, Coloureds and Indians. 'People with disabilities' is defined as people who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into, or advancement in, employment.

iii) An Employee:

Means any person other than an independent contractor who:

- (a) Works for another person or for the State and who receives, or is entitled to receive, any remuneration, and;
- (b) In any manner assists in carrying on or conducting the business of an employer.

2.3.3 Other Definitions:

i) Affirmative Action:

There are many definitions of affirmative action that abound and have evolved over the years. The view offered by the Black Management Forum (1993) states, “Affirmative action is a planned and positive process and strategy aimed at transforming socio-economic environments which have excluded individuals from disadvantaged groups, in order for such disadvantaged individuals to gain access to opportunities, including developmental opportunities, based on their suitability”. The definition is appropriate in South African context as its key words impact on equality of opportunities, meritorious, empowerment, development of the disadvantaged communities and transformation.

Kemp (1993) views affirmative action as an avenue for equipping Blacks with the necessary skills to fill the required positions. Affirmative action is defined as:

“A programme...designed to ensure the persons in designated groups enjoy equal opportunities and are equitably represented in the various positions of employment with the relevant employer” (Kemp 1992).

Gerber et al. (1995) writes that one of the problems about affirmative action in South Africa is a lack of properly defined concepts and terms.

Wingrove (1995) reiterates this by defining affirmative action as “pro-active, conscious effort to redress disadvantages of the past and to increase the representation of marginalised groups of the population in leadership in society. Affirmative action is based on artificial corrective action to create a workforce that is more demographically

representative at all levels. It could require employers to set numerical goals coupled with a timetable. It can take the form of hiring preferential employees, or accelerated management development courses for blacks and marginalised groups. It can encompass many other actions so designed to accelerate the upward mobility of these individuals”.

There are many positive and negative aspects to affirmative action. Bendix (1996) advocates though, that problems surrounding affirmative action arise, not from the principle, as such, but from the manner in which affirmative action is implemented. She believes that companies have merely enforced affirmative action because it is a ‘political imperative’, and many organisations fail to see it as a business objective, which needs to be sustainable within the framework of the organisation objectives in total.

ii) Unfair discrimination:

According to Basson et al. (1999) “to discriminate is to fail to treat fellow human beings as individuals. It is to assign to them characteristics which are generally assumptions about groups of people”. The term employment discrimination, as defined by Anthony et al. (1999), is the process of responding to a person differently based on that person’s individual differences. Basson et al. (1999) also defines discrimination in the workplace to be “treating employees differently”.

According to Basson et al. (1999), individuals can actually or potentially be treated differently for a variety of reasons. Differential treatment can be based on a person’s educational qualification, experience, or seniority and this is inevitable especially during the selection and placement decision-making process.

Discrimination is not illegal. It becomes illegal however, when the differences used to separate individuals are not job related. Although a differentiation between employees constitutes discrimination, it only becomes unfair discrimination if the differentiation is based on an unchangeable personal characteristic and is made arbitrarily and without any justification. In the workplace, unfair discrimination can be direct or indirect.

With this as a backdrop, the terms discrimination and unfair discrimination will be used interchangeably throughout the dissertation to mean unfair discrimination.

iii) Direct Discrimination:

Direct discrimination is generally recognisable and occurs where a differentiation or distinction is overtly based on one or more criteria, listed in Section 6 (1) of the EE Act, for e.g. sex. “Direct sex discrimination would, for example, be established where an employer treats a woman less favourably than a man would have been treated, simply on the basis that the employee is a woman” Basson et al. (1998).

iv) Indirect Discrimination:

“Indirect discrimination is not as easily recognisable as direct discrimination. Such discrimination will occur where an employer applies a facially neutral criterion equally to all employees, yet the application of that criterion has a disproportional effect on a certain group of employees” Basson et al. (1998).

Indirect discrimination would, for example, occur where the employer imposes an apparently race-neutral criterion such as language proficiency as a condition for employment, which in its application would have an adverse effect on those who cannot speak the language fluently.

Given the meanings of these definitions, one will be able to understand these concepts within the context of the EE Act. Below is a general overview of the provisions of Chapter 2 and 3 of the EE Act.

2.4 Chapter 2 of the EE Act: Prohibition of Unfair Discrimination

Chapter 2 of the EE Act came into effect in August 1999. This chapter is applicable to all employers and employees except the members of the National Defence Force, the National Intelligence Agency or the South African Secret Service.

2.4.1 Relevant Sections in chapter 2 of the EE Act

Sections 5 and 6 of this chapter of the Act places an obligation on every employer to eliminate unfair discrimination in any employment policy or practice, by taking steps to promote equal opportunity in the workplace. The Act states clearly that no employer may unfairly discriminate, directly or indirectly, against an employee on one or more grounds, including 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.

However, the Act states clearly that it is not unfair to discriminate against an employee on the basis of an inherent requirement of the job, or if it is meant to advance the goal of affirmative action in line with the act.

The Act also refers to harassment being another form of discrimination. It is important to note that harassment may take the form of racial or sexual harassment.

According to Section 1, an 'employment policy or practice' includes, but is not limited to:

- Recruitment procedures, advertising and selection criteria;
- Appointments and appointment process;
- Job classification;
- Remuneration, employment benefits and terms and conditions of employment;
- Job assignment;
- The working environment and facilities;
- Training and development;
- Performance evaluation systems;
- Promotion;
- Transfer;
- Demotion;
- Disciplinary measures other than dismissal; and
- Dismissal

According to Section 11, the onus is on the employer to prove that discrimination is fair, whenever unfair discrimination is alleged. Section 10 (2) states, “any party to the dispute may refer the dispute in writing to the Commission for Conciliation, Mediation and Arbitration (CCMA) within six months after the act or omission that the allegedly constitute unfair discrimination”.

2.5 Chapter 3 of the EE Act: Affirmative Action

In addition to prohibiting unfair discrimination, the Act also provides for affirmative action as a means of addressing imbalances in the workplace. Chapter 3 of the Act came into effect in December 1999. The chapter is applicable only to designated employers and people from designated groups. Similarly, it excludes members of the National Defence force, the National Intelligence Agency or the South African Secret Service.

2.5.1 Relevant Sections in Chapter 3 of the EE Act

In terms of Section 13 (1), a designated employer must implement affirmative action measures for people in the designated groups to achieve Employment equity.

Affirmative action measures are defined in Section 15 (1) as follows:

“Affirmative action measures are 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”.

According to the Act, a person maybe suitably qualified for a job as a result of any one of, or any combination of that person’s formal qualifications, prior learning, relevant experience, or capacity to acquire, within a reasonable time, the ability to do the job. In other words, nothing in the Act requires an employer to promote a person who lacks competency to do the work in question.

Act also states that, in deciding on a person’s suitability for a position, an employer may not unfairly discriminate against a person solely on the grounds of that person’s lack of

relevant experience. Du Toit (2000) points out that this provision is designed to deal with the fact that black people, women, and disabled people were practically or legally excluded from certain jobs in the past and were thus prevented from gaining relevant experience in these fields.

According to Section 15 (2), affirmative action measures implemented by a designated employer, must include:

- Measures to identify employment barriers, including unfair discrimination, which adversely affect people from designated groups; (the term ‘employment barriers’ is not defined in the Act, however, “it is submitted that the term includes any criterion used in the context of an employment policy or practice, or any aspect of the physical or psychological working environment, which presents an unfair or unreasonable obstacle to the employment or promotion of black people, women or disabled people” Du Toit (2000))
- Measures designed to further diversity in the workplace based on equal dignity and respect of all people;
- Making reasonable accommodation for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workforce of a designated employer; (The term ‘reasonable accommodation’ is defined in the Act (Chapter 1, Section 3) to mean any modification of adjustment to a job or to the working environment that will enable a person from a designated group to have access to or to participate or advance in employment.)
- Section 15 (2) (d) states, subject to subsection (3) (which states that measures include preferential treatment and numerical goals, but excludes quotas):
 - Ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in the workforce; and
 - Retain and develop people from designated groups and to implement appropriate training measures, including measures in terms of an Act to parliament providing for skills development.

However, it is important to note that Section 15 (4) clearly states that any measures taken must not be such that they exclude, or create barriers to the advancement of people who are not from designated groups.

In terms of Section 16, a designated employer has the following obligations where affirmative action is concerned:

- To consult with a representative trade union representing members at the workplace, and its employees or representatives nominated by them; or where there is no representative trade union, with its employees or representatives nominated by them.
- To conduct an analysis
- To prepare an employment equity plan; and
- Report to the Director-general on progress made by the designated employer in implementing its equity plan.

2.5.1.1 Consultation

According to Section 16 (1), the designated employer must consult and attempt to reach agreement on the conduct of the analysis, the preparation and implementation of the equity plan, and the report required.

Section 16 (2) states, the designated employer must ensure that when consulting with either the representative trade union or its employees, that the nominated representatives reflect the interests of employees from all categories and levels of the employer's work force, employees from designated groups and employees who are not from designated groups (for example, able bodied white male employees).

According to Du Toit (2000), the Code of Good Practice suggests that a consultative forum should be established for this purpose, or an existing forum utilised, comprising the parties, mentioned above, together with management representatives. It is important to note that even if there is a representative trade union in the workplace, the Act makes it clear that employees or their representatives must also be consulted.

2.5.1.2 Disclosure Of Information

Section 18 states that, to ensure meaningful consultation, the designated employer must disclose to the consulting parties all relevant information that will allow these parties to consult effectively.

2.5.1.3 Analysis

According to Section 19 (1), the designated employer must collect information and conduct an analysis of its employment policies, practices, procedure and the working environment to identify barriers, which adversely affect persons from the designated groups.

According to Du Toit (2000), the term ‘working environment’ refers to the physical environment and aspects of it, which may impact on employees from designated groups, for example disable persons, as well as the psychological environment, for example prevalent attitudes among management and employees towards women and black people.

Section 19 (2) states that, the analysis must include a profile of the designated employer’s workforce within each occupational category and level in order to determine the degree of under representation of persons from the designated groups in various occupational categories and level in the employer’s workforce.

According to Du Toit (2000), the purpose of an analysis is to identify problem areas, which need to be addressed in the employment equity plan. “The plan must, for example, include measures to identify and eliminate any forms of unfair discrimination (whether direct or indirect) affecting people from designated groups” Du Toit (2000).

In summary, the topics that an analysis must deal with in terms of Section 19 of the Act are the following:

- The composition of the workforce in terms of race, gender, and persons;
- Employment policies and practices; and

- The working environment.

On the basis of the above information, it must then be determined:

- Whether people from designated groups are underrepresented in any occupational categories or at any levels; and
- Whether any employment policy or practice, or the working environment, creates barriers restricting the advancement of black people, women and disable people.

Therefore, it must be noted that:

“In respect of each of the applicable employment policies and practices, the analysis should identify the following:

- Which criteria are used;
- Whether they potentially discriminate against persons of colour, women or disable people; and if so
- Whether they are justified in terms of the actual requirements of the job” Du Toit (2000).

2.5.1.4 Employment Equity Plan

Based on the results of the analysis, the designated employer is required to both prepare and implement an employment equity plan. According to Section 20(1), the plan must be designed to achieve reasonable progress towards employment equity in the workforce. ‘Employment equity’ meaning the “elimination of unfair discrimination and the implementation of affirmative action measures to ensure that the people from designated groups are equitably represented in all categories and at all levels” Du Toit (2000).

In terms of section 20(2), the employment equity plan must contain the objectives to be achieved, as well as the barrier identified during the analysis and a listing of the steps that will be taken in order to eliminate those barriers.

In addition, the plan will need to list measures to be taken to remedy defects, and where there are insufficient representatives from designated groups as has been identified by the analysis, numerical goals and a time timetable must be specified.

‘Numerical goals’ refers to targets set within individual workplaces on the basis of consultation between employers and employees. They are designed by the organization itself to state the numbers of suitably qualified black, female and disabled employees that it realistically hopes to attract or promote, given the benchmarks set by the sizes of the regional and national economically active population, the nature of its operations and the relevant labour market” Du Toit (2000).

Measures need to be built in to monitor and evaluate the implementation of the plan and whether not progress is being made, as well as internal procedure to resolve any dispute about interpretation and implementation.

Finally, the plan must list the names of the senior managers and other persons responsible for implementing the plan, and in terms of Section 24 (1), the employer must provide them with the authority and the means to perform their functions as well as taking steps to ensure that they perform their functions.

2.5.1.5 Income Differentials: Section 27

A statement of remuneration and benefits received in each occupational category and level of the workplace, must be submitted by a designated employer to the Employment Conditions Commission (ECC).

Where there are disproportionate income differentials, a designated employer must take measures to reduce it progressively. Such measures may include collective bargaining, compliance with sectoral determinations (Section 51 of the Basic Conditions of Employment Act); the application of norms and benchmarks recommended by the ECC, relevant measures contained in skills development legislation, and any other appropriate steps.

2.5.2 Assessment of Compliance with the EE Act

Section 42, sets out the following criteria, which must be taken into consideration by the Director-General of Labour in determining whether a designated employer, is implementing employment equity in compliance with the Act:

- The extent to which suitably qualified people from and amongst the different designated groups are equitably represented within each occupational category and level in that employer's workforce in relation to:
 - The demographic profile of the national and regional economically active population;
 - The pool of suitably qualified people from the designated groups from which the employer may reasonably be expected to promote or appoint employees;
 - The economic and financial factors relevant to the sector in which the employer operates;
 - The present and anticipated economic and financial circumstances of the employer; and
 - The number of present and planned vacancies that exist in the various categories and levels, and the employer's labour turnover;
 - Progress made in implementing employment equity by other designated employees operating under comparable circumstances and within the same sector;
 - Reasonable efforts made by a designated employer to implement employment equity plan;
 - The extent to which the designated employer has made progress in eliminating employment barriers that adversely affect people from designated groups; and
 - Any other factor prescribed by regulation

2.6 Conclusion

Due to the EE Act, South African organisations are now confronted with the challenge to eradicate discrimination in the work place. Businesses are now forced to analyse all their employment practices and policies so that discriminatory practices and policies can be eliminated. Employers will have to take this piece of legislation in a serious light, as there are severe penalties for those who refuse to comply with the Act. The next chapter will proceed to examine the Employment Equity strategy of the ABSA Group.

Chapter 3: The ABSA Groups Employment Equity Strategy

“ To be a creative thinking partner in developing actions to enable Employment Equity and Diversity in People Management” (ABSA Annual Financial Report, for year ended March 2002).

3.1 Introduction

ABSA is one of South Africa’s four largest banking institutions. Unlike many South African companies that fail to meet strict labour laws, ABSA claims that it has embraced Employment Equity and it has worked to change the traditional perception that it’s a white male dominated company.

According to the ABSA Groups Annual Financial Report for year ended 2002, “ABSA’s employment equity approach revolves around employment equity, empowering employees, managing diversity and understanding differences.

In achieving its desired position in terms of employment equity, the Group has established employment equity forums on a business unit level to ensure optimal consultation and involvement of people on all levels. These forums meet at least quarterly.

The role of these forums is to act as an advisory board to business units in terms of compliance with EE Act and to support and monitor the implementation of the employment equity plan in ABSA. The forums also advise on the management and retention of employees in designated groups. Line management has been responsible for the implementation of the employment equity policy since 2000. In enhancing diversity in the Group, emphasis has been placed on providing opportunities to employees from designated groups to attend several special programmes, including the ABSA Development Initiative (ADI), International Exchange Programme (IEP), The Commercial Advancement Training Scheme (CATS) and He’atid Programme”.

In this light ABSA's key challenge is to integrate Employment Equity as part of its normal business activities. In order to realise this challenge, certain fundamental principles have been identified and agreed to within the Employment Equity Plan.

This chapter will therefore try to elaborate on ABSA's practices, policies and their future plans on meeting employment equity targets set by the Department of Labour.

3.2 ABSA's Employment Equity Plans

Each Business Unit, Division and Province in the ABSA Group had to compile a five year Employment Equity Plan according to the Group guidelines. The individual plans from various Business Units, Divisions and Provinces were consolidated into one Group Employment Equity Plan. The implementation is based on the individual plans, the results of which are reflected on the Group Consolidated Progress Report and is published in the Annual Financial Reports of the Group.

“Contents of the Plan

- Five year numeric goals;
- The process of consultation followed;
- The process of audit and analysis followed;
- Identified shortfalls, under representations barriers;
- Diversity and intended transformation interventions;
- Recruitment and selection strategy;
- Training, development and empowerment strategy;
- People capacity plans;
- Retention and integration strategy;
- Communication strategy to all affected parties;
- The role players and their contact details;
- Income differential schedule” (ABSA's Intranet 1).

3.3 ABSA's Employment Equity Philosophy

"We believe that:

- The management of employment equity in our organisation must be a transparent process;
- All our employees should be offered equal opportunities;
- An individual's development of potential is important and must receive relevant and adequate emphasis;
- Honesty and sincerity should at all times be the criteria for our actions;
- All employees must be treated with dignity;
- No unfair discrimination, direct or indirect, to exist anywhere in the organisation;
- Equality of opportunity does not contradict the necessity to appoint competent people who are capable of meeting job requirements. We remain committed to maintaining high standards in the provision of our services and reject all forms of tokenism and paternalism in our endeavours to achieve equity; and
- Employment Equity programmes will not unduly trample on the reasonable and legitimate interests of any individual, irrespective of race or gender. As such no employee will be made redundant through rationalisation in order to create opportunities for other people" (ABSA's Employment Equity Progress Report, Group Exco: December 2002).

This is ABSA's long-term strategy with short and medium term objectives to which reasonable resources were to be allocated. The entire process will be reviewed on an ongoing basis and ABSA has stated that it reserves the right to amend all, or any part of the equity strategy and employment policies and procedures, after appropriate consultation.

The broad objectives for the ABSA Group's employment equity strategy was to achieve employment equity through:

- “Addressing the imbalances of the past and allowing previously disadvantaged employees opportunities to advance;
- The identification, elimination and prevention of unfair discriminatory practices/policies (both direct and indirect);
- The creation and maintenance of a climate of diversity and mutual respect; and
- The continuation of existing and implementation of further affirmative action measures to advance black people (African, Indian, Coloured), women and people with disabilities” (ABSA's Employment Equity Progress Report, Group Exco: December 2002).

The specific objectives for the ABSA Group's employment equity strategy was to achieve employment equity through:

- “To conduct a strategic analysis of current and forecast business status
- Audit employment policies, practices and culture in order to identify and eliminate barriers to employment equity
- Compile a workforce profile per occupational level per designated group in order to identify imbalances which can be justified and/or those which must be addressed
- Engage in a process of accelerated training and promotion in order to systematically achieve employment equity, which is in alignment with the business strategy
- Set up a constructive structure which is representative of designated groups as well as of occupational level in each geographical situation
- Allocate justifiable budget to the employment equity program
- Establish effective communication and feedback channels (EE forums)
- Engage in training and awareness campaigns based on identified needs

- Quarterly monitor and evaluate progress being made with regard to the achievement of targets over a period of 1-5 years and to make the necessary changes
- Ensure the credibility of the employment equity program by not lowering performance standards but rather by taking employment decisions based on actual and potential competencies
- Developing an organisation culture that values and promote diversity in the workplace” (ABSA’s Employment Equity Progress Report, Group Exco: December 2002).

The following are Strategic Performance Indicators identified by ABSA:

- “Employment Equity Policy in place
- Conducive employment equity culture and climate through visible commitment from Management exist in the organisation as measured through climate surveys, feedback from Employment Equity Forums.
- Employment Equity structures that may include representative committees at Divisional level in place.
- Agreed employment equity measures implemented.
- Employment Equity reports submitted to Department of Labour” (ABSA’s Employment Equity Progress Report, Group Exco: December 2002).

3.4 Policy Statement

“The ABSA Group undertakes to employ, empower and develop people in order to utilise potential and to expand their careers, thereby assisting them in becoming valued contributors in sustaining ABSA’s competitive advantage.

ABSA will endeavour to have designated groups (blacks, coloureds, Indians, women and people with disabilities) adequately represented at all levels within the Group. The definition of adequate representation will be based on statutory provisions, consultation, operational needs and best practice in line with targets” (ABSA’s Intranet 1).

The primary components of ABSA's employment equity program are to provide for affirmative action, manage diversity and to address the matter of understanding differences.

The entire process will be reviewed on an ongoing basis. The approach to the equity program will be guided by the provisions of statute, which includes a process of consultation with all relevant role players (including employees), the setting of objectives, as well as targets and review periods.

3.5 Primary Considerations of the Policy

The Employment Equity policy of the Group encompasses the following primary considerations, each of which will be implemented through the employment equity plan.

3.5.1 Auditing in order to Identify and Eliminate Barriers

"The auditing of all the employment policies, practices, procedures and working environment (in order to identify and eliminate all employment barriers), which adversely affect people from designated groups" (ABSA's Intranet 1).

3.5.2 Employment Equity Plan

- "ABSA will prepare and implement the employment equity plan, which will achieve reasonable progress towards employment equity in the workforce.
- Each business unit in the Group will compile a revolving five-year employment equity plan.
- The plan is to contain both qualitative and numerical goals set out in a timetable for achievement for each year of the plan.
- In this process, particular attention will be given to the employment and advancement of designated persons through systematic corrective interventions in recruitment and selection, training and development, promotions, acting in higher positions and supplier policies" (ABSA's Intranet 1).

3.5.3 Creating of New Organizational Culture

“The assessment of organisational cultural matters and the implementation of interventions required would be done in all the units, creating a new organisational culture that will be dedicated to and ensures empowerment and equity” (ABSA’s Intranet 1).

3.5.4 Reporting to the Department of Labour

“This is done once a year in the format required by legislation” (ABSA’s Intranet 1).

3.6 Implementation of the Policy:

3.6.1 Strategy and Objectives

“The approach to the equity program will be guided by the provisions of statute and will include a process of consultation, the setting of objectives as well as targets and review periods. The equity process will be driven in line with ABSA’s vision, mission and values. The Group is dependent for its success on the commitment and excellence of its people” (ABSA’s Intranet 1).

3.6.2 ABSA’s Forecast for Attaining Targets

The following are three scenario’s based on ABSA’s June 2002 Employee Distribution:

- **As is Approach** – appointments will be 60% Black and promotions will remain as current (Table 3.1).
- **Drastic Approach** - appointments will be 100% Black from 2003, and promotions will be only Black from 2003 (Table 3.2).
- **Middle of the Road Approach** - appointments will be 75% Black from 2003, and promotions will remain as current (Table 3.3).

The tables below contain different job levels. The keys for these are as follows:

- A and B levels - Non Managerial Positions
- C and T levels - Junior Management Positions
- P and M levels - Middle Management Positions
- E, S, F, G levels - Senior Management Positions

Table 3.1 Results: As is Approach

Percentage Distribution per level	Black Male Job Level AB	White Male Job Level AB	Black Female Job Level AB	White Female Job Level AB	Black Male Job Level TC	White Male Job Level TC	Black Female Job Level TC	White Female Job Level TC
End March 2003	19	8	35	37	10	20	12	57
End March 2004	22	10	34	34	10	21	11	58
End March 2005	24	12	33	31	9	21	10	59
End March 2006	27	14	32	28	10	21	10	59
End March 2007	29	15	31	25	10	21	10	58
Equity Target March 2003	21	6	35	37	16	21	16	47
Equity Target March 2004	23	6	38	33	20	19	19	43
Equity Target March 2005	24	6	40	31	22	17	22	39
Equity Target March 2006	24	6	40	31	22	17	22	39
Equity Target March 2007	24	6	40	31	22	17	22	39

Table 3.1 (continued)

Percentage Distribution per level	Black Male Job Level PM	White Male Job Level PM	Black Female Job Level PM	White Female Job Level PM	Black Male Job Level ESFG	White Male Job Level ESFG	Black Female Job Level ESFG	White Female Job Level ESFG
End March 2003	7	64	12	57	10	77	4	25
End March 2004	7	65	4	24	11	75	3	10
End March 2005	7	66	4	23	12	74	4	11
End March 2006	8	66	5	22	13	71	5	11
End March 2007	9	65	6	21	15	67	6	12
Equity Target March 2003	12	59	7	22	13	71	4	13
Equity Target March 2004	15	53	8	24	17	67	4	12
Equity Target March 2005	19	47	10	24	18	60	6	16
Equity Target March 2006	19	47	10	24	18	60	6	16
Equity Target March 2007	19	47	10	24	18	60	6	16

Source: ABSA Employment Equity Progress Report Group Exco 13 February 2003

Table 3.2 Results: Drastic Approach

Percentage Distribution per level	Black Male Job Level AB	White Male Job Level AB	Black Female Job Level AB	White Female Job Level AB	Black Male Job Level TC	White Male Job Level TC	Black Female Job Level TC	White Female Job Level TC
End March 2003	19	8	35	37	10	20	12	57
End March 2004	24	8	34	35	13	19	14	53
End March 2005	27	7	33	32	16	18	16	50
End March 2006	32	6	33	29	20	16	19	45
End March 2007	36	6	33	25	24	14	22	40
Equity Target March 2003	21	6	35	37	16	21	16	47
Equity Target March 2004	23	6	38	33	20	19	19	43
Equity Target March 2005	24	6	40	31	22	17	22	39
Equity Target March 2006	24	6	40	31	22	17	22	39
Equity Target March 2007	24	6	40	31	22	17	22	39

Table 3.2 (continued)

Percentage Distribution per level	Black Male Job Level PM	White Male Job Level PM	Black Female Job Level PM	White Female Job Level PM	Black Male Job Level ESFG	White Male Job Level ESFG	Black Female Job Level ESFG	White Female Job Level ESFG
End March 2003	7	64	12	57	10	77	4	25
End March 2004	9	61	7	23	12	74	5	10
End March 2005	10	57	10	22	13	71	7	10
End March 2006	13	52	15	20	15	65	11	9
End March 2007	15	47	19	18	17	59	15	8
Equity Target March 2003	12	59	7	22	13	71	4	13
Equity Target March 2004	15	53	8	24	17	67	4	12
Equity Target March 2005	19	47	10	24	18	60	6	16
Equity Target March 2006	19	47	10	24	18	60	6	16
Equity Target March 2007	19	47	10	24	18	60	6	16

Source: ABSA Employment Equity Progress Report Group Exco 13 February 2003

Table 3.3 Results: Middle of the Road Approach

Percentage Distribution per level	Black Male Job Level AB	White Male Job Level AB	Black Female Job Level AB	White Female Job Level AB	Black Male Job Level TC	White Male Job Level TC	Black Female Job Level TC	White Female Job Level TC
End March 2003	19	8	35	37	10	20	12	57
End March 2004	22	9	36	33	10	21	11	58
End March 2005	25	9	37	30	9	21	10	59
End March 2006	27	9	38	26	10	21	11	59
End March 2007	29	9	39	23	11	21	11	58
Equity Target March 2003	21	6	35	37	16	21	16	47
Equity Target March 2004	23	6	38	33	20	19	19	43
Equity Target March 2005	24	6	40	31	22	17	22	39
Equity Target March 2006	24	6	40	31	22	17	22	39
Equity Target March 2007	24	6	40	31	22	17	22	39

Table 3.3 (continued)

Percentage Distribution per level	Black Male Job Level PM	White Male Job Level PM	Black Female Job Level PM	White Female Job Level PM	Black Male Job Level ESFG	White Male Job Level ESFG	Black Female Job Level ESFG	White Female Job Level ESFG
End March 2003	7	64	12	57	10	77	4	25
End March 2004	7	65	5	24	11	74	4	10
End March 2005	7	66	5	23	12	72	6	10
End March 2006	8	65	6	21	14	67	10	9
End March 2007	9	63	8	20	16	62	14	8
Equity Target March 2003	12	59	7	22	13	71	4	13
Equity Target March 2004	15	53	8	24	17	67	4	12
Equity Target March 2005	19	47	10	24	18	60	6	16
Equity Target March 2006	19	47	10	24	18	60	6	16
Equity Target March 2007	19	47	10	24	18	60	6	16

Source: ABSA Employment Equity Progress Report Group Exco 13 February 2003

3.6.3 Diversity and Intended Transformation Interventions:

- “Establishment of an Employment Equity Forum in each unit, province and division.
- Regular addresses (at least twice a year) by external speakers about case studies on diversity and transformation management in each unit, province and division” (ABSA’s Intranet 1).

3.6.4 Recruitment and Selection Strategy

- “Supporting Services – We endeavour to use the services set out here – to support our external recruitment and selection process, and to ensure compliance with the Act.
- Media – Advertising in the media that is accessible to the designated groups.
- Agencies and Consultants – Engage the services of the recruitment agencies and consultants from the designated groups.
- Career Fairs and Presentations – Organise or participate in career fairs and career presentations at the institutions of learning that are accessible to the designated groups.
- Non-governmental Organizations and Interest groups – Network with non-governmental organizations and interest groups servicing the designated groups.
- Psychometric Testing – Use psychometric testing that is culturally unbiased.
- Interview Panels – Use interview panels that are representative of the designated groups, various job levels and categories in the Group.
- College Partnership Programmes – Have college partnership programmes with the institutions of learning accessible to the designated groups.
- Preference to Internal Candidates:
 - Special attention will be given to the internal candidates before inviting external applications.
 - This will be however guided by the number of potential applicants from the designated groups in the employ of the Group.
- Development Board Recommendations – Development board recommendations will be supportive of the Employment Equity Act Objectives.

- Internal Advertising of Vacancies – All vacant jobs will have to be advertised internally in such a manner that every employee of the Group has access to the vacancies.
- Train and Equip Role Players – The group will train and equip role players in the recruitment of a diverse workforce” (ABSA’s Intranet 1).

3.6.5 Training, Development and Empowerment Strategy:

- “No Discrimination – The training of candidates from the designated groups will be conducted in such a manner not to underestimate their ability, knowledge and potential.
- Programmes – Have been introduced to assist ABSA to deliver on its employment equity objectives” (ABSA’s Intranet 1).

3.6.6 People Capacity Planning Strategy:

- “Set annual succession targets over five year target period:
 - Identify critical positions;
 - Identify top performers;
 - Incorporate designated groups within the succession plan according to contracted targets;
 - Pay special attention to specialist and managerial levels.
- Periodic assessment of staff for retention and development purposes.
- All the resignations of M and P levels in the period 1999/00 – 2004/05 to be replaced by blacks and or women unless justified.
- Special Budget to trace top performers from designated groups.
- Periodic job evaluation and job enrichment”(ABSA’s Intranet 1).

3.6.7 Retention and Integration Strategy:

- “Programmes – Run orientation and integration programmes.
- Mentors – Senior Managers and supervisors to serve as mentors.
- Coaches – Managers and supervisors to serve as mentors.

- Support and Guidance – Technical and support staff members to give functional support and guidance.
- One-on-one discussions – Co-ordinate one-on-one discussions with each staff member to pick up dissatisfactions on time.
- Forums – Employment equity forums to stage ongoing discussions for support.
- Career Discussion:
 - Career discussions with each staff member, including performance appraisals.
 - Each staff member receives feedback from the Development Board” (ABSA’s Intranet 1).

3.6.8 Communication Strategy to all Affected Parties:

- “Weekly management meetings – Minutes to be kept for reference.
- Development Board meetings – Recommendations to be minuted for reference.
- Staff magazine (ABACUS) – To be made available to every employee.
- People Management Centres of Excellence – Announcements and information channelled through to all People Management Centres of Excellence.
- Communications Champions – Each area to have one communications champion to foster two way communication between management and staff.
- Employment Equity Forums – To include business topics in the equity agenda.
- Memo – Internal communication system.
- ABSA Channel – Actuality broadcast.
- Conferences – People Management conferences” (ABSA Intranet 1).

3.7 Employment Equity Forum Representation And Roles of Individual Members

As part of the guiding principles towards the formation of People Management (PM) Employment Equity Forums, ABSA has acknowledged the importance of a highly representative structure. Similarly, and in order to ensure accountability in terms of delivery, they have also acknowledged that roles and responsibilities of individual Employment Equity Forum Members have to be clearly identified and appropriately allocated.

“In line with the respectability principle, the following representation criteria should be acknowledged:

- The different sub-divisions of People Management should be represented
- The involvement of the right level of Line Management as a key requirement
- The involvement of People Management employee representatives
- Employment Equity Forum participation to remain voluntary
- People Management Executive Management to be represented in the Employment Equity Forum
- Ad hoc involvement of the ASBA Group Employment Equity Office” (Internet 1).

Initially, each Employment Equity Forum Member is to play the role of Employment Equity Representative for a specific PM area, and these roles are expected to evolve as the Employment Equity Forum continues to execute its mandate.

The People Management Employment Equity Forum meetings will initially be held every month while the Employment Equity Forum establishes itself and entrenches its system, processes and procedures.

“It is envisaged that, once the Employment Equity Forum is up and running, it will structure its meetings in such a way that all pertinent issues will receive the necessary attention. Important items recommended for discussion at the Employment Equity Forum’s meetings are:

- Discussion on the current Employment Equity initiatives
- Issues on retention strategy of Employment Equity candidates
- ABSA’s culture and value system as Employment Equity enablers
- Reviewing of recommendations in terms of Employment Equity initiatives
- Tracking of monthly progress
- Any other issue of importance to the Forum
- Discussion of issues to be covered in the monthly report – also to be used to guide the meetings will be the *Implementation Guide* as distributed to line Management.

The Chairperson of the Employment Equity Forum shall convene all Employment Equity Forum meetings. Attendance of meetings will be compulsory for all Employment Equity Forum Members. It is also recommended that decisions be arrived at by consensus. However, the Employment Equity Forum may make its own determination in terms of decision-making processes.

The Employment Equity Forum will be required to keep copies of minutes of its meetings. Such minutes should be made available to any staff member in People Management” (ABSA’s Intranet 1).

3.7.1 Purpose of the Employment Equity Forum

“The purpose is to act as an advisory board to the Group Executive (Exco) and individual business units, on issues of compliance with Employment Equity Act to support and monitor the implementation of employment equity in ABSA. To establish governance and guiding principles of Employment Equity in ABSA”(ABSA’s Intranet 1).

3.7.2 The Role of the Employment Equity Forum:

- “Participate meaningfully in the development, implementation, budgeting, monitoring and reporting on Employment Equity.
- Act as an informed Employment Equity body in the service of ABSA.
- Communicate regularly and transparently with rest of the Group.
- Communicate regularly with Exco and Senior Management.
- Acknowledge an encourage progress and success.
- Honour the responsibility as guardians and sponsors of Employment Equity.
- Guide, direct, support, coach and influence company policy towards Employment Equity.
- Monitor, consolidate, analyse and advise on Employment Equity progress (targets and initiatives).
- Act as an Employment Equity conscience.
- Report to Group Employment Equity Forum (GEEF) on quantitative and qualitative issues.

- Challenge non-performance at all levels and at all times.
- Consult with all stakeholders (internally and externally). Provide Employment Equity report to the Provincial Board” (ABSA’s Intranet 1).

3.7.3 Key Objectives, Action Plans & Targets

- “To establish a platform for communicating Employment Equity progress and outputs from the forum and to create a feedback loop to the forum.
- To continue to promote the integration of Employment Equity objectives with other managerial and business initiatives.
- To educate PM through communication, training and sensitisation on the Employment Equity legislation provisions and requirements.
- To formulate and implement strategies to support and address Employment Equity gaps in PM.
- To promote and encourage dialogue on Employment Equity and Diversity amongst management and staff within PM.
- To embrace the dual role of PM, i.e. to drive Employment Equity within PM as well as being a benchmark on Employment Equity for the broader ABSA.
- To search and share best practices in ABSA in terms of Employment Equity.
- Employees to be made aware and informed of the content and application of the Act. Sensitised on ABSA’s Employment Equity Policy. Employees also need to be informed of the process followed and importance of their participation” (ABSA’s Intranet 1).

3.8 People with Disabilities

The disability area has changed dramatically over the past few years. Labour legislation enables people with disabilities to enter the workplace more freely. This poses new challenges for employers and employees alike. Changes in paradigm, but also new strategies, are required to cope with these changes effectively.

3.8.1 Definition

“The scope of protection for people with disabilities in employment focuses on the effect of a disability on the person in relation to the working environment, and not on the diagnosis or impairment. People are considered as persons with disabilities if they satisfy all the criteria of the definition as per the Code of Good Practice.

- Have a physical or mental impairment. Physical impairment means a partial or total loss of bodily function or part of the body; this includes sensory, hearing or visual impairments. Mental impairment means a clinically recognised condition or illness that affects a person thought processes, judgment, or emotions.
- The impairment is long-term or recurring. Long-term means the impairment has lasted or is likely to persist for at least 12 months. A recurring impairment is one that is likely to happen again and to be substantially limiting.
- The impairment substantially limits their prospects of entry into and advancement within employment. Impairment is substantially limiting if, in its nature, duration or effects, it substantially limits the person’s ability to perform the essential functions of the job for which they are being considered” (Internet 1).

The purpose of the above is to enhance and contribute to disability equity in ABSA, by working together with people with disabilities to bring about a transformed company.

ABSA’s Policy Statement in terms of Disabilities are as follows:

- “To ensure that people with disabilities, as defined above, receive due regard in the ongoing review and implementation of the Employment Equity Policy in ABSA.
- The Policy Statements in the Employment Equity Policy shall be deemed to include people with disabilities in relation to providing opportunities to all people, providing special assistance in development programmes, in the drive to correct imbalances and ensure cross consultation at all times.
- ABSA shall encourage, among employees, informed and unprejudiced attitudes towards persons with disabilities.

- To monitor and audit the Employment Equity approach to ensure that people with disabilities are included in the objective of Employment Equity Policy with due regard to their special needs” (ABSA’s Intranet 1).

The job applicants will only be required to disclose their disability if it is the inherent requirement of the job. If not, the company will first employ the successful candidate and only then can the candidate disclose the disability for the statistics purposes.

ABSA’s Implementation Process in terms of Disabilities are as follows:

- “Become familiar with laws that relate to disability in order to avoid legislative consequences of breaching the legal framework.
- Clarify the definition of disability in the ABSA work environment.
- Ensure attitudinal transformation in ABSA as per Employment Equity plan by implementing a planned and sequenced organisational transformation and change strategy, which will sensitise and create a paradigm shift about disabilities.
- Statutory audit and adjustment of policy and procedures and practices to identify and eliminate unfair discrimination.
- Identify the current reality (number) of people with disabilities in the ABSA Group Workforce Disability Audit. Ongoing encouragement to employees to declared their disability status.
- Ensure effective, disability friendly communication regarding disabilities by challenging the culture of non-disclosure.
- Establish and examine the nature and extent of the barriers in ABSA that make it difficult for the disability to access and successfully perform in the job.
- Develop a Reasonable Accommodation policy, adapting and integrating disability issues into existing policies dealing with process in the employment cycle and distinguishing Labour Relations Act (LRA) and Employment Equity Act processes and interventions.
- Introduce appropriate action steps to mitigate barriers that have been identified.
- Appropriate disability management procedures and process-management guidelines, as well as the related interventions associated with sick absence,

medical practitioner liaison, medical boarding, disability benefit administration, and others” (ABSA’s Intranet 1).

The statistics will be kept of employees who become disabled in the employ with ABSA. Each employing division of the Group will compile a list of disabilities, which could prevent people from working in that division. The implementation of the policy is the responsibility of all the business units heads” (ABSA’s Intranet 1).

3.9 Training and Development Programmes

ABSA has implemented the following training and development programmes to enhance its EE strategy. These are as follows:

- College Partnership Programme (CPP) - this is a programme aimed at building long-term relationship between ABSA and the various institutes of learning for the purposes of sourcing candidates for career development within the Group.
- Commercial Advancement Training Scheme (C.A.T.S) - designed to equip participants from the banking sector with knowledge and skills in communication, business economics, cost accounting, commercial arithmetic, law and computer practice.
- Candidate Bank Technician Programme (CBT) -this is a learnership programme for employees who intend making a career in the financial services sector. The programme is a combination of theoretical studies with the Institute of Bankers (IOB) and practical learning at ABSA over 18 months.
- Management Trainee Programmes (JMT & SMT) - aimed at closing the gap of supervisory level staff members from previously disadvantaged communities
Learnership programmes

- Financial Services Training Programme (FST) - this programme covers such topics such as the business of banking, understanding and selling banking products, credit and risk management, financing the growing business and managing problem loans.
- Heatid – is a leadership development programme at the International Institute at Tel Aviv in Israel, followed by community development projects back in South Africa.
- International Exchange Programme (IEP) - this programme gives ABSA black employees opportunities to receive practical working exposure overseas. At the same time ABSA hosts overseas students for their practical training. The programme takes place annually and the countries participating vary.
- ABSA Development Initiative (ADI) - this programme is aimed at providing the future leadership for the ABSA Group.
- ABSA Career Management Programme - the aim is to give the general public, potential black employees and the current employees an insight into the development of careers.

3.10 Guiding Principles

“The following guiding principles have been established:

- Increase in Designated Groups - the proportion of designated groups will be increased in all job categories and at all job levels in line with the targets submitted to the government.
- Communication of Policy to all Staff - all-applicable methods of communication will be employed in order to communicate the policy to all staff.
- Co-operation from Staff - all staff members will be required to integrate and orientate new staff members within their work teams, using every available resource.

- Gain Acceptance in the Market - in order to gain acceptance in the market, as a Group for the whole nation, appointments reflecting the diverse population, will be at all levels reflecting the diverse population as reflected in the geographic spread.
- Training - the total spectrum of training will be available to all staff members, and programmes will be developed according to individual and Group needs.
- Appointments, Promotions and Transfers - all appointments, promotions and transfers will be performance based on the actual specifications for the job. Where two applicants' credentials are similar, the decision will be made in favour of the one answering to the objectives as set out in this policy.
- Recruitment Selection Methods - recruitment selection methods will continuously be updated and refined to enable ASBA to attract suitable candidates. A conscious effort will be made to enlarge the pool of suitable candidates.
- Managerial Responsibility - each business unit region in the Group will compile a resolving five year equity plan.
- Development of Human Talents - The capacity to accept, incorporate and empower the diverse human talents of the diverse workforce will be developed.
- Ownership of the Process - the Group Managing Director is the owner of the process. It is the absolute responsibility of line management to implement this policy to the fullest. ABSA People management Organisational Development and Employment Equity is responsible for the drafting and updating Provisions of the policy. Approval rests with Exco" (ABSA's Intranet 1).

3.11 Conclusion

ABSA's focus in the areas of diversity and employment equity are centered on the implementation of a long-term organisational process to raise staff's awareness, appreciation and understanding of differences. The aim was to achieve effective interaction and to ensure that diversity contributes positively to business, while trying to meet their equity targets.

According to ABSA, the pool of skilled people from previously disadvantaged communities is still relatively small, which is why they persevered with efforts to engage people with potential to become the future bankers of South Africa. They have implemented a number of accelerated development programmes, which include college partnership and international exchange programmes, which help further the development of disadvantaged people.

It is ABSA's expectation that these programmes will develop and help to employ and empower competent people to harness their potential, expand their careers and to assist them in becoming valuable contributors to ABSA's sustained competitive advantage. The next chapter will proceed to evaluate how effective ABSA's strategies have been in helping them in achieving their targets. This will be done by analysing their Labour Reports.

Chapter 4: Evaluation of Employment Equity targets set by the ABSA Group

4.1 Introduction

The need to bring about equity in the workplace is a challenge facing every South African organisation. There has been a fundamental shift from the whole notion of Affirmative Action, which had a narrow race and quantitative focus, to Employment Equity which is very broad in its approach, and which embraces and values diversity as one of its key components.

Employment Equity is a combination of both quantitative and qualitative approaches, and places more emphasis on integrating Employment Equity drives with existing change management and other transformational initiatives.

ASBA submitted its first EE progress report to the Department of Labour on the 1 October 2001. At this stage, the main focus of the Department of Labour was on substantive compliance. The focus of the Department of Labour in 2003 was on substantive compliance, in addition to meeting the objectives that were set.

For ABSA, creating a pool of unique People management skills might prove to be a source of competitive advantage. Currently, poaching and counter – poaching of skilled resources by different companies has been the name of the game.

Therefore, the focus of this chapter will be in analyzing the secondary data obtained during the research. This will incorporate graphs and factual data with the intent of determining whether ABSA is making a concerted effort to be in line with their Employment Equity targets.

4.2 Evaluation of Targets

From Figure 4.1, ABSA was 5.6% behind the Banking Industry during January 2003. According to the research figures, ABSA's racial distribution is 63.6% White and 36.4% Black while the Banking Industries racial distribution is 58.0% White and 42.0% Black. Of the new appointments, 69.3% were in the Black Category during January 2003.

From Figure 4.2, there is a sharp increase in Black appointments from January 2003 till March 2003. This has brought ABSA closer to the Industry standard by 1.2%. ABSA's racial distribution was now 62.4% White and 37.6% Black. Appointments during the January 2003 – March 2003 period constituted 75,7% in the Black Category.

Racial Distribution – January 2003

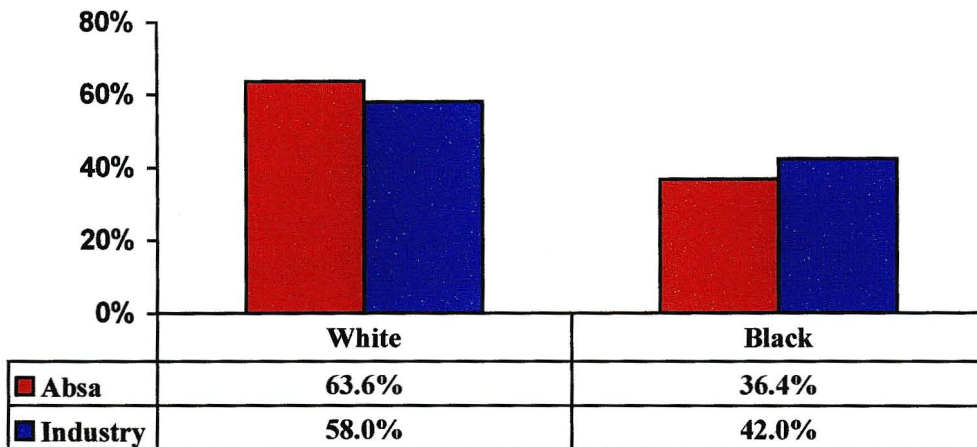


Figure 4.1 Source: Employment Equity Progress Report Group Exco 13 February 2003

Racial Distribution – March 2003

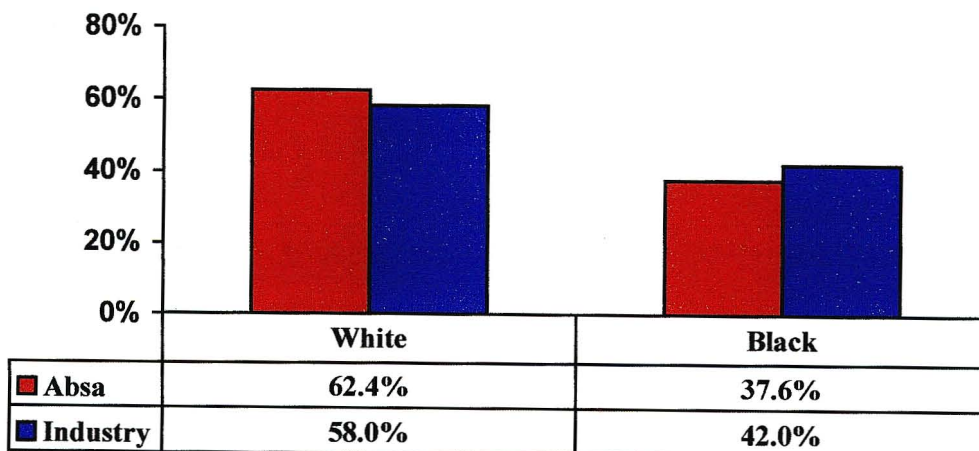


Figure 4.2 Source: Employment Equity Progress Report Group Exco 6 May 2003

Targets: T/C Job Bands (Junior Management)

Black Category

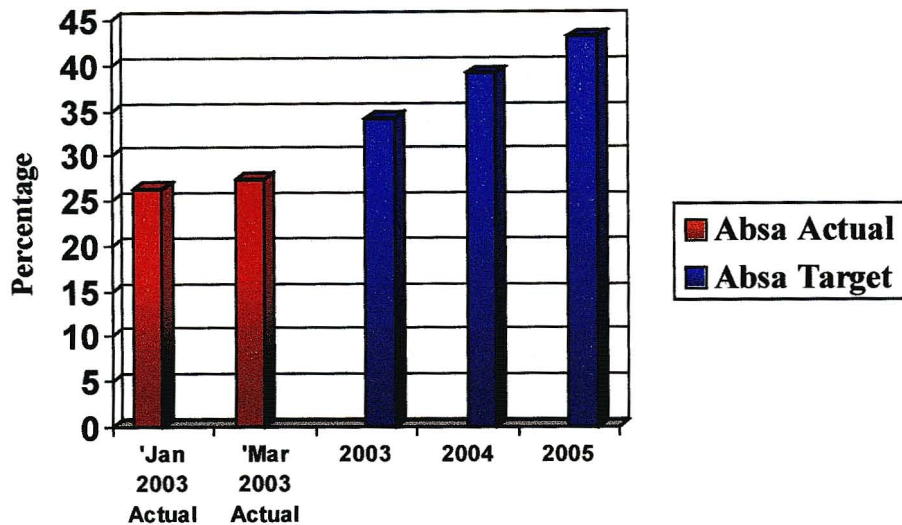


Figure 4.3 Source: Employment Equity Progress Report Group Exco 6 May 2003

Figure 4.3 above illustrates the differences between ABSA's actual Junior Management figures in the Black Category and their Junior Management equity targets for 2003 to 2005. As of January 2003, the actual Black Junior Management figures comprised 26.1% of the total. This increased to 27.3% in March 2003. ABSA's equity targets are:

- 34% for 2003
- 39% for 2004
- 43% for 2005

They are therefore 6.7% behind their equity targets in terms of Junior Management positions as of March 2003.

Targets: M/P Job Bands (Middle Management)

Black Category

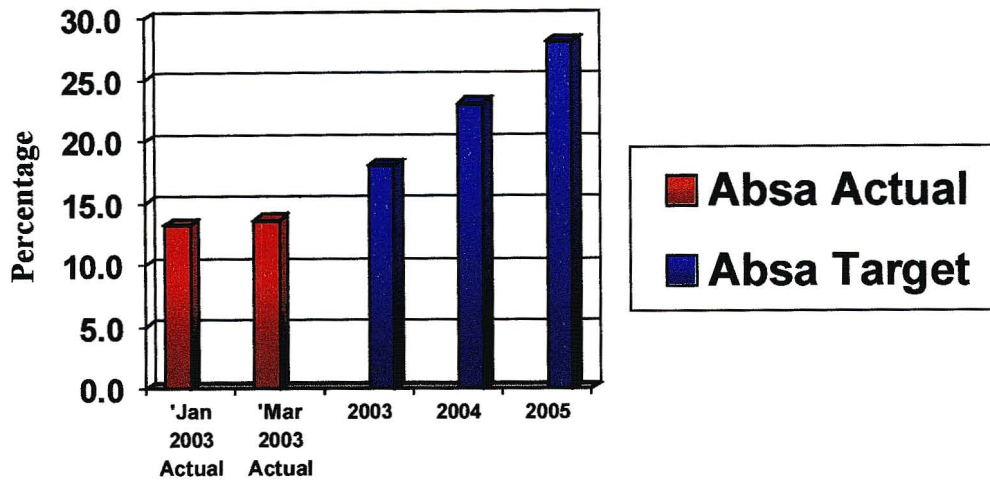


Figure 4.4 Source: Employment Equity Progress Report Group Exco 6 May 2003

Figure 4.4 above illustrates the differences between ABSA's actual Middle Management figures in the Black Category and their Middle Management equity targets for 2003 to 2005. As of January 2003, the actual Black Middle Management figures comprised 13.2% of the total. This increased to 13.6% in March 2003. ABSA's equity targets are:

- 18% for 2003
- 23% for 2004
- 28% for 2005

They are therefore 4.4% behind their equity targets in terms of Middle Management positions as of March 2003.



Targets: G/F/E/S Job Bands (Senior Management)

Black Category

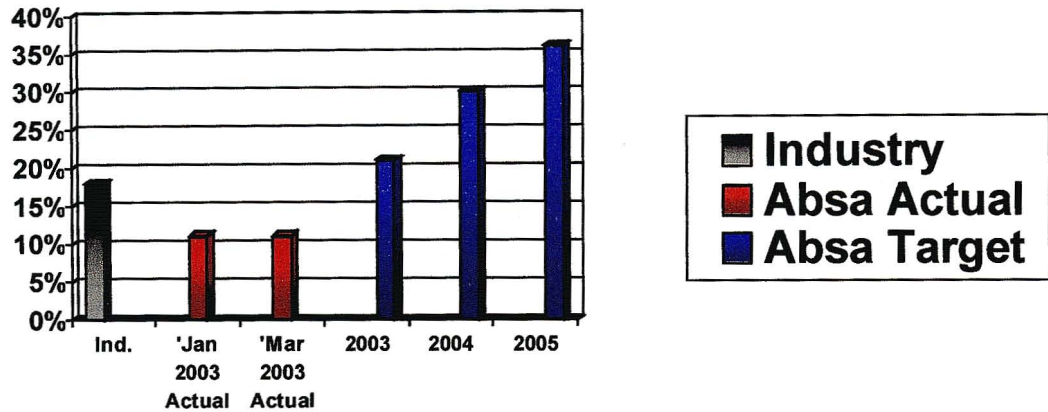


Figure 4.5 Source: Employment Equity Progress Report Group Exco 6 May 2003

Figure 4.5 above illustrates the differences between ABSA's actual Senior Management figures in the Black Category and their Senior Management equity targets for 2003 to 2005. As of January 2003, the actual Black Senior Management figures comprised 11.2% of the total. This figure remained the same as of March 2003. ABSA's equity targets are:

- 21% for 2003
- 30% for 2004
- 36% for 2005

They are therefore 9.8% behind their equity targets in terms of Senior Management positions as of March 2003. ABSA's Equity target for 2003 was 3% above that of the Industry (that being 18%), but the actual number of Senior Management was below the Industry standard.

Women in Managerial positions

Job level M/P and higher

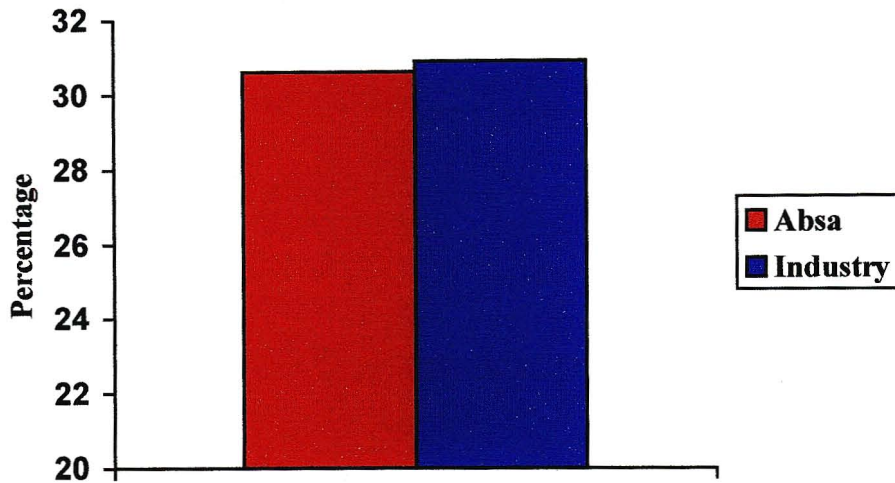


Figure 4.6 Source: Employment Equity Progress Report Group Exco 6 May 2003

Figure 4.6 above illustrates that ABSA is almost on par with the Banking Industry in terms of female employees in Middle Managerial positions. As of March 2003, the actual Women in Management positions comprised 30.6% of the total number of employees in Middle Managerial positions. The industry figure during this period was 30.9%. However, the percentages do not reflect if the female employees are in decision-making positions, or whether they are purely administrative in nature.

Executive Management Targets: (G/F/E/S-levels)

Female Category

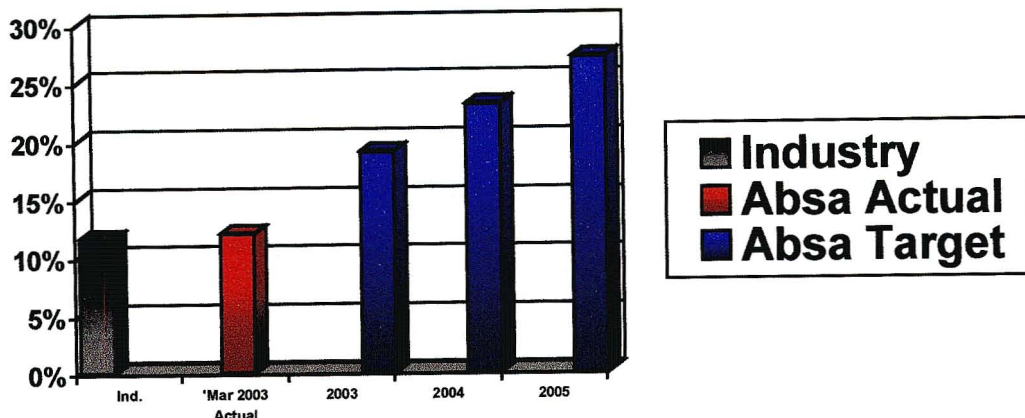


Figure 4.7 Source: Employment Equity Progress Report Group Exco 6 May 2003

Figure 4.7 above illustrates that ABSA has exceeded the Banking Industry in terms of female employees in Senior Managerial positions. As of March 2003, the actual Women in Senior Management positions comprised 12% of the total number of employees in Senior Managerial positions. The industry figure during this period was 11.63%. However, the percentages do not reflect if the female employees are in decision-making positions, or whether they are purely administrative in nature.

ABSA's actual statistics as of March 2003 falls short of their projection of 19% for the end of 2003.

4.3 Appointments And Resignations

April 2002 – January 2003

Table 4.1 Source: Employment Equity Progress Report Group Exco 13 February 2003

	African	Coloured	Indian	White	Total
Appointments	432	333	236	443	1444
Terminations/ Resignations	643	511	214	2312	3671
Gain/loss	-202	-178	22	-1869	-2227
Appointment Ratio	29.9%	23.1%	16.3%	30.7%	100%
Turnover	16.1%	16.1%	12.8%	14.0%	14.3%

According to Table 4.1 above, appointments in the white category outnumber those of the other race groups. White appointments comprise 30.7% of employment between April 2002 and January 2003. White appointments were substantially higher than those of Coloured and Indians, and marginally higher than people of African origin. However, terminations and resignations of white individuals encompass 63% and far outnumber those of the other race groups combined. It must be noted that ABSA went through a restructure during this period resulting in many terminations. The appointment ratio among the Indian race group was the lowest among all the race groups, but was the only one whose numbers increased during this period.

January 2003 – March 2003

Table 4.2 Source: Employment Equity Progress Report Group Exco 6 May 2003

	African	Coloured	Indian	White	Total
Appointments	289	224	118	80	711
Terminations	149	224	72	861	1315
Gain/loss	131	0	46	-781	-604
Appointment Ratio	40.6%	31.5%	16.6%	11.2%	100%
Turnover	16.8%	16.6%	14.3%	16.1%	16.2%

In the two-month period between January and March, there was a sharp decrease in the appointment ratio of whites compared to the previous year. The termination of whites also outstripped the other race groups combined. Appointments of Africans surpassed all the other race groups, and the appointment ratio increased from 29.9% to 40.6%. There was also a marked increase in the number of appointments of Coloureds. Africans and Indians were the only race groups to have increased their numbers during this period.

4.4 Analysis of the ABSA Groups Labour Report

Table 4.3 and Table 4.4 are part of ABSA's Employment Equity Report submitted to the Department of Labour, and show the number of employees at different occupational levels between March 2002 and March 2003.

Table 4.3 reflects that in March 2002, the total number of permanent non-whites employed was 4% below ABSA's plan. When compared to ABSA's target for March 2002:

- African Males were 24% below
- Indian Males were 25% below
- Coloured Males were 12% above
- African Females were 8% below
- Indian Females were 18% below
- Coloured Females were 36% above

Most of the non-white appointments were semi-skilled in nature and not in managerial and professional positions. Even though, ABSA's non-white targets for managerial and professional positions were extremely low, they were still not being fulfilled except for Coloureds.

The total permanent white appointments for March 2002, on the other hand, was 8% above ABSA's equity plan. When compared to ABSA's target for March 2002:

- White Males were 4% above
- White Females were 10% above

White male appointments were mostly in managerial and professional positions, while white females were employed in mostly skilled and semi-skilled positions.

Table 4.4 reflects that in March 2003, the total number of permanent non-whites employed was 9% below ABSA's plan. When compared to ABSA's target for March 2003:

- African Males were 34% below
- Indian Males were 23% below
- Coloured Males were 5% below
- African Females were 10% below
- Indian Females were 11% below
- Coloured Females were 26% above

Most of the non-white appointments were still mostly semi-skilled in nature and not in managerial and professional positions. ABSA's non-white targets for managerial and professional positions were still exceptionally low.

The total permanent white appointments for March 2003, on the other hand, was 7% above ABSA's equity plan. When compared to ABSA's target for March 2003:

- White Males were 4% below
- White Females were 13% above

Even though, White male appointments were 4% below the plan, in managerial and professional positions they were 5% above the targets. White females were still appointed mainly in skilled and semi-skilled positions.

In March 2002, the target number of whites was 40% more than the combined target of all the other race groups. However, in March 2003, the target number of whites was reduced, but was still 29% more than the combined target of all the other race groups. ABSA's target for non-whites increased by 5% between March 2002 and March 2003, but the actual number of non-whites employed decreased by 1%. In March 2002, non-whites made up 35% of the total number of appointments, whereas in March 2003, this increased to 38% of the total number of appointments.

ABSA EMPLOYMENT EQUITY REPORT

Workforce Movement: Actual complement 31 March 2002 vs Employment Equity Plans 2002

Table 4.3: Number of Employees in ABSA's Occupational levels (31 March 2002)

Occupational Levels	Male								Females							
	African		Indian		Coloured		White		African		Indian		Coloured		White	
	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan
Top Management	3	0	1	0	0	0	27	23	0	0	1	0	1	0	2	0
Senior Management	14	15	6	3	10	5	281	222	1	0	1	1	2	2	38	38
Professional qualified and experienced specialists and mid-management	145	232	118	117	78	85	3577	3328	71	92	92	89	63	66	1447	1349
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	426	660	212	326	370	366	2019	1947	315	465	376	469	531	451	5734	4854
Semi-skilled and discretionary decision making	1284	1583	261	347	832	766	942	1047	2042	2150	882	1092	2499	1785	7003	6735
Unskilled and defined decision making	175	208	2	10	48	17	1	25	313	280	2	6	75	33	0	15
TOTAL PERMANENT	2047	2698	600	803	1338	1239	6847	6592	2742	2987	1354	1657	3171	2337	14224	12991
Non-Permanent Employees	90	277	37	55	121	167	294	161	137	554	106	165	264	163	835	443
Total	2137	2975	637	858	1459	1406	7141	6753	2879	3541	1460	1822	3435	2500	15059	13434

Table 4.3 (Continued)

Occupational Levels	African/Indian/Coloured Total		White Total		Grand Total		Deviation Black Category
	Act.	Plan	Act.	Plan	Act.	Plan	Act. vs Plan
Top Management	6	0	29	23	35	23	
Senior Management	34	26	319	260	353	286	
Professional qualified and experienced specialists and mid-management	567	681	5024	4677	5591	5358	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2230	2737	7753	6801	9983	9538	
Semi-skilled and discretionary decision making	7800	7723	7945	7782	15745	15505	
Unskilled and defined decision making	615	554	1	40	616	594	
TOTAL PERMANENT	11252	11721	21071	19583	32323	31304	
Non-Permanent Employees	755	1381	1129	604	1884	1985	
Total	12007	13102	22200	20187	34207	33289	

Source: ABSA's Employment Report (31 March 2002) submitted to the Department of Labour PG 3

Workforce Movement: Actual complement 31 March 2003 vs Employment Equity Plans 2003

Table 4.4: Number of Employees in ABSA's Occupational levels including employees with disabilities (31 March 2003)

Occupational Levels	Male								Females							
	African		Indian		Coloured		White		African		Indian		Coloured		White	
	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan	Act.	Plan
Top Management	3	3	1	0	0	0	25	23	0	0	2	0	1	0	2	0
Senior Management	19	28	8	7	8	11	297	270	0	3	2	4	2	6	40	47
Professional qualified and experienced specialists and mid-management	192	361	179	177	103	136	3404	3266	87	141	139	122	78	97	1534	1416
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	528	858	224	371	404	455	1679	1949	404	611	398	505	631	511	5206	4214
Semi-skilled and discretionary decision making	1185	1692	276	335	787	774	726	896	2052	2129	826	905	2297	1783	5621	5256
Unskilled and defined decision making	94	117	3	6	15	10	0	15	191	161	2	3	39	18	0	13
TOTAL PERMANENT	2021	3059	691	896	1317	1386	6131	6419	2734	3045	1369	1539	3048	2415	12403	10946
Non-Permanent Employees	21	63	85	377	128	92	319	309	127	188	172	263	319	210	957	651
Total	2042	3122	776	1273	1445	1478	6450	6728	2861	3233	1541	1802	3367	2625	13360	11597

Table 4.4 (Continued)

Occupational Levels	African/Indian/Coloured Total		White Total		Grand Total	
	Act.	Plan	Act.	Plan	Act.	Plan
Top Management	7	3	27	20	34	23
Senior Management	39	59	337	317	376	376
Professional qualified and experienced specialists and mid-management	778	1034	4938	4682	5716	5716
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2589	3311	6885	6163	9474	9474
Semi-skilled and discretionary decision making	7423	7618	6347	6152	13770	13770
Unskilled and defined decision making	344	315	0	28	344	343
TOTAL PERMANENT	11180	12340	18534	17362	29714	29702
Non-Permanent Employees	852	1193	1276	960	2128	2153
Total	12032	13533	19810	18322	31842	31855

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 4

Table 4.5 is part of ABSA's Employment Equity Report submitted to the Department of Labour, and shows the number of people with disabilities that were employed between March 2002 and March 2003. The total number of permanent non-whites with disabilities employed was 19% of the grand total. Coloureds made up 48% of the total number of non-whites employed. The majority of non-white appointments were skilled and semi-skilled in nature.

Table 4.5: Number of employees with disabilities in ABSA's occupational levels (31 March 2003)

Occupational Levels	Male				Females			
	African	Indian	Coloured	White	African	Indian	Coloured	White
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	1	0	0	0	1
Professional qualified and experienced specialists and mid-management	0	2	0	30	0	1	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	2	4	39	1	1	2	53
Semi-skilled and discretionary decision making	7	2	4	32	8	3	19	99
Unskilled and defined decision making	1	0	0	0	0	0	0	0
TOTAL PERMANENT	12	6	8	102	9	5	21	162
Non-permanent employees	0	0	0	0	0	0	0	0
TOTAL	12	6	8	102	9	5	21	162

Table 4.5 (Continued)

Occupational Levels	African/Indian/Coloured Total	White Total	Grand Total	Deviation Black Category
Top Management	0	0	0	0
Senior Management	0	2	2	-2
Professional qualified and experienced specialists and mid-management	3	39	42	-39
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	92	106	-92
Semi-skilled and discretionary decision making	43	131	174	-131
Unskilled and defined decision making	1	0	1	0
TOTAL PERMANENT	61	264	325	-264
Non-Permanent Employees	0	0	0	0
Total	61	264	325	-264

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 5

Table 4.6 and Table 4.7 are part of ABSA's Employment Equity Report submitted to the Department of Labour, and show the number of people recruited at different occupational levels between April 2001 and March 2003.

Table 4.6 reflects that between April 2001 and March 2002, the total number of permanent non-whites recruited was 58% of the total number of recruitments. The non-white recruitment compared to the total was as follows:

- African Males was 10%
- Indian Males was 4%
- Coloured Males was 7%
- African Females was 14%
- Indian Females was 7%
- Coloured Females was 14%

Most of the non-white recruitments were skilled and semi-skilled in nature and not in managerial and professional positions

The total permanent white recruitments between April 2001 and March 2002, on the other hand, was 42% of the total number of people recruited. The white recruitment compared to the total was as follows:

- White Males was 17%
- White Females was 26%

White male recruitments were mostly in managerial and professional positions, while white females were recruited in mostly skilled and semi-skilled positions.

Table 4.7 reflects that between April 2002 and March 2003, the total number of permanent non-whites recruited was 76%. The non-white recruitment compared to the total was as follows:

- African Males was 15%
- Indian Males was 7%
- Coloured Males was 10%
- African Females was 18%
- Indian Females was 9%
- Coloured Females was 16%

Most of the non-white recruitments were still mostly skilled and semi-skilled in nature and not in managerial and professional positions.

The total permanent white recruitments between April 2002 and March 2003, on the other hand, was 24% of the total number of people recruited. The white recruitment compared to the total was as follows:

- White Males was 10%
- White Females was 14%

White male recruitments were still mostly in managerial and professional positions, while white females were still recruited in mostly skilled and semi-skilled positions.

The total number of recruitments, between March 2002 and March 2003, decreased by 24%. The total number of non-whites recruitments increased by 5% between March 2002 and March 2003. During the corresponding period, the number of whites recruited declined by 46%.

Table 4.6: Recruitment numbers in ABSA's occupational levels (April 2001 to March 2002)

Occupational Levels	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	1	2	0	0	0	0	4
Senior Management	6	0	1	11	0	0	1	0	19
Professional qualified and experienced specialists and mid-management	57	21	31	188	35	11	21	124	488
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	79	31	24	95	62	36	40	177	544
Semi-skilled and discretionary decision making	125	136	60	156	276	307	146	384	1590
Unskilled and defined decision making	10	3	1	0	14	8	0	0	36
TOTAL PERMANENT	278	191	118	452	387	362	208	685	2681
People with disabilities									

Source: ABSA's Employment Report (31 March 2002) submitted to the Department of Labour PG 4

Table 4.7: Recruitment numbers in occupational levels (April 2002 to March 2003)

Occupational Levels	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	1	0	1
Senior Management	5	0	2	17	0	0	0	1	25
Professional qualified and experienced specialists and mid-management	52	16	41	116	22	13	22	68	350
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	106	24	32	28	63	39	39	68	399
Semi-skilled and discretionary decision making	161	169	92	59	305	296	124	166	1372
Unskilled and defined decision making	1	0	1	0	6	0	0	0	8
TOTAL PERMANENT	325	209	168	220	396	348	185	303	2155
People with disabilities	2	1	1	2	1	2	2	5	16

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 6

Table 4.8 and Table 4.9 are part of ABSA's Employment Equity Report submitted to the Department of Labour, and show the number of people promoted at different occupational levels between April 2001 and March 2003.

Table 4.8 reflects that between April 2001 and March 2002, the total number of permanent non-whites promoted was 37% of the total number of promotions. The non-whites promoted compared to the total was as follows:

- African Males was 7%
- Indian Males was 2%
- Coloured Males was 5%
- African Females was 8%
- Indian Females was 5%
- Coloured Females was 9%

Most of the non-white promotions were unskilled and semi-skilled in nature and not in managerial and professional positions

The total permanent white promotions between April 2001 and March 2002, on the other hand, was 63% of the total number of people promoted. The white promotions compared to the total was as follows:

- White Males was 18%
- White Females was 45%

White male and female promotions were mostly in skilled and semi-skilled positions.

Table 4.9 reflects that between April 2002 and March 2003, the total number of permanent non-whites promoted was 44%. The non-whites promoted compared to the total was as follows:

- African Males was 9%
- Indian Males was 3%
- Coloured Males was 7%
- African Females was 8%
- Indian Females was 7%
- Coloured Females was 10%

Most of the non-white promotions were mostly skilled and semi-skilled in nature and not in managerial and professional positions.

The total permanent white promotions between April 2002 and March 2003, however, was 56% of the total number of people promoted. The white promotions compared to the total was as follows:

- White Males was 9%
- White Females was 40%

White male and female promotions were still mostly skilled and semi-skilled positions.

The total number of promotions, between March 2002 and March 2003, decreased by 7%. The total number of non-white promotions increased by 11% between March 2002 and March 2003. During the corresponding period, the number of whites promoted declined by 17%. Between April 2001 and March 2002, most non-white promotions consisted of unskilled and semi-skilled positions. From April 2002 and March 2003, most non-white promotions changed to skilled and semi-skilled positions.

Table 4.8: Promotions numbers in ABSA's occupational levels (April 2001 to March 2002)

Occupational Levels	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	3	0	0	0	0	4
Senior Management	0	0	0	1	0	1	0	0	2
Professional qualified and experienced specialists and mid-management	2	1	0	21	0	0	0	8	32
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	9	19	147	6	15	18	170	392
Semi-skilled and discretionary decision making	63	70	22	128	81	124	66	574	1128
Unskilled and defined decision making	41	9	0	1	39	12	6	0	108
TOTAL PERMANENT	114	89	41	301	126	152	90	752	1665
People with disabilities									

Source: ABSA's Employment Report (31 March 2002) submitted to the Department of Labour PG 5

Table 4.9: Promotions numbers in ABSA's occupational levels (April 2002 to March 2003)

Occupational Levels	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professional qualified and experienced specialists and mid-management	2	0	1	16	0	0	1	2	22
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	24	13	18	120	9	10	25	157	376
Semi-skilled and discretionary decision making	99	82	32	120	109	149	80	462	1133
Unskilled and defined decision making	8	8	0	0	9	3	0	0	28
TOTAL PERMANENT	133	103	51	256	127	162	106	621	1559
People with disabilities	0	1	1	4	0	0	0	6	12

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 7

Table 4.10 and Table 4.11 are part of ABSA's Employment Equity Report submitted to the Department of Labour, and show the number of people terminated at different occupational levels between April 2001 and March 2003.

Table 4.10 reflects that between April 2001 and March 2002, the total number of permanent non-whites terminated was 37% of the total number of terminations. The non-whites terminated compared to the total was as follows:

- African Males was 10%
- Indian Males was 3%
- Coloured Males was 4%
- African Females was 8%
- Indian Females was 4%
- Coloured Females was 8%

Most of the non-white terminations were skilled and semi-skilled in nature.

The total permanent white terminations between April 2001 and March 2002, on the other hand, was 63% of the total number of people terminated. The white terminations compared to the total was as follows:

- White Males were 21%
- White Females were 42%

White male terminations were mostly professional and skilled and female terminations were mostly skilled and semi-skilled positions.

Table 4.11 reflects that between April 2002 and March 2003, the total number of permanent non-whites terminated was 36%. The non-whites terminated compared to the total was as follows:

- African Males was 7%
- Indian Males was 2%
- Coloured Males was 5%
- African Females was 8%
- Indian Females was 4%
- Coloured Females was 10%

Most of the non-white terminations were mostly skilled and semi-skilled in nature.

The total permanent white terminations between April 2002 and March 2003, however, were 64% of the total number of people terminated. The white terminations compared to the total was as follows:

- White Males was 20%
- White Females was 43%

White male terminations were mostly professional and skilled and female terminations were mostly skilled and semi-skilled positions.

The total number of terminations, between March 2002 and March 2003, increased by 27%. The total number of non-white terminations increased by 25% between March 2002 and March 2003. During the corresponding period, the number of whites terminated increased by 28%.

Table 4.10: Terminations numbers in occupational levels (April 2001 to March 2002)

Occupational Levels	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	2	0	0	0	0	2
Senior Management	2	0	0	27	0	0	1	2	32
Professional qualified and experienced specialists and mid-management	14	6	18	322	18	5	8	122	513
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	109	37	35	279	38	46	38	616	1198
Semi-skilled and discretionary decision making	242	120	51	182	199	254	101	929	2078
Unskilled and defined decision making	33	1	1	1	63	14	1	0	14
TOTAL PERMANENT	400	164	105	813	318	319	149	1669	3937

Source: ABSA's Employment Report (31 March 2002) submitted to the Department of Labour PG 6

Table 4.11: Terminations numbers in occupational levels (April 2002 to March 2003)

Occupational Levels	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	2	0	0	0	0	2
Senior Management	3	1	1	27	0	0	0	3	35
Professional qualified and experienced specialists and mid-management	40	11	11	425	19	14	9	140	669
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	76	57	36	370	68	70	60	803	1540
Semi-skilled and discretionary decision making	184	165	51	194	215	360	118	1208	2495
Unskilled and defined decision making	70	25	0	1	117	32	0	0	245
TOTAL PERMANENT	373	259	99	1019	419	476	187	2154	4986

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 8

Table 4.12: Terminations Categories (April 2001 to March 2002)

Terminations	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Resignations	400	164	105	813	318	318	149	1669	3937
Non-renewal of contract	0	0	0	0	0	0	0	0	0
Dismissal – Operational Requirement (retrenchment)	78	13	17	54	63	27	22	119	393
Dismissal – Misconduct	68	32	9	39	35	30	9	59	281
Dismissal – incapacity	9	6	3	7	3	4	2	11	45
Other	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	555	215	349	913	419	380	182	1858	4656

Source: ABSA's Employment Report (31 March 2002) submitted to the Department of Labour PG 7

Table 4.13: Terminations Categories (April 2002 to March 2003)

Terminations	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Resignations	240	160	81	842	249	315	152	1615	3654
Non-renewal of contract	0	0	0	0	0	0	0	0	0
Dismissal – Operational Requirement (retrenchment)	80	59	4	140	121	118	21	448	991
Dismissal – Misconduct	49	39	14	26	46	41	12	71	298
Dismissal – incapacity	4	1	0	11	3	2	2	20	43
Other	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	373	259	99	1019	419	476	187	2154	4986

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 9

Table 4.14 and Table 4.15 are part of ABSA's Employment Equity Report submitted to the Department of Labour, and show the number of disciplinary actions taken against the various race groups between April 2001 and March 2003.

The total number of disciplinary actions increased by 5% from April 2002 and March 2003. This was mainly because of a 36% increase of disciplinary actions against White females. Disciplinary actions against African males however decreased by 30% in the same period.

Table 4.14: Disciplinary Action (April 2001 to March 2002)

Disciplinary Action	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	84	41	12	51	51	39	11	80	369

Source: ABSA's Employment Report (31 March 2002) submitted to the Department of Labour PG 8

Table 4.15: Disciplinary Action (April 2002 to March 2003)

Disciplinary Action	Male				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	59	42	14	53	52	44	16	109	389

Source: ABSA's Employment Report (31 March 2003) submitted to the Department of Labour PG 10

4.5 Summary of Findings

In terms of racial distribution within ABSA, the report shows that the number of Black employees is far below the number of White employees. Between January 2003 and March 2003, there was a slight increase in the number of Blacks but this was still far below the industry figure and ABSA's target.

The period between January 2003 and March 2003 there was a slight increase in the Junior and Middle Management Black Categories, but this was still far below the target. Senior Management figures in the Black Category hadn't changed and were still below the industry and ABSA's target.

As of March 2003, Black women employed in Middle Management positions were on par with the industry, whilst Black women in Senior Management positions were above the industry.

As of March 2002, the number of non-whites employed were below the plan and this figure decreased even further in 2003. Whites on the other hand were above ABSA's equity plan in 2002, and this increased even further in 2003. In ABSA the employment of Whites was more than all the other race groups combined.

In terms of recruitment as at March 2003, only African males increased whilst all the other race groups decreased. There was an increase in terms of promotions, for all race groups other than Whites.

The hiring of previously disadvantaged groups consisted mainly of White females. Coloured females were the only other disadvantaged group to exceed the targets set by ABSA.

In chapter 5, recommendations will be presented on the path that ABSA should take to ensure employment equity within its ranks.

Chapter 5: Recommendations

5.1 Introduction

Having analysed the secondary data in Chapter 4, the author will now provide recommendations on the approaches that ABSA could take to address the deficiencies in its employment equity strategy.

While some progress has been made by ABSA towards reaching its employment equity targets, it has been disappointingly slow. The commitment to employment equity has been somewhat uneven and has not always reflected the commitment of top management. More can and will have to be done if the rate of change is to be accelerated.

The challenge for ABSA is to create a completely new game-plan with respect to addressing the shortage of skilled Black resources, with the expectation that this will in time lead to a sustained competitive edge over their opposition.

5.2 Shortfalls Identified

The lack of:

- Decisiveness in identifying people or positions to be replaced by people from the designated group (with initial support guaranteed);
- Direct appointments of designated groups based on potential;
- Acceptance of the realistic implications of the Act on ABSA business;
- Putting the Group's interest before that of divisions, provinces and Business Units.

5.3 Shortfalls in Management Positions Identified

The following are shortfalls that the author has identified from the Employment Equity reports submitted to the Department of Labour by ABSA:

5.3.1 M & P job band (Middle Management):

- Blacks (Africans and Coloureds)
- Women (excluding Indians and Whites)
- Disabled

5.3.2 E & S job band (Senior Management)

- Blacks (Africans and Coloureds)
- Women
- Disabled

5.3.3 F & G job band (Top Management)

- Blacks (Africans, Indians and Coloureds)
- Women
- Disabled

5.4 Barriers Identified

The following are barriers that have been identified in ABSA's Employment Equity Strategy:

5.4.1 Recruitment Procedure

- There is a risk when employing designated employees that lack quality and calibre.
- Rather than recruiting African candidates, White and Coloured female candidates are being recruited to make up the numbers in the designated group.
- Possibility of misunderstanding of assessment techniques e.g. candidates maybe afraid to ask for help during assessment.
- Methods being used may not be adapted to attract and screen suitable Black Candidates who can contribute to the success of ABSA.

5.4.2 Advertising Positions

- People from designated groups suitable for positions might not have access to newspapers or Internet.
- Medium used by company i.e. intranet not accessible to target population.

5.4.3 Selection Criteria

- The selection criterion is currently too rigid and there is too much focus on candidates with past experience, instead of potential.
- Line Management (predominantly White male) might be prejudiced against Blacks, as they feel that they are incompetent when compared to whites.

5.4.4 Appointments

- There is a shortage of skilled Black talent.
- There is normally low staff turnover, especially at senior levels. There is also a reluctance to appoint blacks and women in these senior positions.
- Business pressures to fill vacancies as soon as possible do not allow time to wait for suitable Employment Equity candidates.
- There was major restructuring from October 2002, resulting in large numbers of retrenchments. This has diverted attention away from the Employment Equity plan.
- Conflict between recruiting experienced people versus inexperienced people requiring development.
- Cultural and language biases due to dominance of the White Afrikaner male in management positions.
- Lack of appointment of designated persons, especially in decision-making positions.

5.4.5 Work Environment and Facilities

- Dominated by White (Afrikaner) culture e.g. corporate gifts and events. Employment Equity Candidates still feel socially excluded, as the culture of the company and management is still predominantly Afrikaans.
- Work environment and facilities in buildings are not suitable for a number of disabled people.

5.4.6 Training and Development

- Not geared towards accelerating designated groups.
- There are no proper plans in place to develop people with potential.
- Employees not aware of the different types of training programmes available.
- The training and development processes may not be standardized.

5.4.7 Promotions

- Trends indicate that there is an ongoing promotion of people from non-designated groups.
- Preference for external appointments instead of internal promotions.

5.4.8 Succession and Experience Planning

- No formal mentoring and Succession Plan for designated employees.

5.4.9 Disciplinary Measures

- Predominantly Black employees at lower levels, hence a large percentage of disciplinary measures are against Blacks. This creates a false perception that Blacks cannot be trusted.
- Charges imposed for misconduct are normally harsher when an offence has been committed by an Employment Equity employee e.g. sexual harassment.

5.4.10 Corporate Culture

- Strong indoctrinated White Afrikaner dominance.
- Working in a cross-cultural environment does not allow individuality. Employees with less visible differences are more readily accepted.

5.4.11 Setting Numerical Targets

- Targets for white males and females are still extremely high, even though ABSA is behind its Employment Equity targets.

5.4.12 Diversity Programmes and Sensitisation

- People only understand Diversity as a “Black issue”.

5.4.13 Job-Hopping by Professional Blacks

- High turnover among qualified Black employees who are continually changing jobs in pursuit of higher remuneration packages, without spending enough time with any one employer to gain managerial skills.
- Corporate culture not suited or not adaptable to Black employees.
- Opportunities in decision-making positions are limited.

5.5 Possible Solutions to Barriers:

Having identified the shortfalls and barriers in the execution of the ABSA Groups employment equity strategy, the author will attempt to provide suitable solutions for the ABSA Group to achieve their employment equity targets in the future.

5.5.1 Recruitment procedure

- ABSA should brief recruitment agencies on their Employment Equity policy.
- Increase the use of local newspapers that have a predominately Black readership. E.g. Ilanga, Isolezwe, Post.
- Give preference to internal and external candidates from designated groups (excluding white females) to address the imbalances that exist.
- Educate all employees on recruitment policy, practice and procedure.
- A conscious effort must be made to avoid all forms of tokenism.
- Ensure candidates are fully briefed, with special reference to “culture” issues, before testing.

5.5.2 Advertising Positions

- Advertising positions for EE candidates should use a medium accessible to the designated group.
- Change format of adverts to attract and appeal to EE candidates.
- Careful planning of outsourcing strategy, including the use of tertiary institutions as potential sources of candidates.
- Preference to candidates from the designated groups to address the imbalances that exist.

5.5.3 Selection criteria

- All Managers responsible for selection interviews to attend Competency Based Interviewing and Diversity Workshops.
- Selection should be unbiased and based on job requirements and potential of candidates.

5.5.4 Appointments

- Focused recruitment initiative directed at designated groups for key positions.

- 75% of all new appointments should be people of colour (as per Middle of the Road Approach).
- Employment equity candidates should be allowed to spend more time on training, if required, with structured mentorship programmes.
- Staff resigning or terminated should be replaced with employment equity candidates.
- Utilise more Black Empowerment Agencies for new vacancies.
- On-going reminder from top management to line managers to develop employment equity employees with potential.
- Culturally fair, non-prejudiced selection tools and panel to be trained in competency based interviewing and diversity issues (race, culture and gender).
- Focus on the recruitment of Black female executives/senior managers.
- Employment equity Candidates must be appointed with adequate degrees of authority and must be able to participate in corporate decision making processes.
- New Orientation programmes and social activities need to be developed (cultural and gender specific).
- 75% of all transfers and promotions should be employment equity candidates, in line with the Middle of the Road Approach.

5.5.5 Work Environment and Facilities

- Consult with representatives from other cultures.
- Ensure that structure, work environment and facilities cater for employees with disabilities. These include providing an enabling environment for disabled workers so that they can participate fully and, in so doing, improve productivity.
- Cater for the dietary requirements of the various designated groups, e.g. in canteens and at social events.

5.5.6 Training and Development

- Develop and implement a mentorship programme.
- Utilise Development Board Forum to highlight development areas of employees and to decide upon development actions.

- Identify deficient areas of employee skills and decide on development actions.

5.5.7 Promotions

- Recognise the current disparities of people from designated and non-designated groups and develop programmes to give employment equity employees an opportunity for promotion.
- Promotion of employment equity candidates into decision-making positions.
- More senior positions should be earmarked for Black females.

5.5.8 Succession and experience planning

- Use processes such as Development Board Forums to identify potential among designated employees and employ these people at M & P levels upwards.
- Implement properly designed mentorship/coaching programmes for key employees. Selection of Mentors for employment equity candidates with sought after qualities, like leadership and management skills as well as General business acumen.
- Fast track with development programmes i.e. employment equity candidates are selected for their potential and exposed to structured development programmes. This could involve Job rotation within functions, across functions, shadowing experienced employees, expatriates assignments etc.
- Appoint understudies with potential.

5.5.9 Disciplinary Procedures

- Ensure everyone understands policies and procedures. These must be done in languages of preference.
- Consistent non-discriminatory application of the disciplinary code and procedures.
- Line managers to investigate causes of misconduct i.e. distance from work, absence of proper public transport and family duties.
- Disciplinary committees should be cross-cultural to ensure fairness in the process.

5.5.10 Corporate Culture

- Allow leaders to express and share their skills and talent.
- Investigate alternative solutions for social and corporate events that are sensitive to employment equity candidates.
- Steps to ensure that the corporate culture of the past is transformed in a way that affirms diversity in the workplace and harnesses the potential of all employees.

5.5.11 Setting Numerical Targets

- Find opportunities in creating space for the appointment of people of colour.
- Numerical goals should be set taking into account factors such as demographics and attrition levels within the company.
- Each division sets and monitors these targets.
- Demonstrate progressive initiatives and behaviour to address employment equity barriers. Employment equity targets should be linked to performance appraisals and reward.

5.5.12 Diversity Programmes and Sensitisation

- Cultural awareness programmes.
- Diversity training for the whole workforce.
- Conceptualising employment equity and sensitising employees to the issue of discrimination, e.g. race, diversity, gender, disability, and religious accommodation.

5.6 Attaining Targets

In chapter 3, three scenarios were identified by ABSA to attain their Employment Equity targets. Below is a brief recap of the scenarios:

- **As is** – appointments will be 60% Black and promotions will remain as current (Table 3.1).
- **Drastic** - appointments will be 100% Black from 2003, and promotions will only be Black from 2003 (Table 3.2).
- **Middle of the Road** - appointments will be 75% Black from 2003, and promotions will remain as current (Table 3.3).

Following an examination of the three scenarios, it is recommended that the Middle of the Road approach should be utilised, as in the terms of demographics, qualifications and expertise, this would be the most sensible route to ensure that the ABSA Group reaches its equity targets while still remaining competitive in the banking industry. In order for the ABSA Group to meet the targets of this approach, the co-operation of line managers is essential. The inclusion of incentives to line managers would ensure that the correct employment equity targets are obtained in terms of appointments, promotion and retention. The ABSA Group should however guard against only making employment equity a key performance area for line managers but they should also sensitise these managers to the importance of the employment equity to the ABSA Group and more importantly to the country as a whole.

5.7 Conclusion

The Employment Equity Act allows previously disadvantaged employees equal opportunities and to be treated fairly within the workplace. It also provides conditions for qualified personnel from previously disadvantaged groups, to fill positions where they were formerly restricted. Unskilled workers from designated groups are also given an opportunity to develop so that they may grow and progress within the organisation.

With this in mind, ABSA needs to be consistent in implementing the Employment Equity Act for two reasons:

Firstly, employment equity is enforced by law and is here to stay. Corporations that violate the provisions of this Act will be subjected to a variety of penalties. The

penalties within this legislation include legal action and maximum fines of up to R900 000 for non-compliance of the Act.

The second reason for ABSA to ensure compliance is that it makes good sense from a human resources perspective. The pressures of global competition, which include organisational transformation and the increased involvement of government, means that ABSA needs to have a diverse workforce. A racially and culturally diverse workforce is normally more multi-talented and has a broader range of skills and resources that would improve ABSA's chances of future growth.

However, the fact is that the benefits of complying with the Act are not going to be easily measurable. There is no doubt that the Employment Equity Act will cost ABSA a lot of time and money to implement. On the other hand, it is also essential for ABSA to realise that prolonging the implementation of the Employment Equity Act will result in the organisations image being tarnished due to claims of unfair discrimination. The implications of this will have far harsher consequences than the penalties imposed or the time and money invested.

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