

CLASSIFICATION : _____



DOCUMENTATION CENTRE

UNIVERSITY OF DURBAN-WESTVILLE

TITLE : EMPLOYMENT EQUITY

YEAR/VOLUME : _____

EMPL. EQ



My Word

Government would rather use a carrot than a stick in its bid to ensure fair workplace representation, writes RAMS RAMASHIA, Director-General in the Department of Labour

The time has come for everyone to put employment equity to work

S Times Business 02/09/2001.

THE UN World Conference Against Racism currently taking place in Durban has brought into sharp focus the fact that racism in all its guises remains a worldwide phenomenon and not an issue with which South Africa alone is having to grapple.

It is also clear from initial deliberations at the conference that many countries have not succeeded in dealing with the problem of racism because they tried to solve it by denying its existence in the first place. Our country stands out as one of those that decided to deal with racism head-on. This resolve has been acknowledged by UN secretary-general Kofi Annan, who stated that "South Africa is on track in the fight against racism".

Our constitution and the introduction of the Employment Equity Act also bear witness to our progress in combating racism. The Employment Equity Act has as its key objective the eradication of racism. The Act itself is pioneering in its endeavour, not only to deal with the problem of inequality and discrimination in the workplace, but also to seek to prevent new forms of discrimination arising. The Act is one of the first pieces of legislation in the world to prohibit discrimination on the basis of a person's HIV/Aids status.

While the Act seeks to eradicate racism in the workplace, it is also intended to play a critical role in laying the foundations for sustainable development in the country. The disparities in South African workplaces resulting from past discriminatory laws have direct implications for economic efficiency. Previous policies denied black people access to jobs, skills and educational opportunities.

This has led to a situation in which the country now faces a skills shortage. The skills shortage has been identified as a critical factor in determining the country's competitiveness and its ability to operate successfully in the global economy. International experience has shown that the development of human capital underpins economic growth and sustainable development.

Taking heed of these concerns and the broader need to redress past imbalances, government has developed a plan which aims to increase the supply of higher quality skills. The Employment Equity Act and the Skills Development Act are critical to meeting these goals. These two pieces of legislation underpin government's human resource development strategy, which was launched earlier this year.

The challenge to ensure the inclusion of communities previously excluded from the mainstream economy and other opportunities was discussed during the first meeting of the International Investment Council last year. It was agreed that a human resource development strategy was a critical intervention needed to address past imbalances.

Transforming the labour market and the economy cannot be achieved by government regulation alone. Government has played its part. It has provided the legislative framework, the political commitment and the tools needed to assist not only in the implementation of employment equity but also the mechanisms for monitoring progress. It is only through a partnership with workers and employers that SA's human capital will be developed.

The second Employment Equity Report, released by the Department of Labour this month, revealed that employers are beginning to play their part.

Labour Minister Membathisi Mdladlana said at the launch that the establishment of a non-racial society was at the core of the national revolution. He added, however, that he had yet to see workers and their leaders stand up and work towards the eradication of discrimination in the workplace. It is such initiatives, coupled with skills development, that will fundamentally change the nature of South African workplaces. The role of workers is critical in terms of the implementation of the Act.

Data collected from employers who are required to report on progress made towards implementing employment equity is encouraging only to the extent that they are complying with the procedural requirement of the Act.

Reporting to the department is not the same thing as successfully implementing employment equity. What the report does show is that the legacy of apartheid continues to dominate our society and our workplaces.

This is despite the fact that prior to the enactment of the Employment Equity Act, other pieces of legislation already prohibited unfair discrimination.

Some of the key results which emerged from an analysis of the data reveal the current situation: men hold 87% of all top management positions in South Africa. African representation in top management stands at 6.2%, followed by coloureds and Indians at 2.7% and 3.7% respectively.

African women hold only 1.2%

of all top management positions.

At the professionally qualified and mid-management levels, Africans hold 32.7% of positions, followed by coloureds with 5.4% and Indians (5.8%) while whites hold 56.1%.

Combining all levels of management and professional employment, Africans have 27.3% of all jobs, coloureds over 5%, Indians almost 5.5% and whites 62%.

Female representation is lowest in the top management level but highest in the professionally qualified occupational group. Women represent 38% of total employment and are clearly under-represented in all job categories. Of all employees recruited in 2000, Africans made up 53%, coloureds 15.2%, Indians 5% and whites 27.1%. Almost 67% of all top, senior and middle management recruits were white. Africans made up 21.42% of all management recruits. Overall, 47% of all internal

promotional opportunities went to African employees. At the skilled occupational levels, 38% of all promotions went to African employees. Across management levels, 65% of all promotions went the way of white managers while 91% of top and senior management promotions were made to white managers.

Compare these results with the country's demographics and the result is not good. However, the department accepts that the implementation of employment equity is a process. The challenge remains for both employees and employers to continue working to ensure workplaces that can be considered among the global leaders in embracing issues of change.

Employers are not expected to pursue this process alone. The department has developed a number of tools, as mentioned earlier, which are aimed at facilitating the implementation of employment equity in the workplace.

One such tool is the employment equity register. The register is a database system which contains information on employer details, employee numbers and the workforce profile of employees by designated group, and other information contained in the reporting forms. The registry (at www.labour.gov.za) enables employers to benchmark their own workforce profiles against those of other employers in similar industries, geographic location and company size.

Other tools include educational literature prepared by the department as well as a number of codes of good practice drafted by the Commission for Employment Equity. Two codes in relation to drafting employment equity plans and aspects around HIV/Aids have already been issued by the department. A third code on key aspects of disability in the workplace has also been released for public comment. A further facility aimed at assisting employers is the pending introduction of a system which will enable employers to report directly to the register by using electronic forms on the website.

While it is clear that the country still has a long way to go towards achieving employment equity, the department believes it is on the right path — a path which will ultimately contribute towards growing the economy, creating jobs and eradicating poverty.

*Sunday Times
Business
02/09/2001.*

Employment equity equity

AS ONE of the companies in South Africa with established and well-respected empowerment credentials, Metropolitan is focused on strengthening its competitive position through the creation of value for all its stakeholders. The group strives to generate and grow wealth for shareholders, clients and the community at large, and for staff.

In the case of staff in particular, this "wealth" is not just financial: it incorporates non-material assets too. Over and above making a concerted effort to eliminate barriers to advancement of an attitudinal, policy and procedural nature, the group provides a wide range of developmental opportunities that enable staff to acquire and accumulate "capital" in terms of personal and career growth potential.

For this reason, employment equity and accelerated advancement initiatives, among other people-centric programmes, rank high on the group's human resources agenda.

From a purely financial perspective the group is planning to extend its existing share ownership arrangements to a broader spectrum of staff in the near future.

The promulgation of the Employment Equity Act in December 1999 held no fears for the group, and Metropolitan was among the companies that duly submitted the first of the detailed employment equity reports required in terms of the Act this year.

From the data contained in the report it is clear that Metropolitan is well-positioned to make waves on the employment equity front.

As part of the integration and transition process in which Metropolitan and its holding company, New African Investments Limited (Nail), are currently involved, the group is being completely restructured. Empowerment participation in all aspects and at all levels of its business is being extended to form one of the pillars upon which the transformed group is founded.

Contrary to the prevailing trend in corporate

Empowering business to promote potential

South Africa, which indicates a steady diminution in the number of black directorships, three of the four new directors recently appointed by Metro-

politan are black. Of the four appointees two are women, which also contrasts with what has reportedly been happening elsewhere in South African business circles. From January 1 2001, when the new appointments come into effect, Metropolitan's directorate will be 56 percent black and the number of female board members will have increased from one to three.

Technical control via the shareholding structure has to date meant a largely passive role for the Nail management team. This is being eliminated in favour of the involvement of Nail executives at an operational level where they will be able to add far greater value by contributing actively to the group's future success.

An independent board sub-committee on empowerment is in the process of being constituted and the compilation of an empowerment code based on Nail's existing code, the latter a South African first, has almost been completed. A board sub-committee on employment equity, chaired by group chairman Dikgang Moseneke, was established some time ago.

As an integral part of the group's empowerment aims and objectives, employment equity remains a priority although the group still has some way to go. A full-time group employment equity officer has been appointed and a staff consultative forum on employment equity has been in existence for some time.

An independent employment equity audit conducted recently

revealed that Metropolitan's progress has been incremental over the past few years, albeit with room for further improvement.

The group has published its formalised employment equity policy, including detailed implementation plans. In addition to having set itself an overall employment equity target – 50 percent of appointments and promotions across the group must come from the designated group (blacks, coloureds, Indians and white females) – Metropolitan is in the process of setting specific targets for each of its operating entities. Empowerment reviews, incorporating employment equity updates, will be included in shareholder and staff reporting in future.

From a purely statistical perspective, some 39 percent of Metropolitan's existing management team is from the designated group, while at a supervisory level the percentage is close to 80 percent. In total, almost 90 percent of the group's current staff complement are members of the designated group.

In addition to a wide-ranging suite of training and leadership development programmes that has been in existence for many years, the group recently launched a mentorship programme for actuarial and accounting students that has proved to be very popular.

Of the 24 students officially enrolled in the programme, 20 are from the designated group. Metropolitan Asset Managers, a subsidiary company, will institute a graduate development programme for investment professionals.



Group chairman Dikgang Moseneke