

CHAPTER 3 THE FOUNDATIONS OF EMPLOYMENT EQUITY

3.1 PREAMBLE TO EMPLOYMENT EQUITY LEGISLATION

The Employment Equity Act was preceded by the Green Paper on Employment Equity and the Employment Equity Bill. The main guidelines of the Green Paper on Employment Equity, the Employment Equity Bill and the Employment Equity Act No 55 (1998). The Employment Equity Act No 55 (1998), has had a profound influence on the lives of organizations in South Africa. Recruitment practices have been revised to meet the requirements of the Employment Equity Act No 55 (1998).

3.1.1 Principal considerations for the implementation of employment equality legislation

Employment Equity Legislation provides a framework for guidelines on how to implement employment equity principles. The Employment Equity Act No 55 (1998), is prescriptive on a number of issues and this will be detailed below.

- a ban on unfair discrimination of any kind in employment in line with constitutional requirements;
- large companies are to submit employment equity plans to the Ministry of Labour for approval;
- employment equity is to be monitored by the Inspectorate of the Department of Labour;
- incentives for complying could include tax rebates, subsidies and government contracts;
- penalties for not complying could include fines;
- emphasis is to be put on skills rather than educational requirements;
- a review of grading structures to remove unnecessary hierarchies; and
- disputes on employment equity are to be referred to the Commission for Conciliation, Mediation and Arbitration and to the Labour Court

established by the Labour Relations Act 66 of 1995, for resolution” .
Mtayi (1997, p. 262).

3.1.2 The benefits of employment equity legislation

According to various authors, the benefits of employment equity legislation are as follows:

- Leshilo (1998, p. 7) clearly points out that “lack of skills hampers the country’s economic development, as shown by the World Economic Forum’s Global competitiveness report, which ranks South Africa 52 out of 53 industrialised nations on skills and productivity”.
- Leshilo (1998, p. 7) quotes Heather Price, director of human resource consultancy, Mandate, as saying that “Employment Equity is good for business because it improves representivity in companies. ... Companies will need to change internally and have people on board who can relate to the new and diverse consumers, decision-makers and shareholders in order to stay in business and thrive. ... Unless we start giving people opportunities to develop their talents, we can’t kick start the economy. By opening doors to people who were excluded — about 70 percent of the population — and investing in training them, we will create a pool of people who can work more effectively and earn better”.

The preceding points out the benefits of employment equity, however the process also has a downside. The down side is that employment equity will cost employers more money in training, thus the cost of labour will increase. Many White employees will feel that reverse discrimination is being foisted upon them; however “in the final analysis, any privilege that white prospective applicants may have to pay is far outweighed by the communal good which will come from the implementation of employment equity measures”(Leshilo, 1998, p.7). This ties in with the antithesis as stated by the State President, Thabo Mbeki, as set out in section 2.5.2.3.

3.1.3 What does the Act propose?

There are a number of positive measures that the Employment Equity Act tries to encompass:

- “Ensuring that equal opportunity is offered;
- Furthering diversity in the work-place by planning to improve racial and gender balance;
- Providing reasonable accommodation for disabled people, design and physical alteration of buildings”(Lacy, 1999, p. 37).
- Identifying ways of eliminating barriers under the umbrella of discrimination (Padayachee, 1998, p. 55).
- Implementing measures designed to further diversity in the work-place based on equal dignity and respect of all people (Padayachee, 1998, p. 55).
- Integrating people from designated groups in order to ensure they enjoy equal opportunities and are equitably represented within the working environments of designated employers (Padayachee, 1998, p. 55).
- Incorporating principles of affirmative action, including preferential treatment, to appoint and promote suitably qualified people from designated groups. This will ensure representation at all levels and categories in the work-place (Padayachee, 1998, p. 55).
- Laying down guidelines for the training and development of designated groupings (Padayachee, 1998, p. 55).

3.2 EMPLOYMENT EQUITY LEGISLATION

3.2.1 Introduction

One of the most significant pieces of legislation — the Employment Equity Act — came into full force at the beginning of 2000. All employers with over 150 employees, or a turnover of a specific amount as defined in Schedule 4 of the Act, had to prepare to hand in their projected targeted numbers to the Department of Labour by 31 May 2000. As Wilson (2000, p. 9) states: “The Employment Equity Act

aims to redress imbalances of the past by requiring companies to do two things: remove discriminatory barriers and implement affirmative action measures.” The numbers were later changed and as Sher (1999, p. 20) writes, the Employment Equity Act “in essence only applies to so-called designated employers defined as those who employ ‘50 or more employees’, or who employ fewer than 50 but have a total annual turnover in accordance with a given schedule (For example: in the manufacturing sector: R 10-million.)”. De Villiers (1995a, p. 17), quoting Tito Mboweni, states that the “LRA and the other initiatives” [the Employment Equity Act and the Skills Development Act] will help management to engage in what we call civilised management prerogatives. A top-down approach is no good in our new country: it is bad for productivity and economic growth. We want them to understand that there are other stakeholders with whom they should work as a team.”

3.2.2 Preamble to the Act

The Employment Equity Act No 55 (1998) recognises that as a result of apartheid and other discriminatory laws and practices, there have been labour recruitment processes which led to disparities and inequities. Those imbalances cannot simply be rectified by abandoning discriminatory laws. The purpose of implementing the Act was “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 their equitable representation in all occupational categories and levels in the workforce”(Preamble to the Employment Equity Act No 55 (1998, p. 7).

3.2.3 Interpretation of Act

The Act indicates that it must be interpreted:

- a) “In compliance with the Constitution;
- b) So as to give effect to its purpose;
- c) Taking into account any relevant code of good practice issued in terms of this Act or any other employment law; and

- d) In compliance with the International law obligations of the Republic in particular those contained in the International Labour Organisation Convention (No. 111) concerning discrimination in respect of Employment and Occupation.”

3.2.4 Prohibition of unfair discrimination

The Act states: “Every employer must take steps to promote equal opportunity in the workplace by eliminating unfair discrimination in any employment policy or practice.”Section 6 of Chapter 2 further 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, 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.”

It is not unfair discrimination to –

- a) Take affirmative action measures consistent with the purpose of this Act; or
- b) Distinguish, exclude or prefer any person on the basis of an inherent requirement of a job.

3.2.5 Affirmative action measures

The Employment Equity Act No 55 (1998, p. 10) states that:

1. Affirmative action measures are measures designed to ensure that suitably qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workplace of a designated employer.
2. Affirmative action measures implemented by a designated employer must include:

- a) measures to identify and eliminate employment barriers, including unfair discrimination, which adversely affect people from designated groups;
- b) measures designed to further diversity in the workplace based on equal dignity and respect of all people;
- c) making reasonable accommodation for people from designated groups in order to ensure that they enjoy equal opportunities and are equitably represented in the workplace of a designated employer; ...
- d) ensure the equitable representation of suitably qualified people from designated groups in all occupational categories and levels in the workforce”.

3.2.6 The requirements of the Act

A number of requirements are prescribed by the Act. These are clearly summarised by Lacy (1999, pp. 35, 37, 39).

3.2.6.1 Consultation

Consultation in terms of the Act has two aspects to it: - with whom to consult and about what to consult.

- a) Employers are required to take reasonable steps to consult and to reach agreement with:
 - i) A Workplace Forum;
 - ii) A Registered Trade Union;
 - iii) Or employee representatives nominated by those employees.

- b) The issues to be consulted must include the methodology for the conduct of analysis, the preparation and implementation of the plan referred to in Section 17 and the report to the Department of Labour referred to in Section 18.

The sections referred to are sections of the Act.

3.2.6.2 *Analysis*

Lacy (1999, p.37) indicates the requirements for the analysis:

The analysis should cover the following issues and should point out where the barriers to employment or promotion exist within the company structure:

- Recruitment procedures, advertising and selection criteria;
- Appointment and the appointment process;
- Job classification and grading;
- Remuneration, employment benefits and terms and conditions of employment;
- Job assignments;
- The working environment and facilities;
- Training and development;
- Performance evaluation system;
- Promotion;
- Transfer;
- Demotion;
- Disciplinary measures short of dismissal;
- Dismissal.

3.2.6.3 *The Employment Equity Plan*

The Employment Equity Plan represents an onerous task for employers and requires a lot of detail and clearly thought through processes. The plan compiled by each designated employer cannot merely do window dressing on company policies and procedures, but must be compiled with the aim of addressing affirmative action and discriminatory practices in an organisation and finding ways of dealing with concepts of equity and fairness in the work place. The report clearly asks employers

to report on targets for the workforce per employer, relative to racial classification and sex of employees. Currently the targets are set for 2004, and must be reported using the framework and guidelines as set out by the Department of Labour. Reporting is done in classification levels, namely levels and categories.

According to Lacy (1999, p. 37), the plan must contain the following aspects:

- objectives to be achieved for each of the ensuing five years;
- The employment barriers identified in the analysis ... and the steps to be taken to remove those barriers;
- The positive measures to be implemented –
 - i) Identifying and eliminating employment barriers affecting people from designated groups.
 - ii) Measures designed to foster diversity in the work place based on equal dignity and respect of all people.
 - iii) Making reasonable accommodation of people from designated groups in order to ensure enjoyment of equal opportunities (structural changes to the workplace).
 - iv) Affirmative action measures.
 - v) Measures to retain, train and develop people from designated groups”

Padayachee (1998, p. 55) indicates that the Employment Equity Plan should include the following:

- Where under-representation of people from designated groups has been identified by the analysis, the numerical goals to achieve equitable representation of people from designated groups within each occupational

category and level in the workforce, the timetable within which this is to be achieved and the strategies intended to achieve those goals;

- the timetable for each year of the plan for the achievement of the goals and objectives other than numerical goals;
- the duration of the plan, which may not be shorter than one year or not longer than five years;
- the procedures that will be used to monitor and evaluate the implementation of the plan and whether reasonable progress is being made towards the implementing employment equity;
- the internal procedures to resolve any dispute about the interpretation or implementation of the plan;
- the persons in the workforce, including senior managers, responsible for monitoring and implementation of the plan; and
- any other matter that may be prescribed.

3.3 CRITICAL SUCCESS FACTORS

Coetzee (1995, p. 24) states that the following factors are critical for the successful implementation of employment equity:

- "inclusivity as a guiding principle.....
- total transparency,
- participation in the repositioning by all stakeholders and especially commitment from the corporate employment body and;
- acknowledgement of our diversity."

It is also important to manage the change as the change does not occur in a void, and this is where the role of the employment equity consultant comes in. The latter acts as a catalyst, always working according to the ethics and principles detailed in the systems diagram in chapter 7.

Coetzee (1995, p. 24) also states that: “Executive management has the responsibility for initiating the strategic repositioning of the organisation. Line Management must plan and drive the implementation process ... Internal and external mentoring programmes, diversity training, elimination of exclusive appointment recruitment practices, effective potential assessment practices and developing individual’s potential to suit the requirements of the organisation are but a few areas which can pay dividends in achieving employment equity.”

3.4 PITFALLS IN IMPLEMENTING EMPLOYMENT EQUITY

There are a number of general stumbling blocks which are pitfalls in implementing employment equity:

- Israelstam (1999b) cites fear as being a major pitfall in the process.
- There is a real danger that top management will not involve middle management and especially the employees in the organisation in the change process. This is done from a vantage point where they feel that they have superior knowledge about the process (Coetzee 1995, p. 24).
- Another pitfall is the belief that an equity programme is the responsibility of the human resource function in the organisation. Whilst the human resources department will drive the process, it is line management that must embrace the principles of an equity programme (Coetzee, 1995, p. 24).
- Another serious consequence for the market place in general is that “employers get caught in the old affirmative action trap. For example, an employer pays an affirmative action auctioneer (headhunter of black executives) to find him a top black manager. The employer pays the new manager a remuneration three times as much as would normally be paid

(Israelstam, 1999a, p. 18). The consequence for the market is that the market rates of salaries are inflated to attract black employees of talent and the whole process becomes a vicious spiral. This spiral is then exacerbated as follows: "Then three months later another auctioneer (or the same one) receives a call from another client requiring a top black executive. The auctioneer then places the same black manager with his new client ... The first employer is then sitting with no black manager and a huge recruitment expense ... The employer either has to rehire and retrain a new black manager or tempt the first one back with an even more outrageous pay offer"(Israelstam, 1999b, p. 18).

3.5 CONSEQUENCES OF EMPLOYMENT EQUITY

Imbalances of the past need to be addressed, but it is questionable whether employers would have taken this drastic step of their own accord if it had not been enacted by legislation! Over the next, say five to 10 years, the face of organisations will change. They will no longer be dominated by White supremacy. Slowly, but surely, the numbers of previously marginalised groups will be increased, thus the lower echelons of jobs will not be held mainly by Black, Coloured and Asian groups. The wage gap will be narrowed, and a strong black and coloured middle class will start to emerge. This whole scenario will start to alleviate the unemployment scenario, and will increase buying power of the previously disadvantaged groups (Israelstam, 1999).

At the opposite end of the spectrum, White males feel that they are being victimised by employment equity. "Their reaction is often therefore to leave South Africa and take their expertise where it will be given its due. Those who do not resign may be moved aside to make way for designated groups but are, at the same time, asked to provide their new AA colleagues with key skills. Such employees may react in a number of ways:

- They may remain with the organisation (hang on until retirement) and covertly resist the EE plans and implementation.

- They may take a package and return as a consultant to repair possible damage caused by the flight of key skills and charge a fee three times the size of their former salary” (Israelstam, 1999, p. 19).

The ANC’s emphasis on promoting females is clearly evident from the number of female parliamentarians. The focus on gender is, however, still in its early inception phase, and a lot of work needs to be done in the working environment to sensitise men to the worthiness of the working woman. Just as discrimination has not died a natural death, so gender discrimination has not been abandoned. President Mbeki is very committed to this cause: the Gender Desk of the President’s office monitors gender policies, and it makes its influence felt in parastatal companies and parastatal committees. As indicated in the feedback given on 2nd October 2000, by the Department of Labour, the working world is still dominated by the white male. Ratios of black employees have improved only marginally, and women still represent only a small proportion of the economically active workforce. A lot still needs to be done to address these imbalances.

3.6 CRITICISMS OF THE EMPLOYMENT EQUITY LEGISLATION

Carter (1995, p. 20) argues that:

- The legislation seeks to force rigid objectives, processes and final outcomes on environments that are vastly different. This will ultimately negate a dynamic and interactive process which should be sensitive to different human resources requirements within very different environments.
- The process focusses on rewarding “victims”, and does not focus on individuals.
- Legislation focuses on “tokenism”, and the system ultimately would deny “self-esteem”, in self actualisation, based on attainment due to merit. The process is thus focussed on the individual’s race or other criteria unrelated to their capacity to do the job.

- The process creates a situation of comfort, and allows individuals to develop a comfort zone, thus “undermining individual’s responsibility to develop themselves”.

Carter criticises the Constitution “for coming “close to being on the other side of the apartheid coin of job reservation and race classification. Employers in South Africa should not be asked to judge any future employee by the colour of his or her skin, or to reimpose mechanism for race classification”. This is exactly what is done in the reports that are returned to the Department of Labour on 30 September each year. This criticism can also be aligned with that of the concept of new racism, as discussed in chapter 2.

3.7 DISPUTES THAT HAVE ARISEN FROM THE EMPLOYMENT EQUITY ACT NO 55 (1998) WITH RESPECT TO FEMALES

A landmark case in South Africa, which took place in 2000, was the Eskom case. The case has had a profound effect on testing employment equity legislation and the application thereof in the South African context.

“Union and Eskom in affirmative action dispute, ... the dispute revolves around the electricity giant’s decision to overlook two top women for posts in which they had been deputising. MWU chief secretary Flip Buys said yesterday that Eskom and the Union had agreed to take their dispute to the arbitrator, who is expected to make a ruling. ... He said they were disregarded because they were not affirmative action candidates despite the fact that the Employment Equity Act has made provision for woman to constitute part of the designated affirmative action group”(Jaiyiya, 2000).

“This case is a test as to whether white female employees are equal partners in the designated group, or whether the act is based only on race and the gender clause is therefore merely being used to make a racial law more palatable to public’, Buys said”(Jaiyiya, 2000).

In a subsequent article by Nxumaklo (2000, p. 12), Eskom defended its position in court, stating that: "All women are part of Eskom's Employment Equity Programmes. Our target for this year is 18 percent women at supervisory and professional levels".

This is merely one of the many court cases that will presumably arise over employment equity. Companies from now on will need to be astute in their planning of employment equity ethics in their Employment Equity Plans. Their whole process of planning, recruitment and appointment needs to be very well thought out and managed.

3.8 CULTURAL DIVERSITY

3.8.1 What is cultural diversity?

3.8.1.1 Definition of cultural diversity

In an article "Diversity: More than just an empty slogan", occupational therapists Kandola and Fullerton (1994, pp. 46 and 47) put forward this definition: "Diversity consists of visible and non-visible differences which will include factors such as sex, age, background, race, disability, personality and work style. ... It is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilised and in which organisational goals are met." Kandola and Fullerton's (1994, p. 47) "overriding image of diversity is a mosaic. The differences come together to create a whole organisation in the same way that single pieces of a mosaic come together to create a pattern. Each piece is acknowledged, accepted and has a place in the whole structure."... Diversity takes individuals as the primary focus of concern, not groups. Such an approach, however, will mean that certain group-based equal opportunity actions need to be seriously questioned, in particular positive action and targets. There has been a lot of debate recently, particularly in the United States, about the effectiveness of positive action, or affirmative action as it is sometimes known. This is where organisations take special initiatives to redress perceived gender or ethnic imbalances in the workforce, for example by providing special training for women and minorities. The opposite side to the continuum and the

inverse deduction thereof is as follows: If managing diversity is truly about creating an environment where everyone feels valued and their talents are being fully utilised, then actions ought to be targeted on any individual who has a particular developmental need and not restricted to those who are members of a particular group. Kandola and Fullerton (1994, p. 47). Added to this is the perspective of De Beer and Radley (2000, p. 5): “When considering the word ‘diversity’ most people tend to think about the differences that exist among people of different cultural backgrounds. Sometimes, people also seem to relate diversity to gender differences. Yet, diversity entails much more than the differences between people based on culture and gender. As with any homogeneous groups of people, there are also other differences. Despite age and gender differences being regularly cited as the issues underlying diversity, other differences also constitute diversity within a group ... Just as seashells on a beach differ in a variety of ways such as shape, colour and size, so people differ with regard to a variety of aspects including age, religion, culture, educational background, experience, health, geographic location, income, parental status, physical ability, etcetera. Thus, in terms of defining how people may differ, diversity implies a multidimensional mixture and includes a variety of dimensions in often complex combinations.”.

Hammond and Kleiner (1992) and Greenslade (1991), share certain key beliefs about diversity. These are:

- " Diversity and differences between people can, and should, if managed effectively, add value to the organisation.
- Diversity includes virtually all ways in which people differ, not just the more obvious ones of gender, ethnicity, disability.
- Diversity has the primary concern issues of organisational culture and working environment.”

The latter aspect will be discussed very briefly in the next chapter, giving an account of organisational culture.

Wellner (2000, p. 35) presents the “Webster’s definition of diversity as ‘the condition of being different or having differences’.”

Wellner (2000, p. 35) states that “diversity is not race and gender. It has a lot to do with communication styles and work styles.” Wellner (2000, p. 35), quoting Allison Johnson, also writes that “you have to pay attention to the secondary dimensions — work-style behaviours, geographic differences. All of those make the workplace diverse” and asks a rhetorical question: “If every workplace has different group dynamics, should every organisation have its own definition of diversity? ... We become so focused on race and gender, and so committed in our minds to what diversity means, we impose that 'on organisations' in ways that might not be appropriate”. Wellner (2000, p. 36) “prefers to investigate what differences really define a company, and then to create a definition of diversity that reflects that organisation’s culture”. Another rhetorical question is asked: “How can we acknowledge and value our differences so that all of us can be included in a way that helps us accomplish the organisation’s goals?” Wellner (2000, p. 36), quoting Lynn Martin, former US Secretary of Labor, answers this question: “No company can do it without dealing with the realities of racial, ethnic, gender and age differences.” She states that she recognises “diversity as a fact”. Wellner also writes that if trainers do not concentrate on “gender and race” aspects, “then they are missing a very important element”.

3.8.1.2 Summary of the definitions

The definitions provided by Kandola and Fullerton (1994) and De Beer and Radley (2000) encapsulate the meaning of cultural diversity. Diversity, within an organisation, embraces the differences between men, women, cultures and races in order to foster tolerance of the differences, so that the organisation can embrace these differences. This is a striving towards harmonious interaction, so that the organisation can move towards synergy and the operation of their ultimate objectives (long-term survival strategy for positive growth and sustainability through human resources/human capital). Both pairs of authors make use of metaphors to illustrate diversity: Kandola and Fullerton use that of a mosaic: all people who make up an organisation are like little pieces of a mosaic; they are all different but fit together as a whole. De Beer and Radley, on the other hand, liken diversity to sea shells. All individuals are different, but this variety of shape and colour helps to depict diversity as a multitude of variety, shape and colour.

3.8.2 Model of cultural diversity

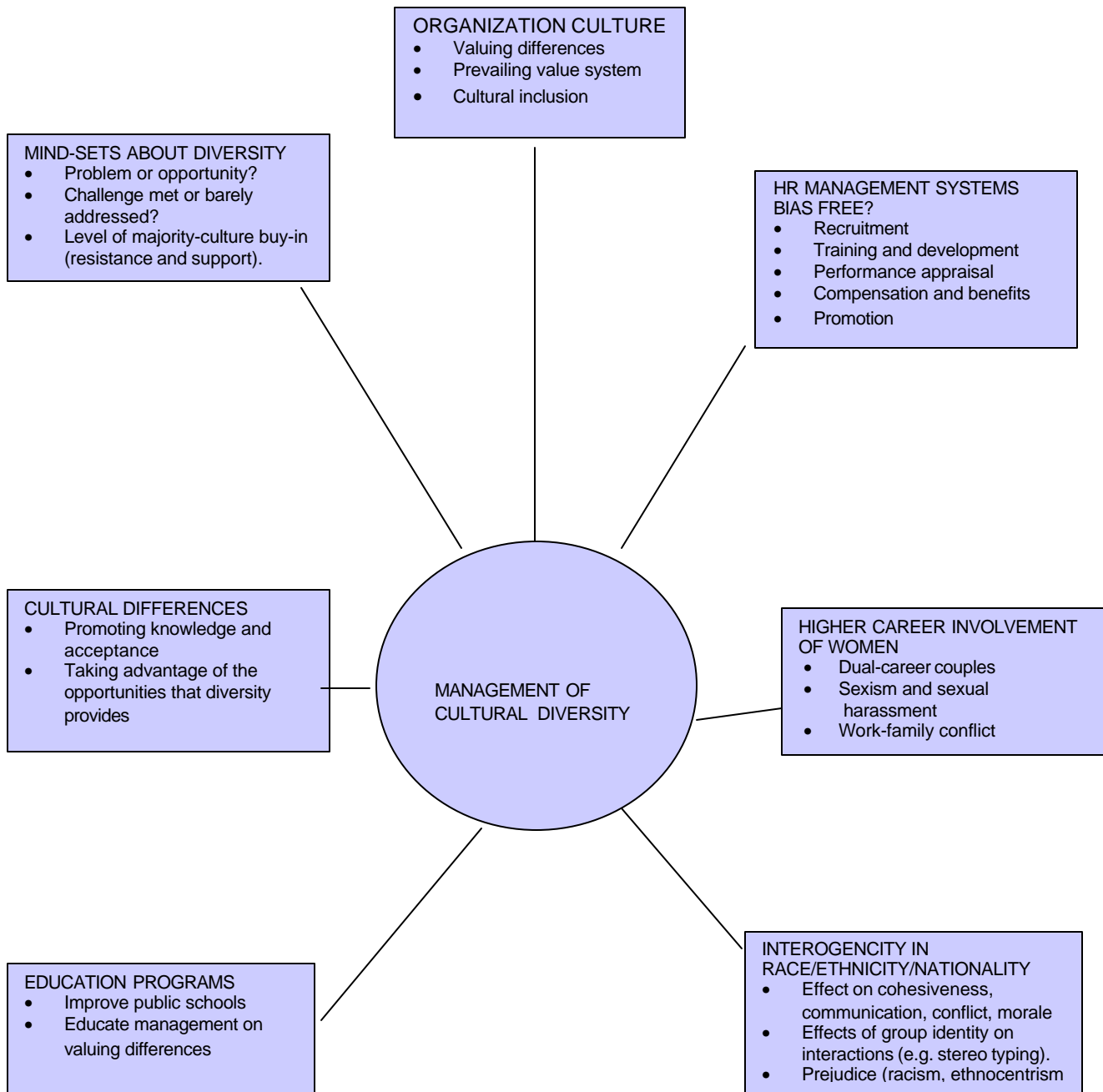


Figure 3.1 Model of Cultural diversity

Source: Ivancevich, J.M., and Matteson, M.T., (1996, p.141).

3.8.2.1 *Analysis of the model of cultural diversity*

The model of cultural diversity as presented above is of significance in this study as the core component, as seen in the middle, concentrates on the “Management of Cultural Diversity”. The processes to the left of the centre focus on the macro organisational processes, as well as societal impacts, such as interventions at “public schools”. To influence cultural diversity in an organisation, it is important that mind-sets are changed, and that negative perceptions are worked on to change thought processes on negative stereotypes about any sub-grouping.

On the right-hand side of the centre, the concept of diversity, encapsulating women, is taken into consideration. In embracing women in the working world, it is very necessary to understand women’s role in society and the balance that they need to have between their working world and home life. These aspects will be dealt with later in the chapter on gender.

Components such as racism and discrimination, which appear on the right-hand side of the model, have been discussed in the previous chapter. All these components are integral in understanding cultural diversity.

3.8.2.2 *Rationale for using the model*

Ivancevich and Matteson's (1996) model of diversity was selected for its applicability to this study. The left-hand side of the model encapsulates the result of the independent variable of the study (employment equity, leading to diversity), and the right-hand side of the model incorporates the dependent variable (gender equality) of the study. The model clearly depicts how concepts of diversity need to be dealt with in order to manage cultural diversity.

3.8.3 A systems approach to managing change and diversity

A systems model, as propounded by Barnard, Martins and Manetjie (2001), will be presented.

Barnard et al. (2001, p. 51) state that “managing diversity is more than merely valuing differences among people. It is not primarily a human relations issue, but a strategic business issue incorporating an approach with a variety of strategically aligned practices and interventions. Creating acceptance, mutual tolerance and respect among different people is important, but is not sufficient in creating an empowered workforce. Managing diversity initiatives implies practices and interventions on all organisational levels to ensure systematic, holistic and strategically aligned organisational change”. This aligns with the model of cultural diversity as set out in the previous section. At all levels of the organisation, processes, policies and strategies must be aligned with integrate all levels of individuals within the organisation.

Barnard et al. (2001, p. 53) present a systems approach to managing diversity as depicted below.

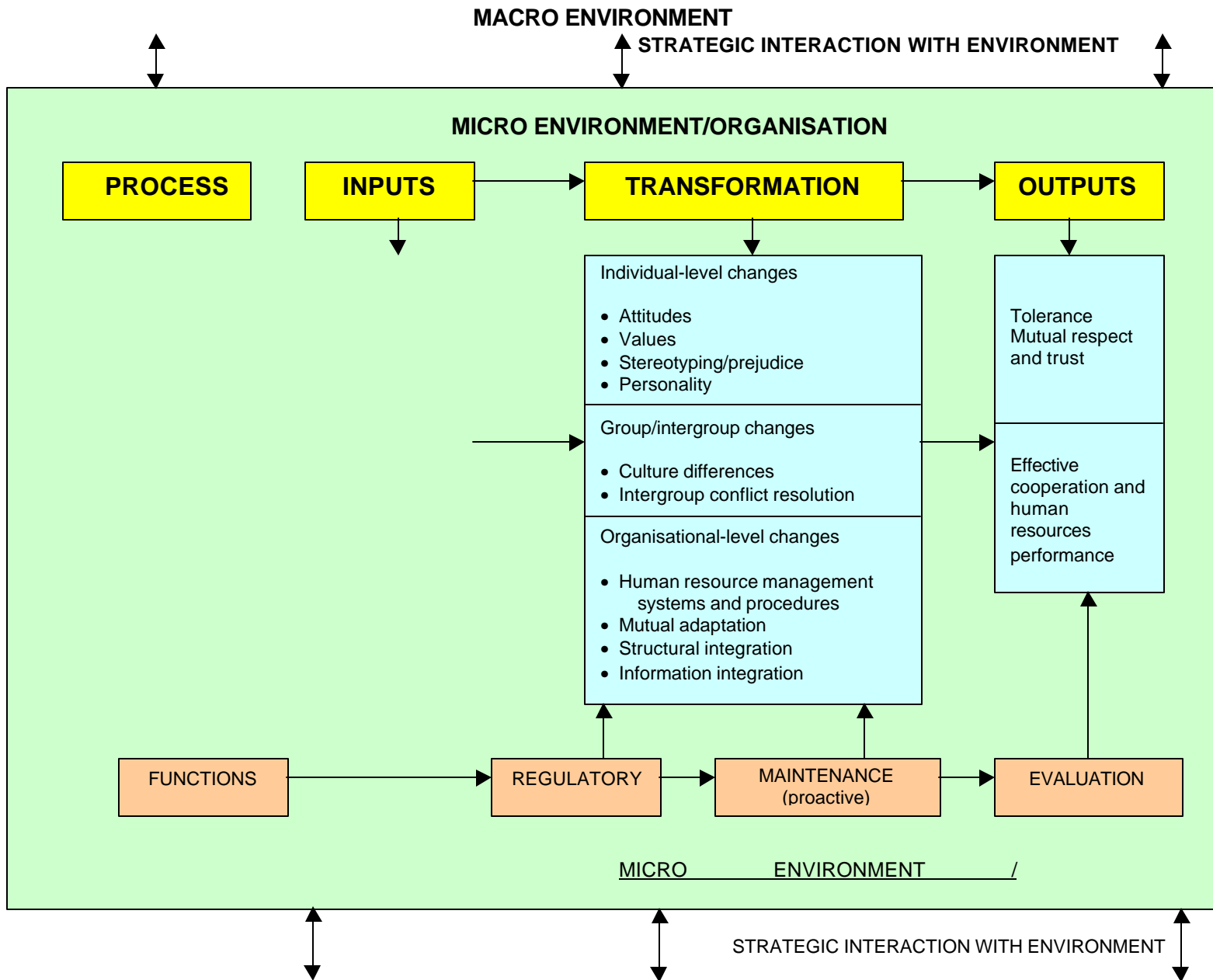


Figure 3.2 A systems approach to managing diversity

Source: Barnard et al. (2001, p. 53).

MACRO ENVIRONMENT

3.8.3.1 *Explanation of the systems diagram*

Barnard et al. (2001, p. 52) explain the systems diagram. On the individual basis, managing diversity means that one must understand individuals, what makes them different, and what their feelings and attitudes are. One would also need to assess their adaptability to change. What affects this is hidden attributes such as beliefs, attitudes, values. Whether these are positive or negative would impact on "empowering a diverse workforce".

Interpersonal interventions would involve intergroup and intra-group assessment to examine group-related values, beliefs and attitudes in order to increase awareness of differences. This would pave the way in eliminating stereotypes and underlying prejudices that would preclude positive intergroup relationships between employees.

On an organisational level, interventions should be aimed at identifying barriers to organisational change, by "analysing the organisation's culture, policy, systems and procedures".

3.8.4 What does managing diversity mean?

Kandola and Fullerton (1994, p. 49) point out that managing diversity is not the same as managing equal opportunities. They also state that if the process of managing diversity is not clearly understood, it is merely an "empty slogan" and a "short-lived management fad".

Kandola and Fullerton (1994, p. 49) also believe that concentrating on the numbers of representivity is not sufficient. Solving the headcount is by no means an end to the diversity crisis: "The preoccupation with numbers can lead to a neglect of the process that organisations use to make decisions about people and the skills of the managers in using those processes.

The assumption seems to be that as long as the numbers turn out right, everything is fine.”

Human (1995, p. 8) states that “managing diversity concerns the management of people irrespective of race, gender, ethnic background, disability, sexual orientation and so on”. She goes on to say that managers who have prejudicial notions about any race grouping cannot manage those people effectively. Such managers will have blind spots and will not be able to recognise their strengths and/or weaknesses.

Arredondo (1996, p. 17) writes that

managing diversity refers to a strategic organisational approach to developing workforce diversity, to managing organisational culture change and to empowering the entire workforce. Managing diversity represents a management approach which includes different management practices and strategies aimed at developing and empowering a diverse workforce. Organisational culture change is both an implied consequence of diversity management initiatives and a primary goal of deliberate and planned diversity management. Diversity management is a long term process designed to create a multicultural organisation with an environment and practices that are conducive to diverse needs, expectations and motives. Through such a process, management strives to empower and access the potential of a company’s workforce, contributing to the achievement of business objectives through the creation of an atmosphere of trust, respect and personal responsibility. Diversity management is a paradigm for change with people as its point of focus.

Culture change will be touched on under the next sub-heading, linking culture and culture change to that of a systems paradigm model.

3.8.4.1 *Summary: What does managing diversity mean?*

The views of Kandola and Fullerton (1994), Human (1995) and Arredondo (1996) can be summarised as follows:

Diversity is not merely a number crunching exercise, where organisations plan targets of White, Black, Coloured and Asian employees, represented by numbers within the bands of male and female employees.

Diversity is an all encompassing process, involving the entire organisation. The process also includes analysing the corporate culture. Processes and systems must be analysed to see if their outputs and objectives are in line with an environment that can facilitate the living together of all employees. If this is not the case, interventions need to be put in place so that all employees can work in a positive working environment free of prejudice and stereotypes.

3.8.5 Managing diversity

From the point of view of a systems approach, managing diversity should involve transformation interventions on an individual, interpersonal and organisational level as set out by Rosmarin in Table 3.1. Barnard et al. (2001, p. 52):

- On the individual level, managing diversity interventions must focus on how individual differences affect employee perceptions, attitudes, desires, needs and overt behaviour.
- This will also assess the individual's ability to change his/her beliefs, prejudices, stereotypes.
- Interventions must be planned at an intergroup and intragroup level so as to eliminate prejudices and stereotypes.

- On an organisational level, interventions should be aimed at identifying barriers to organisational change that exist in the organisation’s culture, policies systems and procedures.

3.8.6 Critical diversity management issues

Rosmarin (1992, p, 35) tabulates “examples of generic issues within each dimension”“that are critical for the management of cultural diversity. These are as follows:

Table 3.1: Critical diversity management issues

INDIVIDUAL	INTERPERSONAL	ORGANIZATIONAL
<ul style="list-style-type: none"> • Self-awareness: broadening the diversity focus. • Shared and unshared and guild • Racism, sexism, prejudice and guild • Paradigm shift to viewing managing diversity as an asset. • Responsibility for self-development and empowerment • Skills development • Accountability and individual ownership • Career progression accepting, respecting and valuing diversity • Language and communication training 	<ul style="list-style-type: none"> • Stereotyping cultural assumptions • Subtle and overt career sabotage • Communicating the unwritten rules • Dynamics of communicating across diversity • Managing resistance, conflict and expectations • Development of trust and respect • Support systems, eg. mentoring systems • Innovation through diversity interaction • Facilitating communication across levels 	<ul style="list-style-type: none"> • Implication of changes in demographics and the sociopolitical environment • Diversity of the organization and the market place • Beyond a culture of “one size fits all” • Individualising – not standardizing policies, systems and practices (eg. recruitment and selection, career development, performance management). • Role of leadership and change agents • Organisational development and the learning organisation. • “Membership of club” • Glass ceiling

Source: Adapted from De Beer & Radley (2000, p.8).

3.8.7 Obstacles to managing diversity

A few obstacles to managing diversity will be discussed in depth. It is, however, beyond the scope of this paper to deal with all the aspects set out in De Beer and Radley (2001, pp. 28-41).

3.8.7.1 Seven levels of obstacles

Carnevale and Stone (1994, pp. 25-26) point out that “barriers can occur at the individual, the group and organisational levels”. These correspond with the dimensions in table 3.1 above.

Carnevale and Stone (1994, pp. 25-26) write that these three levels interact with each other to hamper the process of diversity: “Factors at individual level (personal identity, prejudice, stereotyping and personality type) along with inter-group factors (cultural differences, ethnocentrism and inter-group conflict) and organisational factors (organisational culture and acculturation processes, structural integration, informal integration, informal integration, institutional bias and human resource systems) all define diversity climate of an organisation”. If the factors do not operate in tandem, then the process of diversity can occur in isolation at each level, and not holistically.

a) Resistance to change

Robbins (2001) points out that one of the best documented findings of studies on individual behaviour is that employees in organisations will resist change. It is a natural reaction to resist change, and it is not very easy to change a person’s values, beliefs and attitudes. These are so deeply rooted and subconsciously maintained that a person’s natural reaction is to resist a situation or action that potentially opposes or confronts his or her value/belief system. On the one hand, resistance to change is good as it provides the organisation with stability and predictability; however, it is a great hindrance to progress. Resistance to diversity manifests itself in subconscious and informal barriers to developing and advancing people from previously disadvantaged groups.

b) People's conditional reaction to differences

Baytos (1992, p. 91) points out that "in most cases people's responses have already been imprinted early in their lives and reinforced frequently through the media, family and acquaintances". Waltman (1995, p. 26) indicates that "most negative stereotypes and preconceptions regarding other cultures have become internalised within the individual. This is commonplace among people who have been socialised in a racially divided environment."

c) Racism

Racism was dealt with in chapter 2. Ferndale (1993, p. 2) remind us that "the way things are done and the business cultures that have been created, are largely a manifestation of the fact that, consciously or not, most people have learned to live with the consequences of racism feelings of white superiority and black inferiority".

d) Stereotypes

Loden and Rosner (1991, p. 58) define "stereotypes as fixed, and distorted generalisations about all members of a particular group". In addition, Smollan (1991, p. 55) states that "these positive and negative images are influenced by perceptions, attitudes and behaviour".

Gardenschwartz and Rowe (1993) have the following to say: "stereotypes and biased assumptions regarding previously disadvantaged groups in South Africa are maintained despite radical changes in the demographic profile of the management corporations in the country. These stereotypes and biased assumptions seem to be the result of the belief amongst most managers that especially blacks have culturally based personality attributes that make them incompetent in the western work environment". The same holds for women. According to Gardenschwartz and Rowe (1993, p. 224), the greatest concern when hiring women and people of colour is the presumption that standards, competence and standards will drop. If these definitions are synthesised, stereotyping means that one racial group has certain thought patterns about and behaves in certain ways towards another group, and in many cases these

thought processes and displays of behaviour towards that specific grouping is negative.

e) Prejudice

Allport (1958, p. 10) writes that “prejudice is an antipathy based upon faulty and inflexible generalisation. The net effect of prejudice is to place the object of prejudice at some disadvantage not merited by his or her own misconduct”. Loden and Rosner’s (1991, p. 60) viewpoint is that “it reinforces a superiority/inferiority belief system.” Human (1993, p. 36) points out the effect of prejudice: “Prejudice impacts on levels of self-confidence and on the opportunities afforded to certain groups.” Smollan (1991, p. 55) states that the effects of prejudice include “an identity crisis experienced by its victims, a heightened anxiety level, a negative self image and contradictory behaviour”.

f) Difficulty in balancing career and family needs

Carnevale and Stone’s (1994, p. 25) viewpoint on women’s difficulties in the working world is as follows: “Difficulty in balancing career and family needs, especially for women, is another obstacle to diversity development”. Gardenschwartz and Rowe (1993, p. 386) feel that “organisations do not make enough progress in creating career development options in such a way that meet the needs of women”. This is very real and valid comments from both Carnevale and Stone and Gardenschwartz and Rowe.

g) Assimilation model

Mandell and Kohler-Grey (1990, p. 42) and Van der Lingen (1994, p. 5) have two interesting points of view: They point out that many organisations have an integrative approach to assimilating new managers into the organisation that do not match the stereotypical white male. The problem, however, is that these programmes start from the assumption that there is something wrong with the new managers, not the white males. This type of approach very often reinforces the prejudices and biases that are major stumbling blocks that these managers have to overcome in the first place.

Hofmeyer (1993, p. 16) gives another point of view: the “assimilation model requires minorities to fit into the existing culture and systems of the organisation. Minorities are trained to fit in, but the burden of making the change falls on them. Some managers are so steeped in assimilation that they cannot imagine conditions under which meeting or accommodating employees would be acceptable”. This is very applicable in the South African context. Organisations do not change their culture overnight to accommodate affirmative action candidates. Very often, the adaptation is a difficult and long road for them.

3.8.8 Differing perspectives on diversity management: an ecosystems approach to diversity management

Mor-Barak (2000, p. 339) propounds three models of his diversity management approach, which he encapsulates as an ecosystems approach to diversity management. The models are based on a systems paradigm as set out in figure 3.2.

These three models are:

- the inclusive workplace- a value-based model
- the inclusive workplace- a practice-based model
- the inclusive workplace- implications for social work intervention

3.8.8.1 The inclusive workplace: a value-based model

Mor-Barak (2000, pp. 342-344) states that “the inclusive workplace is guided by a set of values that propel its policies and practices. Using an ecosystems perspective, these values are described as they pertain to varying organisational levels, from the micro to the macro”. This is presented in the figure below. The focus is on the “inclusion-exclusion continuum”, and the point of discussion is on “the values that drive the exclusionary workplace on the one hand and those that drive the inclusive workplace on the other hand”.

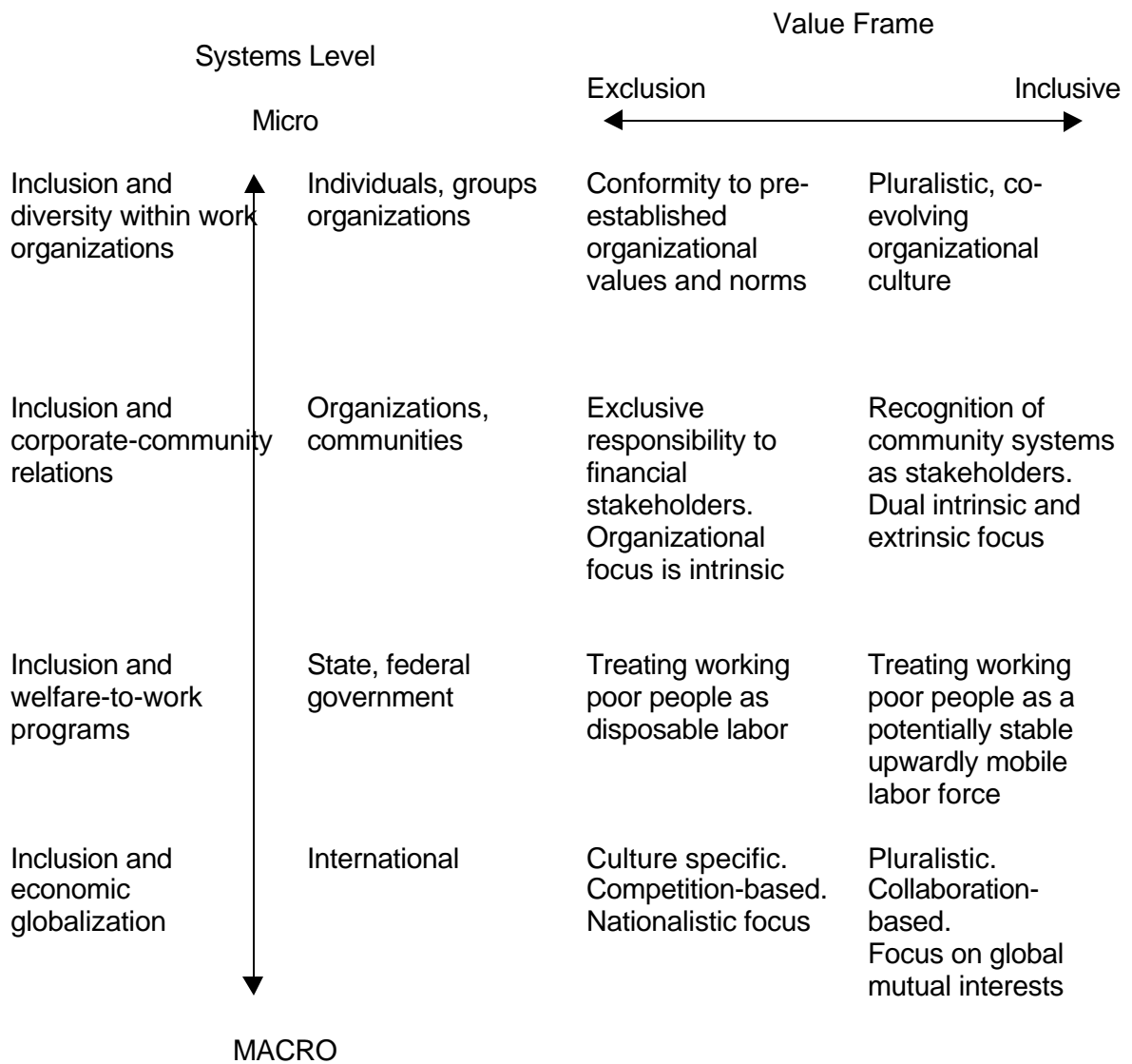


Figure 3.3a The inclusive workplace: A value based model

Source: Mor-Barak (2000, p.342)

Explanation of the model

The model outlined above examines the organisation's value frame on each of the four system's levels (the y axis) and at the two extremes of the inclusion-exclusion continuum (the x axis). Diversity is measure along a continuum of how the organisation would relate to its interpersonal relationships with its employees. The exclusionary workplace is based on predetermined organisational values and norms. The inclusive workplace is based on "a pluralistic value frame".

The exclusionary workplace is not connected to its community as its main concern is the return on investment for its shareholders. On the opposite side of the continuum, an inclusive workplace keeps "a dual focus that is both intrinsic and extrinsic" as they acknowledge a commitment to a broader community.

The inclusive workplace will focus on training and development of their staff members, whereas the exclusionary workplace will more easily hire, fire and retrench staff, relative to hiring needs of the organisation.

The exclusionary workplace operates from a framework that is culture specific, based on economic and competitive principles and is very focussed nationally. The inclusive workplace operates across national boundaries, operates on a pluralistic framework and identifies global opportunities.

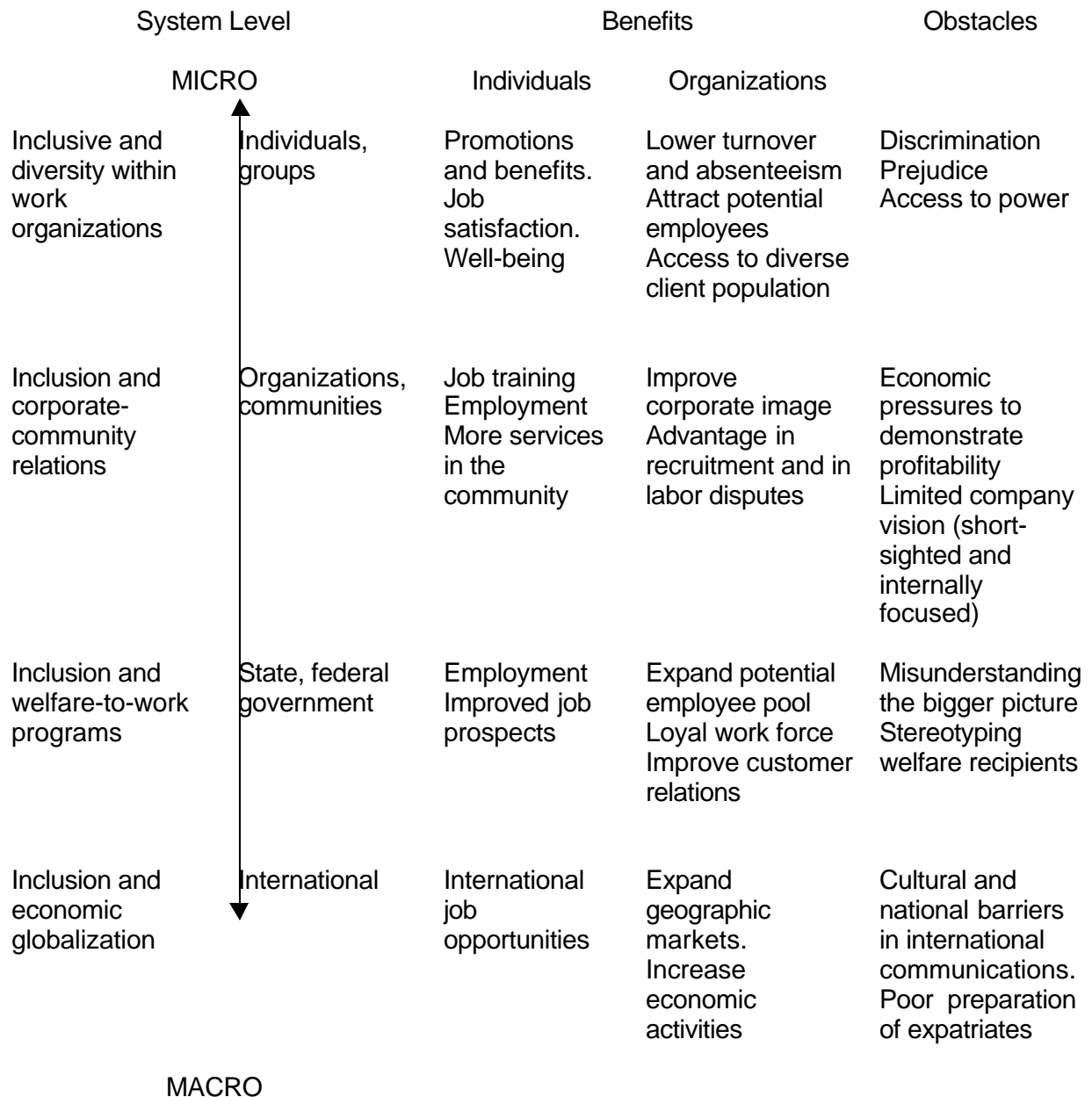


Figure 3.3b The inclusive workplace: A practice-based model

Source: Mor-Barak (2000, p. 344)

Explanation of the model

“Valuing diversity goes beyond the golden rule of treating others as you wish to be treated yourself, because it involves a higher behaviour, one that is receiver-centered rather than self-centered” Mor-Barak (2000, p. 344) . Carnevale and Stone (1995) call the process of diversity the “platinum rule”: embracing diversity means that one should treat others as they would want to be treated. An organisation that does not embrace a multicultural working environment cannot set realistic and applicable diversity-related goals.

Setting up an all inclusive workplace can overcome traditional employment barriers that previously excluded women and minority groupings. Morrison (1992) states that “obstacles to this process are traditionally suffered by women, older adults, and ethnic and racial minority groups, which include lack of support in career planning, failure to give nontraditional employees the breadth of experience required in job advancement, and a lonely and unsupportive working environment, especially in senior management posts ”.

a Inclusion and corporate-community relations

Quinn, Mintzberg and James (1987) state that “there is an acknowledgement that making a contribution to the firm’s social environment is an important corporate duty”. Clarkson (1995) and McGuire, Sundren and Schneeweis (1988) state that there is “also accumulating research documenting the connection between the firm’s social and ethical policies and its financial performance”.

b Inclusion and welfare-to-work programmes

Harris (1993) believes that an inclusive workplace helps previous welfare recipients to overcome barriers to employment opportunity. Such programmes also include assistance to mothers with young children.

c Inclusion and economic globalisation

Mor-Barak (2000, p. 346) writes: "In today's global economy, the combination of business internationalization and workforce diversity creates a challenge for companies engaged in international business. Similar to the increase in diversity of the workforce in North America, countries all over the world are experiencing the entrance of more women, as well as racial, ethnic, and national minority groups."

In an analysis of 10 industrial countries — Australia, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom and the United states —Godbout (1993) found a steady increase in the participation rates for women in each country.

Wiggill (1994) comments on an inclusive organisation from a gender perspective. Wiggill (1994, p. 14) endorses the inclusive organisation and states that “inclusivity is a frame of mind, a way of looking at things ... It is also a value currently gaining universal acceptance in organisations committed to achievement of employment equity ... The inclusive organisation affirms diversity in the broadest sense ... The inclusive organisation is attentive to symbols. Language, architecture, dress and etiquette are examples of highly symbolic facets of organisational life. From language which functions to devalue or exclude **women**, to reserved parking bays and separate canteen facilities; from a lack of wheelchair access ramps to informal networking at elitist clubs associated with minority sports, the daily rituals of corporate life manifest exclusivity which is both overt and covert; crude and subtle.”

The inclusive organisation examines the behaviour of all its employees and analyses the effects of subtle discrimination and sexual harassment. This type of organisation is also aware of how discrimination and sexual harassment can go unnoticed.

“The inclusive organisation trains all employees in the management of diversity so as to achieve a climate not just of cross-cultural awareness, not just of cross-cultural tolerance but a culture and climate where employees thrive on their unique diversities.”

3.8.9 Differences between managing diversity and equal opportunity

Kandola and Fullerton (1994, p. 49) give further details on the differences between managing diversity and equal opportunities. These are presented below:

Table 3.2 How managing diversity is different

HOW MANAGING DIVERSITY IS DIFFERENT	
MANAGING DIVERSITY	EQUAL OPPORTUNITY
<ul style="list-style-type: none">• Ensures all employees are developed to their full potential	Understands and works on issues of discrimination
<ul style="list-style-type: none">• Includes all staff, no one is excluded	Perceived as an issue for women, ethnic minorities and people with disabilities
<ul style="list-style-type: none">• Believes in employee advancement And promotes internal advancement	Less emphasis on culture change and the meeting of business objectives
<ul style="list-style-type: none">• Is promoted by all especially managers	Is perceived to be the concern of Human Resources Practitioners
<ul style="list-style-type: none">• Does not rely on positive action/affirmative action	Relies on positive action

Source: Kandola and Fullerton (1994, p. 49)

3.8.10 What do organisations perceive as the key differences between equal opportunities and managing diversity?

Martins (1999, p. 30) presents some of the comments made by South African organisations:

- Equal opportunities are legally enforced. Attitude cannot however be enforced. Attitude determines whether diversity management takes place in a positive or negative manner.

- Equal opportunities are an employee's rights and are protected by law. Managing diversity is a managerial process and prerogative which values employees' differences and deploys and utilises all employees' potential for the benefit of the organisation.
- Diversity affirms and places value on differences. Equal opportunities eliminate discrimination, but do not value differences.
- Managing diversity embraces a more holistic process and is all embracing.

3.8.11 What do organisations perceive as being the benefits of managing diversity?

Martins (1999, p. 30) gives the following benefits:

- "Allows individuals to be empowered and as a result grow and develop in a way that is more effective for them;
- Higher tolerance. Understanding of different cultures;
- Diverse thinking and more creativity. More team processes. Employer of choice.
- Focussed development and training; and
- More motivated and productive workforce."

3.8.12 Links between diversity benefits

In another model presented by Kandola and Fullerton (1998, p. 51), links between diversity benefits are presented diagrammatically.

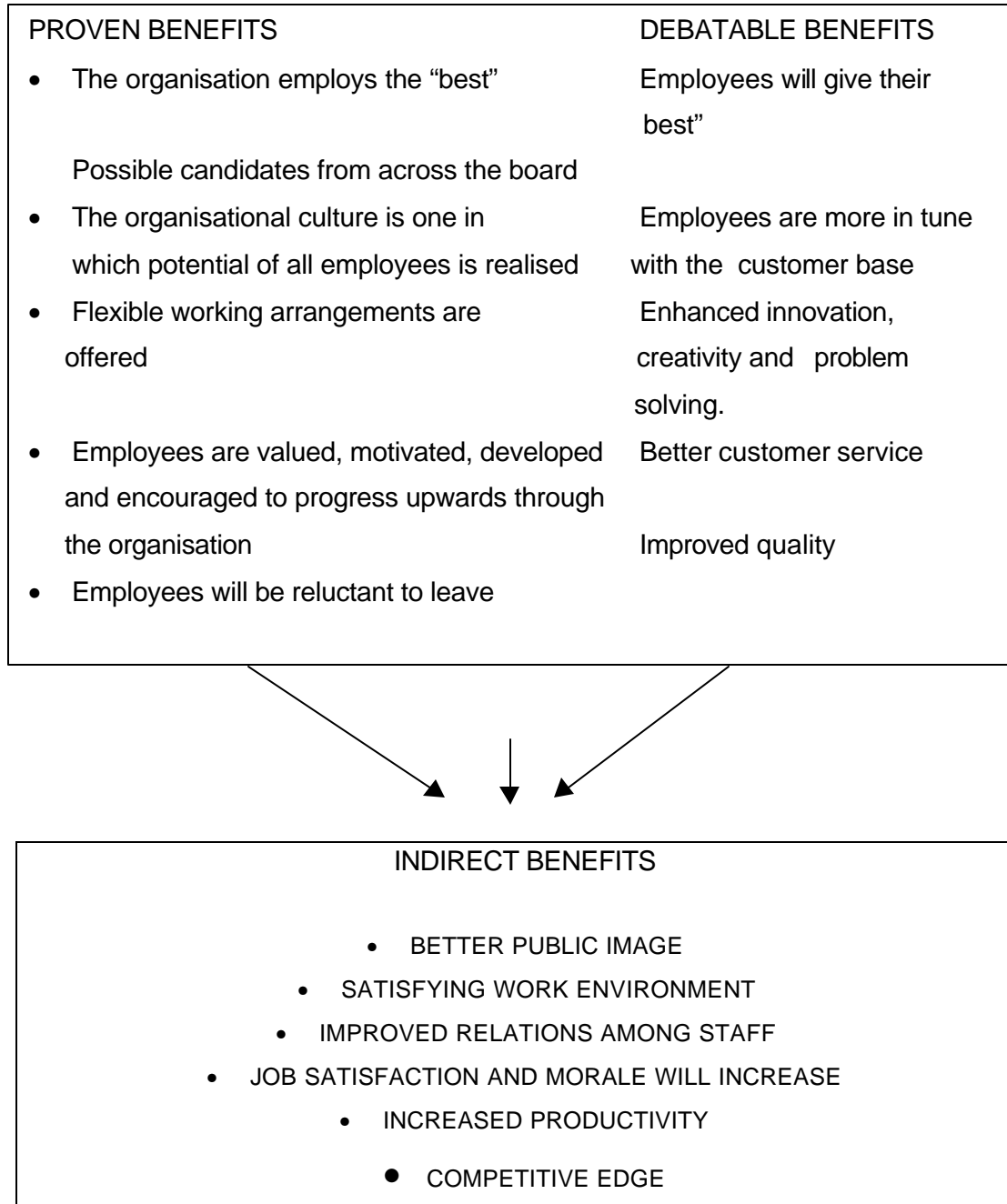


Figure 3.4: Links between diversity benefits

Source: Kandola & Fullerton (1998, p. 51)

3.8.13 Closing comments on diversity

“Work Force Diversity is about facing reality, arguably the first responsibility of a manager. Diversity training is like hearing a good sermon on Sunday. You must practice it during the week” (Rice, 1994, pp. 48-49).

3.9 CHAPTER SUMMARY

The chapter opened with an explanation of the components of employment equity. The process in South Africa started with the enactment of a Green Paper on Employment Equity, the passing of the Employment Equity Bill and finally the enactment of the Employment Equity Act No 55 (1998).

The last part of the chapter focuses on the concept of cultural diversity. There cannot be employment equity if organisations do not recognise the differences between races, cultures, genders and so on. Cultural diversity is a component of the employment equity process, as well as a natural outflow of the process. For employment equity to be successful, the micro and macro aspects of cultural diversity need to be encapsulated and embraced. A model of a successful employment equity intervention, embracing principles of cultural diversity, will be presented in the last chapter as part of the recommendations.