Chapter 6

The Labour Market and Implementation of the Employment Equity Act in the Workplace

“[Transformation numbers are] only on paper to the Department of Labour, but I tell you what, there is no comprehensive plan in place. It’s difficult for [companies] to change” (Solly, interview, November 2005).

6.1 Introduction

The democratic government in South Africa inherited the racially segmented labour market that characterised the apartheid society. Through Broad-based Black Economic Empowerment, the government is attempting to redress this by making sure that black people make advancement to the positions that will eventually allow them to participate meaningfully in the economy. While there seems to be an incremental improvement in this regard, the interviewees identified challenges which not only related to the external forces of the labour market, but also operated within companies. These challenges included lack of skills, the global context and uncertainty about how companies would embrace BBBEE. These challenges make it difficult to conclude that BBBEE-related policies will make a major impact to facilitate meaningful participation of the previously disadvantaged persons in their workplaces.

This chapter discusses how the implementation of race-based policies in the workplace is understood by the interviewees. More specifically, the purpose is to give a background against which the position and roles of the African corporate middle class in the workplace can be understood. The discussion is based on the official data about deracialisation in South Africa, interviews conducted with two people from the Steel and Engineering Industries Federation of South Africa.

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23 The bulk of this chapter is based on research I conducted with Dr Andries Bezuidenhout for the Human Science Research Council (see Bezuidenhout et al., 2004).
(SEIFSA), and the way in which black managers see the implementation of the Employment Equity Act in their workplaces.

### 6.2 Unmaking labour market discrimination

The implementation of discriminatory policies under apartheid resulted in a labour market that was segmented according to race and gender, reflective of apartheid and patriarchy towards the end of apartheid in the late 1980s (see Table 6.1).

#### Table 6.1 Labour market segmentation under apartheid

<table>
<thead>
<tr>
<th>Variable</th>
<th><strong>Independent primary labour market</strong></th>
<th><strong>Subordinate primary labour market</strong></th>
<th><strong>Secondary labour market</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Job</td>
<td>Professional, semi-professional and skilled jobs</td>
<td>Union-organised, secure; skilled and operative jobs</td>
<td>Unskilled, insecure and non-unionised jobs</td>
</tr>
<tr>
<td>Race</td>
<td>Mostly middle-class whites plus a small emergent black middle-class managerial layer</td>
<td>Mostly coloured, but also black operative workers who were COSATU members; some poor white workers</td>
<td>Mostly unskilled Africans workers</td>
</tr>
<tr>
<td>Gender</td>
<td>Mostly men; a minority of high-level positions occupied by white women</td>
<td>Mostly men; a small number of unionised black female operative workers</td>
<td>The large majority of township and rural African women found themselves in the secondary labour market and informal economy.</td>
</tr>
</tbody>
</table>

*Source: Kraak (1999) See also Edwards (1979), Webster (1985) and Crankshaw (1994).*

The category of independent primary labour market, which entails professional, semi-professional and skilled jobs, was mostly occupied by white males. Most Africans were concentrated in the secondary labour market, which required minimal skills. In terms of gender distribution, the majority of township and African women found themselves in the secondary labour market.

However, this situation was neither monolithic nor static. According to Crankshaw (1994), one can identify contradictory developments in the labour
market under the apartheid regime. Using Department of Manpower statistics, Crankshaw (1994) shows that although the distribution of the South African working population was skewed in the labour market, there was a certain amount of deracialisation in some workplaces and industries. He shows that the advancement of black people in the workplace was mostly determined by the contextual needs of a specific sector and different industrial development paths followed by different industries (Crankshaw, 1994). For example, a steady advancement of black people into semi-professional and white-collar jobs was the direct result of the health, educational and government administrative needs of the black population in black areas. This was also the case in other sectors such as finance.

A similar advancement was not possible in mining and manufacturing industries, since the mechanisation of production in these industries allowed utilisation of cheap black labour in semi-skilled and machine operative jobs (Crankshaw, 1994; Webster, 1985). Furthermore, white trade unions, with the help of government, ensured that black advancement into semi-skilled and skilled position was accompanied by the advancement of white workers into supervisory and managerial jobs in these industries.

As a result, argues Crankshaw (1994), while Africans made inroads into semi-professional and routine white-collar jobs (such as teaching, nursing, clerical), there was little occupational mobility in professional (for example, engineers, physicists, doctors) and management positions (these include top and middle management). For instance, Africans occupied 24% in 1965 and 41% in 1990 of semi-professional jobs. They occupied 15% in 1965 and 31% of routine white-collar jobs. Meanwhile, they occupied less than 5% of managerial positions in 1990. He further shows that while they dominated the lower occupational positions in the labour market, Africans made limited occupational inroads into skilled and front-line supervisory jobs (from less than 1% in 1965 to just over 10% in 1990).
Although there was black advancement in some sections of the economy, the apartheid system did not allow black people to be on the same standing with their white counterparts (Wolpe, 1988; Nzimande, 1991; Crankshaw, 1994; Von Holdt, 2003). The benefits of being in the middle class were negated not only by the lower wages of Africans, but also by the high African unemployment level. In effect, it would be difficult to classify Africans as middle class, because their income was shared among other members of the family and the extended families. As discussed in Chapter 3, the apartheid workplace regime diminished black people’s class, social status and power in the workplace and their communities.

However, the post-apartheid government formulated policies that attempt to redress the inequalities resulting from the policies of the apartheid regime. Von Holdt (2003) identifies two processes accompanying government intervention in South African society, namely, the democratic incorporation of the African working class and class formation. While the former denotes formal incorporation of black workers and trade unions into the economic system of the country, the latter means “the rapid formation of a new black elite in the sphere of politics, in social and economic activity and in the world of work” (Von Holdt, 2003: 5). Simultaneously, however, the economic thrust towards neo-liberal economic policy threatens to take away the hard-won benefits of incorporation of the working class into the workplace (Von Holdt, 2003). As is shown in Chapter 3, the interpenetration of the global economy and class formation has not been well researched in South African intellectual circles.

It is this theme, as it is seen by black managers, which is the major concern of this report. Before one can systematically look at how this transition affects class formation in South Africa, it is important to discuss the elements of Broad-based Black Economic Empowerment that are pertinent to the issues discussed in this report.
6.3 BBBEE: a comprehensive strategy for racial redress

The most comprehensive way of understanding state intervention in the labour market is to look at different mechanisms and institutions directly impacting on the South African labour market (Table 6.2).

Table 6.2 The new architecture of labour market institutions in South Africa

<table>
<thead>
<tr>
<th>Level</th>
<th>Collective bargaining</th>
<th>Minimum conditions</th>
<th>Employment equity</th>
<th>Education and training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macro level</td>
<td>NEDLAC</td>
<td>Ministerial determinations</td>
<td>Employment Equity Act</td>
<td>SAQA</td>
</tr>
<tr>
<td>Meso level</td>
<td>Statutory councils, bargaining councils, non-statutory forums</td>
<td>Bargaining councils, sectoral determinations</td>
<td>Sectoral charters</td>
<td>SETAs</td>
</tr>
<tr>
<td>Micro level</td>
<td>Collective agreements, workplace forums</td>
<td>Collective agreements</td>
<td>Employment equity plans</td>
<td>Skills plans</td>
</tr>
</tbody>
</table>

Source: Bezuidenhout (2005, in Webster and Von Holdt, 2005)

Table 6.2 shows government intervention on the macro-, meso- and micro-levels in the labour market. In its Broad-based Black Economic Empowerment strategy document, the government insists that the pieces of legislations meant to deracialise the economy of the country should be viewed within the broad strategy of Black Economic Empowerment (DTI, 2000). This, it is shown in the document, is because the developments after 1994 resulted in black economic empowerment that meant everything and eventually will mean nothing (DTI, 2000).

Thus, BBBEE is defined as

an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the number of black people who manage, own and control the country’s economy, as well as significant decreases in income inequalities (RSA, 2004: 5).
According to the BBBEE Act of 2003 (RSA, 2004), the aim of this policy is to redress the racial inequalities created by the systematic exclusion of the black majority from meaningful participation in the economy during the apartheid era. Thus, people targeted as beneficiaries of BBBEE include black communities, workers, co-operatives, people with disabilities and people living in rural areas.

The empowerment process is benchmarked through three core components covering seven elements of the strategy (Table 6.3).

Table 6.3  The scope of broad-based black economic empowerment

<table>
<thead>
<tr>
<th>Core Components</th>
<th>BEE Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct empowerment</td>
<td>Ownership</td>
</tr>
<tr>
<td></td>
<td>Management</td>
</tr>
<tr>
<td>Human resources development</td>
<td>Employment equity</td>
</tr>
<tr>
<td></td>
<td>Skills development</td>
</tr>
<tr>
<td>Indirect empowerment</td>
<td>Preferential procurement</td>
</tr>
<tr>
<td></td>
<td>Enterprise development</td>
</tr>
<tr>
<td></td>
<td>Residual element</td>
</tr>
</tbody>
</table>

Adapted from the BBBEE scorecard (DTI, 2004).

In order to ensure the implementation of the BBBEE strategy, the government formulated codes of good practice meant to be applied in the “development, evaluation and monitoring of BEE charters, initiatives and other empowerment mechanisms” (DTI, 2004: 20). In measuring the targets outlined in the codes of good practice, the common scorecard, which assigns scores according to the key elements illustrated in Table 6.3, is used.

A comprehensive empowerment process should take all seven elements into consideration. The codes of good practice set targets for these elements, to be reached by companies by 2014. The codes make a provision of 25.1% equity (so
as to give black stakeholders voting rights), 40% black management, 50%
employment equity (for the representativeness of black people in all occupational
categories and levels in the workplace), 6% skills development (development of
core competencies of black people for meaningful participation in the economy),
50% for equity procurement and 8-10% for enterprise development (investment in
infrastructure, employee benefits, and so forth) (DTI, 2000).

To ensure proper implementation of the BBBEE strategy in different sectors, the
government has drawn up guidelines in formulating sector transformational
charters which should be applied by the signatories in specific sectors (DTI,
2004). Following a call by government, several sectors such as mining and
finance have already released their transformational charters in line with this
policy.

Since the aim of this study is not to evaluate the implementation of BEE in the
country, but to look at the position and role of black managers against the
backdrop of BEE goals, it will suffice to discuss the elements relevant to this
report. In particular, this section looks at how the two components of BBBEE –
direct empowerment and human resources development – were perceived by
interviewees.

The management element of BBBEE is directly related to employment equity and
skills development, as the government aims to ensure that “black people are in
charge of and drive the implementation of operational and strategic decisions of
their enterprises” (DTI, 2005: 32). More specifically, a code for management and
control intends to improve representation of black people at ownership and
executive levels, involve black people in daily operations and strategic decision
making at the most senior level and in the development of key financial and
overall management policies. The involvement in financial and overall
management policies is meant to counter a tendency to put black people in human
relations positions such as human resources, industrial relations and marketing
(DTI, 2005).
While this code is aimed at improving representation at the control and management level, companies are referred to the Employment Equity Act (EEA) of 1997 for an element of employment equity. The aim of this policy is to facilitate representation of black persons in all levels of occupations in designated companies (RSA, 1998a). It also aims to facilitate equal opportunity and fair treatment in employment by eliminating unfair discrimination and redressing the labour market disadvantages experienced by historically disadvantaged people in employment. The government requires designated employers to submit their employment equity plans to the Department of Labour, which, in return, through the Employment Equity Commission (EEC), collates the data and examines the trends of employment in the labour market annually (RSA, 1998a). More specifically, the Employment Equity Commission reports on the improvements in deracialisation and the challenges faced by companies in implementing the EEA.

In a direct turn to the BBBEE leg of skills development, the EEA recognises the importance of accelerating skills and advanced professional skill development so as to “address the legacy of systematic labour market discrimination and inferior education” (DTI, 2005). The main focus of this leg is the development of the employees of an enterprise in line with the Skills Development Act (SDA) of 1998. This Act provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce. Two important institutional structures are provided by this act for various sectors in the economy – the National Skills Authority (NSA) and the Sector Education and Training Authorities (SETAs) (RSA, 1998b).

Among others, the NSA functions to advice the Minister on the national skills policy, strategy and guidelines on the implementation of the strategy, and liaises with the SETAs to oversee the implementation of the national skills strategy (RSA, 1998b). With the help of the NSA, the Minister of Labour launched the National Skills Development Strategy (NSDS) so as to “radically transform education and training in South Africa by improving both the quality and quantity of training to support increased competitiveness of industry and improved quality
of life for all South Africans” (DOL, 2004: 2). More specifically, it seeks to address the problems associated with the apartheid labour market by injecting high skills and a commitment to lifelong learning into previously disadvantaged people (DOL, 2004).

The implementation of this strategy is the responsibility of the National Skills Fund (NSF) and SETAs (DOL, 2004). Managed by the Department of Labour and guided by advice from the NSA, the NSF receives a portion of levies paid by employers, who, according to the Skills Development Levies Act, are required to pay 1% of their payroll for skills development in the country. Eighty per cent of the money collected is transferred to SETAs, which are responsible to place people, whether unemployed or employed, in learnerships to acquire skills and work experience. Currently, there are 25 SETAs in South Africa responsible for offering learnerships in different sectors of the economy (DOL, 2004). Accordingly, the skills development leg of human resources development complements the employment equity leg in that it provides the skills that will fast-track representation of previously disadvantaged people in the economy.

The main question, which the next section seeks to answer, is do they facilitate deracialisation of the workplace? This question is answered by looking specifically at the implementation of the EEA in the companies of the interviewees. The focus, of course, is not limited to the EEA, as this is related to the BBBEE elements discussed above.

6.4 The implementation of the Employment Equity Act in the workplace

The 2004 Employment Equity Commission report shows that there has been an increase in deracialisation of South African workplaces (Table 6.4). More black people and women are employed in higher positions in the workplace. The data presented below shows that the proportion of black people in top management positions increased from 12.7% in 2000 to 21.1% in 2004. The proportion of Africans increased from 6.2% in 2000 to 11.8% in 2004, which is the highest
number compared to coloureds and Indians. The proportion for females increased by 2.7% from 12.4% in 2000 to 15.1% in 2004.

Table 6.4 Changes at top management level from 2000 to 2004

<table>
<thead>
<tr>
<th>Race</th>
<th>Top Management 2000</th>
<th>Top Management 2004</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whites accounted</td>
<td>87.5%</td>
<td>78.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Africans accounted</td>
<td>6.2%</td>
<td>11.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Coloureds accounted</td>
<td>2.7%</td>
<td>3.7%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Indians accounted</td>
<td>3.8%</td>
<td>5.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Blacks accounted</td>
<td>12.7%</td>
<td>21.1%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Top Management 2000</th>
<th>Top Management 2004</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whites accounted</td>
<td>87.6%</td>
<td>84.9%</td>
<td>-2.7%</td>
</tr>
<tr>
<td>African females</td>
<td>1.2%</td>
<td>2.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Coloured females</td>
<td>0.7%</td>
<td>0.8%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Indian females</td>
<td>0.5%</td>
<td>0.8%</td>
<td>0.1%</td>
</tr>
<tr>
<td>White females</td>
<td>10.2%</td>
<td>10.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>African males</td>
<td>5.0%</td>
<td>9.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Coloured males</td>
<td>2.0%</td>
<td>2.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Indian males</td>
<td>3.3%</td>
<td>4.8%</td>
<td>1.5%</td>
</tr>
<tr>
<td>White males</td>
<td>77.3%</td>
<td>68.2%</td>
<td>-9.1%</td>
</tr>
</tbody>
</table>


The increase of the proportion of African females is still high at 4.0% compared to coloureds (0.1%) and Indians (0.3%). Although there is unevenness in growth, this trend can also be identified in other occupational levels such as senior management and professional positions (EEC, 2004).

While this shows us an improvement in workplace deracialisation, most interviewees saw slow progress in their workplaces. For instance, Chris (interview, November 2005) described the situation of his company as follows:

Like most South African companies, this company has got the ‘Irish coffee syndrome’. It is white on top but black underneath. In terms of numbers, black people are the majority, but in terms of influence they are very low.
This quote indicates that the majority of black people find themselves at the bottom of the scale, which makes their influence in the running of the company minimal. Other interviewees managed to give breakdowns of the managerial structure in their workplaces:

We are eight in management, six white males, one black female and one black male (Thapelo, interview, October, 2005).

Thabang (interview, November 2005) said that he was the only one at managerial level:

[The managerial structure of this company] is lily-white. I’m the only [black person] on the management level (Thabang, November 2005).

Indeed, my notes recorded answers such as:

It is only on paper to the Department of Labour, but I tell you what, there is no comprehensive plan in place.

It should be stressed that the above interviewees were in white-owned companies in the private sector. There were few in this sector that saw real commitment from the management level. For instance, Jacob (interview, November 2005) argued that there was commitment from his managing director and, as a result, his company was making huge progress in implementing the EEA.

The EEC also collects data concerning the challenges to the implementation of EEA. The most common “barriers” to the implementation of the EEA identified by the Commission were low staff turnover and lack of skills in the economy (EEC, 2004). The report also shows that other barriers include inadequate succession and experience planning, recruitment and selection procedures and training and development.

The skills shortage is regarded as the major obstacle for the implementation of BBBEE by experts and black managers. This makes it difficult to implement BEE in two ways. Firstly, it is difficult to find suitable BEE candidates. For instance, it is difficult to find suitable people in the steel, metal and engineering industry because there are few black people in the labour market with engineering, craft and managerial skills. According to McDonald (interview, October, 2005),
We need people with post-graduate degrees to be in senior managerial positions, but it is difficult to find those people.

Indeed, this concurs with the figures presented by the Engineering Council of South Africa (ECSA) and the Department of Education (DoE) (Table 6.5).

Table 6.5 Race and gender profile of registered engineers, technologists and technicians, June 2004

<table>
<thead>
<tr>
<th>Race</th>
<th>White</th>
<th>Africans</th>
<th>Coloured</th>
<th>Indian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>25,767</td>
<td>2,090</td>
<td>238</td>
<td>1,052</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>24,881</td>
<td>861</td>
</tr>
</tbody>
</table>

Source: ECSA Register of Engineers.

As Table 6.5 shows, there are few black registered engineers in the country compared to white people. The situation is worse for women. Similarly, few black people graduated with higher education qualifications per million (Table 6.6).

Table 6.6 Technikon and university engineering graduates per million of population, by race, 2000

<table>
<thead>
<tr>
<th>Graduates</th>
<th>White</th>
<th>Coloured</th>
<th>Indian</th>
<th>African</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technikon graduates: national diplomas</td>
<td>128.94</td>
<td>46.41</td>
<td>89.72</td>
<td>29.96</td>
</tr>
<tr>
<td>Technikon graduates: higher diplomas &amp; BTech degrees</td>
<td>69.29</td>
<td>9.23</td>
<td>59.51</td>
<td>3.88</td>
</tr>
<tr>
<td>University graduates: bachelor degrees</td>
<td>175.05</td>
<td>9.76</td>
<td>56.76</td>
<td>6.53</td>
</tr>
</tbody>
</table>


This can be attributed to the legacy of the apartheid regime as most black people did not have opportunities to study Mathematics and Science in school. It is argued that most employers are sponsoring engineering courses at institutions of
higher learning, but very few black people are able to complete these courses. This is because there is no proper career guidance in most schools. As a result, argues McDonald (interview, October, 2005), most people prefer other industries such as mining, information technology, banking and insurance because “there is no glamour in this industry”.

The second point, which is directly linked to the one discussed above, is that most black people in the labour market engage in “job hopping”:

Most skilled black people applying for jobs in the industry are already earning more than what most employers are able to offer. Also, they have many job options to choose from. Now, you don’t need a company in which people move around a lot, because you need the institutional memory for the company (McDonald, interview, October, 2005).

Following from this, one may ask about the impact of the National Skills Development Strategy in the economy of the country. According to the 2004/2005 National Skills Development Strategy report, there is an improvement on SETAs’ outputs of learnerships (DOL, 2004). However, the NSDS did not succeed in meeting the equity target set for 2005. As a result, the Department of Labour formulated other targets to be met by 2010. The major difficulty faced by the Department of Labour is its inability to track the placement of learners who have successfully completed their learnership programmes with employers (DOL, 2004). In other words, although there is success in training learners through SETAs, it is difficult to know how many of these managed to get jobs after their learnerships were completed.

Although both interviewees from SEIFSA agreed that it was very early to tell about the impact of the NSDS, there seem to be reservations about the ability of the strategy to achieve its goals. For instance, McDonald (interview, November 2005) argued that he doubted whether the Metal, Engineering and Related Services Sector Education and Training Authority (MERSETA) would produce relevant skills for the industry:

I don’t think SETAs will manage to produce right people for the industry. As I said, we need the cream … people who managed to go to universities.
with good Maths and Science … most of the jobs in this industry need Maths and Science.

According to Lopes (interview, November 2005):

Currently, there is focus on learnership system, and the plan is that it will eventually replace the apprenticeship system. In a period of confusion … while we’re waiting for something to happen, we [have] stopped using the existing system and we don’t succeed to produce the number of people with required skills in the industry.

In addition to the fact that the skills system of the country is in a transitional phase, interviewees identified the changes that happened in the last few years as putting pressure on the process of skills production:

Previously, government and parastatals used to train people. But it is different now because parastatals become more business oriented (Lopes, interview, November 2005).

This means that the parastatals are also more concerned with profit making and thus are not able to accommodate inexperienced staff.

However, Thapelo (interview, October, 2005) sees the situation differently:

I don’t want to blame the low level of skills; companies are not doing enough to address the situation. Instead, they compete amongst themselves to get a highly skilled person. Nonetheless, this does not downplay the significance of training new employees for experience. Training is quite an involved process and requires time. But, when clients want service, they want it now (Thapelo, interview, November 2005).

This quote shows the contradictory purposes in the workplace. While there is scope for training in the workplace, there is also a productivity imperative to remain competitive in the industry. Indeed, McDonald (interview, October 2005) concurs with this view. For him, it is important to note that BBBEE is being implemented during a period when the manufacturing sector is experiencing competition from foreign companies. More specifically, China is regarded as a major threat, as Chinese companies are heavily subsidised by their government, manage to produce sufficient skills for its economy and boasts one of the cheapest labour markets in the world (McDonald, interview, October 2005).
This shows us the interaction between BBBEE and globalisation for companies in South Africa. As Lopes (interview, November 2005) argues, this affects both private and public sectors. However, Mankwe (interview, November 2004) argues that the globalisation discourse is sometimes used wrongfully to legitimate companies’ inability to implement the Employment Equity Act:

The government supports the fact that [parastatals] must focus on their core business. This gives [people in control] leverage to redefine the goals of the organisation [so as to avoid transformation].

According to McDonald (interview, October 2005), a need for competitiveness should not eclipse companies’ commitment to transformation. He argues that a cause for concern is the seemingly contradictory purposes resulting from the lack of acceptance of transformation in the industry that one can identify in many companies. For example, on the one hand, the top management of a company is committed to facilitating black advancement in companies, but some white people in senior and middle management feel threatened by black people in the workplace. On the other hand, middle management may be committed to transformation, only to find that this is not the case for the top management. There is a need for real commitment from top to bottom level management to achieve BBBEE goals (McDonald, interviewee, October 2005).

This concurs with what some black managers see in their companies:

I don’t think there is support from top to middle level management. This should be part of the agenda, be reviewed, and monitored. There is no commitment. It is a reluctance of the management … they feel threatened about the number … or the change in South Africa is not well embraced personally by major companies (Julius; interview, September 2005).

The important thing about the above quote is that it identifies continuities of the past in the workplace. As it is shown in Chapter 3, one of the reasons for colour bar policies in South Africa was the fact that most white people, as the minority, felt threatened that black people’s occupation of supervisory and managerial jobs would result in white people being unemployed (Webster, 1985; Crankshaw, 1994).
Some managers are aware of the hypocrisy in their companies:

They talk, but inwardly they don’t want to change. There is no plan put in place. It is only on paper to the Department of Labour, but I tell you what, there is no comprehensive plan in place. It’s difficult for them to change (Solly, interview, November 2005).

The above discussion shows that the skills shortage represents a major challenge for most white-owned companies to implement EEA. More specifically, this seems to be difficult because the implementation of BBBEE happens within the global environment. However, some black managers argue that this is sometimes used to justify lack of commitment to transformation by some companies. The interviews show that it is commitment from the top to bottom level of management that will facilitate proper implementation of EEA in companies. The remaining question to be answered, however, is what are the implications for transformation strategy and the position of black managers in the economy?

There seems to be a belief that black ownership of companies would facilitate proper implementation of BBBEE (McDonald, interviewee, October 2005). However, there is also a serious need for attitudinal change of many black people in senior and top management level for BBBEE to be successful. So far, argues McDonald (interview, October 2005), the majority of those who are in these positions seem to be oblivious of the needs of the majority of black people. For him, black people in higher positions should be conscious of BBBEE and reach down to pull black workers up to the ownership level.

Those in black-owned companies argue that the EEA is being implemented satisfactorily. Also, those with shares in companies seem to be well positioned to influence the implementation of EEA in their companies. For instance, Makhaya (interview, November 2005), who has shares in a small engineering company, puts it thus:

We made a conscious decision that if a person leaves, we employ a black person. We have sensitised all staff members about the importance of EEA and that was not a big problem. If somebody have a problem with that, and they feel like they are not part of the management … maybe they don’t belong here … maybe they should go somewhere else. They have an option. And, it is possible to come from a mere labourer to become a
partner in this company. Before I joined this company, it had a fair amount of a paternalistic culture, where you had people reporting to a single individual. We introduced a flat [managerial] structure.

This quote represents not only a commitment, but also the use of influence to enforce the implementation of the EEA in the workplace. In a similar vein, one interview argues that that BBBEE represents a new struggle to be fought, like the one against the apartheid system:

There is a need to attack this situation in the very same manner in which apartheid was attacked. During the apartheid era the community was involved, individuals … the groups were involved. Now, the manner in which the new struggle is structured, we need to empower black people with skills, because most of the skills are with white people. And then, you find [that] most black people do not understand the manner in which transformation should be carried out (Solly, interview, November 2005).

These quotes direct us to the question of the position and the role of black managers in the workplace. It is shown here that through batteries of policies associated with BBBEE, the democratic government attempts to redress the legacy of apartheid in the labour market. However, as shown above, the major difficulty to achieve the goals of these policies is that there is lack of sufficient skills in the country. This is intensified by the fact that BBBEE policies are implemented in a global context, which forces many companies to focus on competitiveness instead of employment equity and training. In spite of this, some interviewees argued that the globalisation discourse is used to justify the extra-market forces influencing the implementation of BBBEE strategy. Importantly, one can identify persistence of the legacy of apartheid in this regard. For instance, it is argued that some white-owned companies find it difficult to embrace the idea of transformation in their companies.

In conclusion, one can argue that the growth of black managers in the workplace occurs in a context in which there are contradictory purposes resulting from the imperatives of deracialisation and global competitiveness. Furthermore, one can identify uncertainties about embracing BBBEE in South Africa. This discussion helps us to understand the contextual background within which black managers find themselves. One can now turn to the question about the position and role of black managers in the workplace.