

THE ROLE THAT PARTICIPATIVE MANAGEMENT CAN PLAY TOWARDS TELKOM SA VISION 2000

By

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SYNOPSIS

Participative management has now taken a turnaround approach to seek viable solutions for survival of business in ever changing environments. Participative management focuses on those taken for granted trivial aspects that promote synergy and economic prosperity in organisations. Management has now come to realise the prominent role that an employee can play in this regard. The buzzword now is knowledge of the knowledge of business in global village. What does this concept mean? Management must know the workers inasmuch as they should know their customers and business they are operating in. Research studies have revealed that attitudes, behaviour and performance are integral elements of participative management.

Participative management is a term that is often mentioned and even praised but not very well defined for most of the organisations. To some people, it just means having an open- door policy. To others, it means setting up an elaborate decision-making web in a company in which everyone shares in the decisions made about everything affecting them.

Furthermore participative management is admittedly a synthesis of several management theories, none of which is superior over the other but is dependent on companies' policies and local environmental factors. Combining the best of these several theories with a variety of state-of-the-art ideas may result in a unique leadership style that suits both the management and the employees at large, in

pursuance of business goals. The basic principle is to actively involve all employees and managers alike in a common goal as contained in the mission statement and strategic business objectives. Overall goals should be clearly defined and understood by everyone in an organisation. In most cases, face to face communication among all employees and all managers is one of the critical success factors. It is on this premise that participation of employees in organisational management will be studied.

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CHAPTER 1

INTRODUCTION

1. STUDY ORIENTATION

“How do you keep a worker 24 hours?” Alternatively, what seems to turn people on at work? These are million-dollar questions to answer. Solutions to these questions have occupied the minds of many business people, management gurus, government heads and behaviourist scientists. A lot of research and soul searching has been done in and around this mind-boggling puzzle. It is a known fact verified by research findings Schute (1994:22) that a worker will not turn into excellent performance if not committed to the job and to the organisation and is not operating in a climate of mutually established trust relationship – *Participative Management*. Participative management processes are proven and powerful tools that can give answers to the concerns that leaders of today face in making employees tick at work. However, these processes are not the ends in themselves but a means to achieving greater ends.

Proponents of this school of thought are of the opinion that the success and effectiveness of any system today depends on the full participation and involvement of employees at all levels in an organisation. It has also been proved that there is a mounting evidence that participatory style of leadership behaviour is highly related to the improved and effective work performance and hence, increased profits and enhanced quality of work of life. Cangemi, *et al* (185:xv). Garfield (1992) and Wetherbe, (1997) all agree that people must be considered first before profit for

organisations to thrive and prosper. Therefore, it is with this understanding that participation of employees will be studied in an attempt to discover how employees could be meaningfully engaged in maximising profits.

Matthews, (1996) reports that one must question whether the way in which business transformation initiatives are implemented is sustainable and appropriate, particularly in matching up to the drivers for change experienced across South African business. In a study that was conducted by Ernst & Young on business transformation in South Africa the following scores based on world class practises were obtained:

- South Africa (5);
- Strategy (7);
- Processes (4);
- Technology (6); and
- People (3).

The study also revealed that both cohesion and courage to re-engineer seem to be lacking. As it can be seen people factor in transformation processes was ranked only three relative to the other elementary constructs of re-engineering. There is a tendency to avoid the more intangible components of human capability and development, the report says.

The survey rated phases of transformation as follows:

- Initiation (7);

- Conceptualisation (5);
- Ownership (2);
- Launch (4)
- Implementation (4); and
- Outcomes (5).

For these obvious reasons, re-engineering practices in Telkom SA regarding the human factor calls for an enquiry.

1.1 TELKOM SA TRANSFORMATION

In 1991 the Department of Posts and Telecommunications split into two separate companies, namely, Telkom SA (Pty) and South African Post Office Ltd. This was a significant breakthrough in the history of government controlled institutions. This breakaway demanded a radical paradigm shift in management styles of these companies.

Brian Clarke was appointed as the first Chief Executive Officer (CEO) for Telkom SA in 1991. He was faced with the mammoth task of transforming the new company into a giant telecommunications company in the southern hemisphere. He was indeed, faced with the enormous challenge of **firstly** running the company in the most profitable manner possible and **secondly** changing the hearts and minds of the entire workforce. Brian was more visible than the former Postmaster General of the old dispensation. He introduced a very vibrant communication channel (TVN) through which he propagated his vision. A series of scenarios: *The Zoo*, *The Game*

Park and The Jungle were broadcast at regular intervals on TVN – Internal Television Network. The main idea behind these broadcasts was to paint a picture of what the company looked like prior to commercialisation, what it was like at present and what it should look like in the future. In an effort to enable transformation to take place Vision 2000 came about (see appendix 1).

1.1.1 Vision 2000

Vision 2000 responds to government license agreement of providing telecommunication services to all South Africans and especially in under-served areas, and secondly, to provide quality telecommunications services. This drive demanded a balanced approach requiring the setting of targets for all key elements of the business as follows:

- Fixing faults quicker;
- Reducing the number of faults;
- Installing new telephones faster;
- Improving the affirmative action profile;
- Raising the morale of employees;
- Improving customer satisfaction; and
- Making enough money to fund network expansion and modernisation.

These targets were all given equal priority. Nothing and nobody was left behind in the process of driving the company into world-class status. In March 1997 Strategic Equity Partner (SEP) obtained a 30% share in Telkom to speed up the already established transformation processes.

1.1.2 New Strategic Equity Partner

The new giant partners Southern Bell Corporation (SBC) and Telekom Malaysia did very little to change the Vision 2000 objectives except to endorse the already existing objectives as follows:

- More lines;
- More training;
- Better customer service;
- Happier employees; and
- No job losses.

1.1.3 Re-engineering within the company

The services of Gemini consultants from the United States of America (USA) were acquired in 1994 to assist in swinging the company into an up-side business mode. As a result of their recommendations "Project Rainbow" was formed under the auspices of re-engineering division. Primarily "Project Rainbow" dealt with customer focused delivery processes such as:

- Performance improvement in terms of Service Level Agreement and sourcing of performance solutions;
- Needs analysis of business, performance and on-the-job behavioural requirements;
- Identification of appropriate systems and processes within the work environment;
- Evaluation of customer survey and Return-On-Investment (ROI);

- Customer interface to ensure customer satisfaction; and
- Research and Development **firstly** to deal with external challenges pertaining to goal accomplishment in terms of competition and **secondly** internal challenges to address employee morale, skills gaps and obstacles.

Despite these good intentions of the company an element of cynicism still prevailed as will be discussed in section 1.2 below.

1.2 PROBLEM STATEMENT

Much has been accomplished through re-engineering processes in Telkom over a relatively short period. Nonetheless, like in any other changing organisation, transformation processes in Telkom SA were not accepted with open hands and minds more especially from operational workforce and the first-line management because of the following:

- Fear of the unknown – Fears were reigning high about job losses. Many employees especially from the auxiliary ranks believed that retrenchments were coming. Despite the fact that unions were on board from the beginning the masses still did not trust these new initiatives;
- Lack of knowledge and skills – Newly implemented systems and procedures required more specialised knowledge and skills that the operational employees lacked because of their literacy levels. Time lines for the implementations of these processes were too short for most of the employees to cope with;

- Comfort zone disturbed – Those that could cope, it is assumed that they revoked new process because they did not want to do things differently from what they were used;
- Political affiliation connotations – Labour movements are known to resist change that would affect the employees at large and therefore, it could be also be assumed that, discontentment was based on political motives;
- Lack of business acumen- Government was putting a lot of pressure on Telkom deliver in terms of universal telecommunication services. Telkom management understood the new business venture, but from the look of things workers did not why the company should operate differently;
- Feeling of being threatened – Supervisors and middle management were uncomfortable because the on-coming changes might interfere with their old ways of doing things and they felt that their positions were threatened by either the processes themselves and fear of facing consequential challenges of competition from peers and subordinates ;
- Fear of failure –Middle management and employees. alike were too sensitive not to make mistakes, lest, they could loose jobs

It is for the above reasons that an investigation of participative management in Telkom evolved. The importance of Vision 2000 can not be over emphasised. Vision 2000 forms the most fundamental principles for companies that are aspiring to be successful.

Therefore, it became a worthwhile exercise to investigate the feelings of the Telkom employees with respect to what was taking place in the management fold.

1.2.1 Objectives

Motivating factors behind undertaking this research study were primarily to :

- Identify and analyse those factors which strengthen participative management processes in establishing organisational effectiveness;
 - Do a literature study to find out how other organisations are involving their workers; and
 - To determine to what extend is participative management practised in Telkom SA in terms of the following gatekeeping constructs:
-
- Participation;
 - Satisfaction;
 - Ownership;
 - Commitment;
 - Frustration; and
 - Decision Quality.

1.3 RESEARCH METHODOLOGY

Theory will be researched in the latest literature, including periodicals and articles to assist in acquiring the background on the following:

- Participative management processes;
- Re-engineering processes; and

- Analysis of how other organisations succeeded in implementing successfully both participative management and re-engineering processes.

The empirical study used structured questionnaires entitled "Reactive Index" (see Appendix 2) from Productivity Development (Pty) Ltd. The questionnaires (see Appendix 3) were slightly modified by reducing the number of alternatives from nine to four choices.

From the literature study and empirical research conclusions and recommendations will be made.

1.4 LIMITATIONS OF THE STUDY

The study will be focusing on a discussion of various participative management approaches. No participative model will be singled out as the best because of the diversity of the business sectors involved.

Research findings and recommendation will be limited to Telkom SA. The survey results will be based entirely on non-probability of the sample that participated in this study. Since Telkom has approximately 58, 000 employees it would be too expensive and time consuming to conduct a proper research study for the purpose of this study. The study is again limited to operational staff excluding all levels of management and support staff. Not all operational employees participated in this research but only those who were present at the six main training centres for the duration of the study.

The measuring instrument for the study, namely the Personal Reaction Index (Hall 1997) was specifically focused on exploring the significance of *process and contents* issues as they impact on organisational and group functioning. Specific attention is focused on the significance of gatekeeping as a *process* function and the predictable *feeling* consequences of involvement versus non-involvement that develop as a direct result of the manner in which gatekeeping needs are managed.

1.5 DEPLOYMENT OF THE STUDY

CHAPTER 1: This chapter provides an orientation to participative management, outlines the problem statement, the introduces Telkom SA and its transformation processes. The purpose of the study is tested in Chapter 4 against the objectives formulated.

CHAPTER 2: In this chapter participative management concepts which emerged from the literature that was studied are discussed with a view of shedding some tentative light into problems concerning the status quo within the company. The literature study is used in Chapter 6 to validate conclusions and recommendations.

CHAPTER 3: Chapter 3 deals with the empirical study, in terms of research design, data collection and administration of the questionnaires. Research instruments and results are discussed.

CHAPTER 4: This chapter analyses the research results in terms of the questionnaire's main components. Less significant components of the questionnaire are not discussed in detail, but participation and decision-making have been

analysed in detail. Research findings are compared with the PULSE survey that was conducted in 1996 and 1998.

CHAPTER 5: This chapter aims to assess the present position of participative management within the corporate strategy of the company. Telkom SA mission and value statements will be examined in the context of the latest literature on participative practices and re-engineering approaches.

CHAPTER 6: This chapter summarises the research study, draws conclusions and offers recommendations which could be used as guidelines to implement worker participation in Telkom SA.

CHAPTER 2

LITERATURE SURVEY: PERSPECTIVES OF PARTICIPATIVE MANAGEMENT

2. INTRODUCTION

Participative management is quite a complex process and in most cases poses conflicting ideas. According to Schutte, (1993:22), creation and maintenance of organisational health demands higher productivity; however, high performance and human development are the cornerstones to its realisation. He says that it is a known fact, verified by research findings, that a worker won't turn into an excellent performer if he or she is not committed to the job and to the organisation, and is not operating in a climate of trust and mutually established relationships. A perception of ownership (a sense of belonging, affiliation and power) of the job creates and results in commitment to the job. Although, participatory processes are not the only building blocks of success, they make a major contribution to the wealth and productivity of an organisation.

Participative management will be defined and discussed within the framework of historical perspectives, corporate strategy, productivity, total quality management, continuous improvement, new governance, the need and scope for its existence, and the latest philosophies on managing human kind such as fair processes, collaboration, commitment and creativity. An attempt will be made to think a little bit wider in establishing what can be done with the reserve potential that participative

processes have created by way of looking into organisational entrepreneurship. In this discussion, it will be pointed out how do participatory processes assist businesses in sustaining a competitive edge in the global markets - globalisation. The bottom-line of participative management is that it increasingly and evidently enhances performance, productivity and wealth in an organisation.

2.1 HISTORICAL PERSPECTIVES

2.1.1 Socialism versus capitalism

The quest for industrial democracy goes back for at least more than a few decades. The rejection of capitalism (private ownership) gave birth to **socialism** (state ownership) which was mainly meant to liberate mankind from oppression and misuse for economic gains by certain privileged individuals. Socialism was also aggressively attacked on the premise of the critical approach (dismissal of class ideology). This was a dual forefront battle against capitalism and state monopoly. Guerevitch *et al*, (1982:13).

The much aspired economic prosperity and now recently the new concept of globalisation have shifted the focus from political motives, personal financial gains and joint decision-making to a more profound and meaningful collective business acumen benefiting all role-players. It has come as no surprise that a wide range of topics on participative management such as employee participation, employee involvement, empowerment, entrepreneurship, self-directed teams, transactional and transformational leadership, as examples, have rapidly mushroomed around the behavioural science literature. To better come to grips with the above concepts and

philosophies, it would be proper to understand participative management as conceived and stated by some of the renowned scholars in the field of human resource management as will be discussed.

2.1.2 Industrial democracy

The main argument with the critical school of thought is that while a democratic order of society provides employees with full civil rights, these rights were not extended to the workplace where workers spend a good part of the day. The second argument emphasises economic significance at the enterprise-level of democracy. Employee participation might enable workers to play a more creative role in the organisation and prosecution of work, leading to greater efficiency and maximisation of profits.

2.1.3 The role of the state

Galenson (1991) and Bendix (1993) are of the opinion that, state involvement is an integral process in participative practices, while maintaining an overall protective role in business. Shear and Sirkhot, (1996:30) put this thought into the South African context as follows: "A point of reference should be the introduction of workplace forums that emphasise and encourage joint-participation and problem solving". The function of forums is to represent employees in the workplace and to negotiate with management about various matters of concern to them. The sole purpose of workplace forums is to promote the interest of all workers and to promote the efficiency of the business in consultation with the employer on a wide ranging issues affecting the welfare of the employees in a workplace.

Wood (1998:19-21) also gave an overview of state involvement as follows: According to new Labour Relations Act, recently passed in 1995, the concept of workplace forums was primarily enacted to address productivity through constructive communication in a workplace. The act represents the product of extensive consultation and broad-based negotiations involving the state, labour and business. Workplace forums system as instituted by the state, form a compromise between different interests, with a number of different desired outcomes. Workplace forums are consultative bodies focusing on practical issues such as the terms and organisation of work but not on issues that fall within the ambit of collective bargaining, which is the next higher body instituted by the state. The Act has laid down guidelines under which consultation should take place as follows:

- Restructuring of the workplace;
- Introduction of new technology and new work methods;
- Changes in the organisation of workplace, plant closures, mergers and transfers if they impact on employees' dismissals as a result of operational requirements (technological, economic, structural) and similar exemptions from any collective agreement or any law;
- Job grading;
- Criteria for bonuses;
- Education and training; and
- Product development plans and export promotions.

State participation for this matter is meant to enable mutual agreement of the employer's and the employee's conflicting interests.

2.2 THE CRITICAL APPROACH

2.2.1 The new trends

The critical approach was the gateway towards democratisation of the workplace. Socialism was according to Bendix, (1993:07) a most unpopular practice because of the overriding government interference by capitalists. It has been put forward that employees should be given an avenue of influencing decisions of immediate relevance to their welfare both within organisations and in the wider economy. The organisational reforms that were proposed ranged from trade union control (syndicalism) to joint labour-management discussion groups. What they all had in common was a rejection of Marxism's socialistic approach with emphasis on government ownership and control of the basic means of production. This was the beginning of an industrial revolution in which employee participation was regarded as the appropriate socio-political ethics.

2.2.2 The new governance

In its broadest sense the governance approach involves all the stakeholders of an institution, government, community, business and/or family, whereby power, rights and responsibilities are lived. The governance system is furthermore, entrenched in a worldview of the assumptions and values that determine how power, rights, and responsibilities are distributed and expressed McLagan & Nel, (1995:01).

Much has been written on employee involvement, participative management; self-management etc, with wide ranging approaches, but governance has unfolded as more fitting concept of participative management in the broadest sense, that is, not confined to the workplace as such.

Employee participation was initially geared at affording employees a say in the decision- making processes of an organisational enterprise, which was later extended to actively partaking in decisions affect them. Blunkett *et al*, (1993:01). The spin-off of this ideology was that it culminated into participation that enabled employees to play a creative role in the organisation that would lead to greater efficiency and maximisation of profits. Schutte, (1994:215) and Galenson, (1991:02) share the same sentiments about the nature and level of employee participation as will be discussed in paragraph 2.4.2.

2.3 THE NATURE OF PARTICIPATIVE MANAGEMENT

Guest and Knight, (1979:19); Plunkett and Fournier, (1991:04); Scanlan and Atherton, (1981); Cangemi *et al*, (1985:05) and McLagan & Nel, (1995:X) all agree in principle that the literature of participative management have many interpretations and no satisfactory or absolute definition is not possible. An attempt to define worker participation has often let to confusion and difficulty. Participation is an old persistent idea with many meanings, but the basic idea is obviously that people who are managed should have a say about the decisions that affect them. Terms such as involvement, say, participation in decision-making and control abounds many definitions. Here are the some definitions of participation.

2.3.1 Participative management definitions

Guest and Knight, (1979:19) simply refer to participative management as the need to involve employees to a greater extent in company decision making.

Plunkett and Fournier, (1991:04) define participative management as a philosophy that demands that organisational decision making be made in such a way that input and responsibility are extended to the lowest level appropriate to the decisions to be made. Furthermore they say that the purpose of participative management is to ensure that the right people make effective decisions. In conclusion they endorse empowerment as a means of achieving participative management.

Scanlan and Atherton, (1981) have a psychological point of view with regard to participative management. Their point of departure is that participative management is a way to get things accomplished by creating an environment whereby employees are encouraged to become involved, both mentally and emotionally, in problem solving situations that contribute to the organisation attaining its objectives and goals.

Cangemi et al, (1985:05). Share the same psychological perspective on participative management. According to them, participative management is the most promising way to effect an employee's self-esteem over the long term. Based on their observation and experience, they conclude that participative management is consistent with personal involvement in organisational problems and concerns and also that it encourages employees to contribute to organisation's solutions.

Schutte, (1993:24) defines participative management as inclusive processes through which opportunities are found or created which would allow employees to participate in decisions that affect them in their job environment.

McLagan & Nel, (1995:X). Postulate that participation is a system of governance that requires all elements of an organisation to be redesigned in a common direction. Each common sense participative management practice requires a new path. Participation will have to be invented and customised each time. Organisations use values and vision as the main link between management and workers to achieve their objectives.

Galenson, (1991:01) sums up these definitions by quoting Pope John XXIII as saying "... we are convinced of the legitimacy of the workers' ambition to take part in the life of the undertaking in which they are employed. We consider that workers must be given an active part to play in the management of the concern in which they are employed, whether the concern be public or private. Every effort must be made to make every undertaking a real human community which will make a deep impression on the relationships, the duties, and the work of each of the members".

2.3.2 Why participative management

2.3.2.1 Rees

According to Rees, (1991:01) many companies are striving to increase the involvement of employees. Management is increasingly becoming aware that employees' ideas and opinions can help solve critical organisational problems.

Some of the contributing factors for the need of employee participation are as follows:

- Given the complexity of jobs and information, it is nearly impossible for managers to make all the day-to-day decisions themselves. Henceforth, the ideal decision-making process is one that is made by those who have best and first-hand information, i.e. the people closest to the job are the ones who should decide;
- The focus on quality and customer satisfaction has become a buzz-word within the contemporary business literature. Since, the employees form the interface between management and customers and suppliers, their opinions have to be heard; and
- With the ever changing technology and the diverse workforce effectivity and efficiency of an organisation should have multiple employee perspectives.

2.3.2.2 Cornwall and Periman

Cornwall and Periman, (1991:97) are also of the opinion that participative management plays a pivotal role in business because of the diversity of employees given the complexity of tasks they need to perform. They reckon that:

- Management processes have to adapt to current management styles of operating with flattened structures, turning the hierarchical pyramid upside down and to start working with self-directed teams;
- It has been proven that the old authoritative, coercive management style does not necessarily result in productive and loyal employees. The fact that people support what they help create, is behind new management approaches; and
- People are demanding to have a strong voice in their own work lives, to have meaningful work and to be treated with respect and dignity.

2.3.2.3 Schutte

Schutte, (1994:01)_in his research found that:

- Participative management ensures organisational competitiveness through improvement of human performance and job satisfaction and enjoyment;
- Teamwork and team spirit build trust and create synergy and excitement;
- Employees' involvement improves human relations and the feeling of care;
- Participative management strengthens goal orientation and establishes job and problem ownership;

- Participative management liberates the potential of all employees;
- Participative management frees management to concentrate on higher order challenges; and
- Participate management improves total quality.

2.3.2.4 Plunkett and Fournier

Plunkett and Fournier, (1991:06) are of the opinion that:

- Traditional methods of management are inefficient and that companies should not be striving for maximum market share instead of working with unhappy workers;
- Participative management should provide the opportunity to share responsibility, risk and success of an organisation. Moreover, technology is changing at a relatively fast tempo, requiring management to be keep abreast these changes; and
- Participative management is a tool for the unleashing of knowledge, skills and attitudes of those who do the job.

2.3.2.5 The “O” -theory

These are the guidelines for participative management as obtained from the Internet (<http://www.nceo.org/nceo/short.html>) according to the O-theory:

- Decisions should be made by individual people or as teams based on their knowledge and involvement in the issue at hand not on their job titles;
- Get the people to share ideas and information before a decision is made;
- Workers should be given relevant training and should have access to financial and performance data in order to make good decisions;
- Workers should be organised into functional teams (teams of people working in the same area);
- Cross-functional teams (teams assembled from different areas) should be give an opportunity to assess the impact of decisions of other teams;
- *Ad hoc* teams (temporary teams formed to solve particular problems), should be formed whenever the ideas and information of more than one person are desirable; and
- Individuals should be given as much job responsibility as they can handle and not as little as they need to function and to know.

2.3.2.6 McLagen and Nel

McLagen and Nel (1995:29-43) found that organisations perform better when people are involved and strongly believe that participative management does make economic sense as evidenced by research study findings on high performance work practices as early as the mid 1980's:

a) Research by Dennis Kravetz

Companies that used the most progressive and participative human resource practices significantly outperformed those that did not. Over five years the following growths were realised:

Sales	1.6
Profits	4.15
Equity	1.8
Dividends	1.46

High performance was a direct result of implementing participative work practices (see appendix 4).

b) Research at Columbia University

Research finding were as follows:

- Companies that share information broadly and that have broad programs of employee involvement perform significantly better than companies that are run autocratically;
- Companies that share profits and gains with employees have significantly better financial performance than companies that do not;
- Flexible work design, i.e. flexible hours, rotation and job enlargement, multi-skilling are significantly related to financial success;
- Training and development have a positive effect on financial performance of a business;

- The existence of formal grievance procedures to protect employees rights significantly affects the bottom-line in both unionised and non-unionised companies; and
- Companies that combine group economic participation, intellectual participation, flexible job design and training and development get an added productivity boost – two thirds of the difference observed in bottom-line impact was due to the combined effect of these practices.

c) Research by Mark Huselid

- Participative work practices are significantly associated with decreased staff turnover, increased productivity and improved financial performance;
- Participative practices have a substantial impact on financial results, each standard deviation increase in their use increases a company's market value by anywhere between \$35,000 and \$80,000 per employee;
- High performance work practices reduces staff turnover and absenteeism;
- High performance work practices have strong positive effects on performance even when other policies, practices and the technology used within an organisation are not progressive;
- Firms vary widely in the extent to which they adopt more progressive work practices; and firms that have adopted such practices have a definite competitive advantage; and
- Implementing participative practices appears to have a short-term cost, increases in their usage were associated with temporary drops in cash flow and negative gross return-on-assets.

2.3.3 Individual and group involvement

Schutte’s model of the range of employee involvement in a workplace is depicted in Table 2.1.

Table 2.1: Individual and Group Involvement

INDIVIDUAL INVOLVEMENT	
Low Involvement	High Involvement
Good Basic Supervisors • Keep employees informed • Tell and sell • Problem raising • Problem solving	Work DESIGN • Enrichment/Enlargement • Suggestion schemes • Performance assessment • Behaviour modelling
Problem Raising • Quality of work life group • Discussion group • Work review group	Problem Raising • Quality Circles • Safety Circles • Autonomous work groups
Low Involvement	High Involvement
GROUP INVOLVEMENT	

Source: Schutte (1994)

This model is more comprehensive in nature; it cuts across all spectrums of all human management theories. From individual to groups, low-level involvement, to high level involvement and shop floor to strategic decision-makers.

2.3.4 Meaningful Involvement Model

Refer to Table 2.2 for the spectrum of involvement in highly participative organisations.

There are two major transitions that any group of people goes through on its journey towards full participation. The first happens when people who are used only to following orders and taking prescribed action (level I) begin to get involved in determining either their activities (level II) or their own roles (level III). Both developments require levels of initiative and knowledge that change the relationship between people and their work in fundamental ways. The second key transition occurs when people begin to influence decisions at the context level beyond the realm of their own job (level IV). More positively, activity and role participation can begin to build the competencies and produce the productive results that encourage management and employees to want to further get involved. Such encouragement launches people into context participation (level IV) and vision participation (level V). This is the first real opportunity for power sharing in institutional governance.

Table 2.2: The Spectrum of Involvement in Highly Participative Organisations

Involvement Level	Executives	Managers	Staff	Typical Activities
V Vision Participation	High	Medium	Low	- Decisions/influence on: • Values • Strategies • Mission - Decisions about organisation structure - Decisions about management process and culture
IV Context Participation	High To Medium	Low To Medium	Low	- Selecting/advising on selection of leaders - Choosing suppliers - Influencing size of budgets - Deciding on equipment and work technology - Performance feedback to leaders - Re-engineering work processes beyond the immediate teams
III Role Participation	Low	Medium To Low	Low To Medium	- Setting production/work goals and standards - Production scheduling - Determining customers' needs and responses to the needs - Setting supplier goals - Hiring/firing team members
II Activity Participation	Low	Medium	Medium To High	- Quality circles - Statistical process controls - Determining methods for the work - Multi-skilling across tasks - Gain sharing
I Prescriptive Action	Low	Medium	High	- Housekeeping - Safety - Machine-paced work - Some management processes

Source: McLagen and Nel (1995)

2.4 PRODUCTIVITY IN PERSPECTIVE

One cannot talk of employee participation without mentioning productivity. Workers are the centre-piece of productivity. Investors provide capital and management runs the business but without employees, no profits can be made. Productivity is the lifeblood of a country's prosperity and wealth. This is the reason why governments, economists, politicians and business people are all interested in measuring and analysing productivity, sometimes without even thinking of the people who are at the heart of production themselves. Far too much emphasis and attention is placed on technology (machinery, tools, equipment etc) and processes that ensure maximisation of profits at bare minimum costs and ignorantly or purposefully overlooking factors impacting heavily and adversely on employees' performance. Employees are the heart of productivity and wealth, and therefore, should be given due consideration and recognition they deserve.

2.4.1 Definition of productivity

Schutte, (1994:01) defines productivity as:

- An attitude of mind;
- The mentality of progress;
- The constant improvement of that which exists;
- The certainty of being able to do better than yesterday and more well tomorrow;
- The will to improve on the present situation no matter how good it really may be;
- The constant adaptation of economic and social life to changing conditions;

- The continuous effort to apply new techniques and new methods; and
- The faith in human progress.

Schutte's definition of productivity is supported by Sherman, (1996:04) in "Fortune Magazine", when he describes how Japanese companies got the benefit of employees' tacit knowledge: "... the best state of intellectual ability comes when the body and mind become one." One can not agree more with Schutte, (1994:01) when he says: "productivity is the attitude of mind and mentality of progress."

Business people now of late are bogged down to survival in the highly competitive global environment; dynamic, unpredictable and sophisticated customers and greater market share. Of necessity, holistic approach should be adopted, including among other things total quality management and continuous improvement. In essence, the above definition of productivity implies employee's total involvement that is characterised by total commitment and continuous improvement, as will now be briefly explained in view of what the latest ideological notion of productivity entails.

2.4.2 The role of communication

People from different cultures using, many different languages, are now working together in South Africa across geographical boundaries. Communication in business today needs to cater for an audience that is far less literate than previously. Business organisations also have to cater for a multi-cultural audience, whether it be customers or employees. New methods of information dissemination focus on a clear, punchy style, good organisation and high readability with key statements at the

beginning. Therefore, good communication must focus on the needs of changing audiences.

Statistics show that:

- 60 per cent of the world's radio broadcasts are in English;
- 70 per cent of the world's mail is addressed in English;
- 85 per cent of all international telephone conversations are in English; and
- 80 per cent of all data in computers are in English.

Although difficult to verify, English seems to have emerged as an international medium, thus impacting heavily on productivity levels reckons Fielding, (1998:11-12).

Furney, (1999) postulates that:

- Good communication starts with articulating a realistic vision;
- Everybody needs to know where the company is headed;
- Whether it is meeting its mark on an ongoing basis; and
- Employees need to know what is happening now, when and why and what is in it for them.

2.4.3 Total quality management

Chase and Aquilano, (1995:163) defines Total Quality Management as “managing the entire organisation so that it excels on all dimensions of products and services that are important to the customer”. During the Malcom Baldrige National Quality Award in 1994, President Clinton said: “To meet the changes of global economy ... our most successful companies have been eliminating unnecessary layers of management; empowering front-line workers; becoming more responsive to their customers; and seeking constantly to improve the products they make; the services they provide; and the people they employ.”

According to Chase and Aquilano (1995:167), Malcom Baldrige Award Criteria Goals, helps companies to enhance their competitiveness through focus on results oriented goals which includes among other points customer-driven quality, leadership, continuous improvement employee participation, development and partnership development (see Appendix 5).

2.4.4 Continuous improvement

In Japan continuous improvement is called “*Kaizen*”. According to the Japanese, “*Kaizen*” means continuous incremental improvement of everything: equipment, procedures, employee skills, throughput time, quality, suppliers relations, products and services to meet customers needs and wants cites, Schonberger and Knod, (1994:10-11).

Continuous improvement should be woven into the fabric of everyday work of all employees. Moreover, continuous improvement should be strategically effective to include the requirements of customers, attributes of competitors, the organisational internal capacities and capabilities. Kellas, (1997:22) calls this phenomenon "*The Holy Trinity*", meaning customer focus, quality and innovation.

2.4.5 Managing the performance-potential interface

Quality production requires as much an emotional investment in people as it does on intellectual and physical investment. Quality is an emotional issue that requires that people care about their work. It is when people have done quality work that they feel good about themselves and look forward to performing well again. This requires management style that allows people to express their physical, intellectual and emotional talents in their work. Leaders should acknowledge the human potential for good work and then identify the conditions under which most of the people do their best work most of the time and evaluate leader practices according to how much they ensure these conditions according to Hall, (1997:212).

2.5 EMPOWERMENT

2.5.1 Introduction

Three concepts, namely empowerment, shared responsibility and commitment can be used interchangeably in as far as employee participation in the work place is concerned. The truth of the above statement was echoed by one speaker who said,

“grant me authority to determine my own destiny in the decisions that affect my own job.” Hall (1997)

2.5.2 Empowerment in context

Durcan and Oates, (1994:13) define empowerment as a means of imbuing staff with sufficient self-confidence and skills so that they are able to exercise discretion either individually or jointly to resolve issues which would otherwise have been referred elsewhere for decision-making.

Empowerment in the first place entails the ability to potentially influence the course of events. *Secondly*, empowerment allows employees freedom to act within “terms of reference” as would have been decided by an organisation depending upon its strategic policies. *Thirdly*, employees should be allowed to take risks when experimenting. *Fourthly*, when full participation is welcome shared spirit of responsibility prevails. Shared responsibility is characterised by full team interdependence, collective effort and full co-operation.

Empowering everyone in the organisation in terms of both productivity and quality of work life is the ideal goal. This kind of empowerment may go as far as involving masses in the formulation of the company's strategy. Having contributed at that level, employees recognise the strategy as their own and tend to implement it more vigorously than they would have without any involvement according to Egan, (1993:113).

In his research, Schutte, (1994) found that committed employees exhibit the following characteristics:

- Purposeful drive towards goal;
- Alignment for success;
- Feeling of personal success;
- Ability to influence own quality of work life; and
- Collaborations through team effort.

Durcan and Oates, (1994:15) postulate that over and above the candid explanation of empowerment six reasons are stated why empowerment is necessary:

- Increasing pace of change, the turbulence of the environment, the speed of competitive responses, the acceleration of customer demands and the ever-growing thicket of regulations and legislation require speed and flexibility of response which are incompatible with the old style of command and control models for organisations to function;
- Organisations themselves are changing due to business transformation changes, hence, employees must also adapt to these changes to be able to take and exercise much more responsibility in line with business processes of re-engineering;
- Employees of today are much better educated and skilled, sometimes much more better than their managers;

- Management style is undergoing a radical change, inclining to a more appropriate pro-active business thinking. Instead of fire fighting, attention should be focused on long-term issues; and
- Empowerment may uncover sources of managerial talents, which were previously unrecognised. Talents flourish where conducive circumstances prevail and where opportunities are created.

Empowerment instils a sense of responsibility and ownership and it is a state of mind as well as a result of position, policies and practices according to Block, (1987:68). The magic of employee involvement is that it allows individuals to discover their own potential and to put the potential to work in more creative ways. Employee involvement is absolutely voluntary. Organisations should be able to create an environment in which people can contribute meaningfully. Continuous improvement through employee involvement is the *credo* of the great Japanese firms. Workers should compete, contribute and feel good about themselves and their work identity as suggested by one guest speaker in Rational Management Consultancy, (1994).

2.6 FAIR PROCESS

2.6.1 Introduction

The concept of fair process evolved from the initiatives of Thibaut and Walker in 1970 when they made a research study to understand what is it that make people to trust a legal system without necessarily being coerced. Tyler and Allan refined the research study with nineteen companies to discover the managerial relevance of fair

process. They came to the conclusion that employees who believed that their managers practised fair process displayed a high level of trust, commitment and co-operation, while those managers who did not practise fair process had their employees dragging their feet and challenged the legitimacy of any idea from above. Kim and Mauborgne, (1997:68).

2.6.2 The concept - fair processes

Fairness as described by Kim and Mauborgne (1997) implies that people do care about outcomes and the processes that produce those outcomes. People want to know that they have their say and that their point of view is considered even if it is rejected. Outcomes matter, but not more than the fairness of the processes that produce them.

Fair processes have tremendous power. Fair processes profoundly influence attitudes and behaviours that are critical to high performance. Fair processes build trust and unlock ideas. Kim and Mauborgne (1997).

With fairness, managers can achieve even the most painful and difficult goals while gaining the voluntary co-operation of the employees affected. With fairness unions can be easily decertified because there would not be any need for its intended existence. This in ties very neatly with what has been said about state involvement as the mediator between the employee and the employer in paragraph 2.1.3. Trust and commitment are centre pillars of economic prosperity. With the absence of

fairness, employees can only see the negative side of things if not a blurred picture of what is intended by authorities.

Without fair processes employees feel that companies have scant respect for them as individuals and are treated as if they are not worthy of knowing anything about business conditions. "They don't bother to tell us where we are going and what this means to us". Fair processes respond to basic human needs. Irrespective of their roles in an organisation employees want to be valued as human being and not as personnel or human assets. Employees are sensitive to signals that are conveyed through a company's decision-making processes, which could either be interpreted as willingness to trust people and to seek their ideas, or otherwise can signal the opposite.

2.6.3 Principle of fair processes

The basic elements of fair processes (The Three E's Theory my own interpretation) are:

- Engagement;
- Explanation; and
- Expectations clarity.

2.6.3.1 Engagement

By **engagement** it is meant involvement of individuals in the decisions that affect them by asking for their input and allowing them to refute the merits of one another's ideas and assumptions. Encouragement of refutation sharpens one's thinking and builds a better collective wisdom. Engagement can be used as a decision-making tool for management and if correctly applied results in greater commitment from all involved in executing collectively made decisions.

2.6.3.2 Explanation

Explanation means involving individuals in the decisions that affect them by asking for their input and allowing them to refute the merits of one another's ideas and assumptions. Engagement communicates management's respect for individuals and their ideas. Encouraging refutations sharpens everybody's thinking and builds better collective wisdom. Engagement results in better decisions by management and greater commitment from all involved in executing those decisions.

2.6.3.3 Expectation clarity

Expectation clarity requires that once a decision has been made that managers should state clearly the new rules of the game. Although the excretions may be demanding, employees should know up front by what standards they will be judged and the penalties for failure. What are the new targets and milestones? Who is responsible for what? To achieve fair process, it matters less what the new rules

and policies are and more than they are clearly understood. When people clearly understand what is expected of the, political jockeying and favouritism are minimised and the focus on the job at hand. Individuals tend to celebrate their success intimately also tend to accept and acknowledge their shortcomings with ease when the concept of expectation clarity is in place. Kim and Mauborgne, (1997:70).

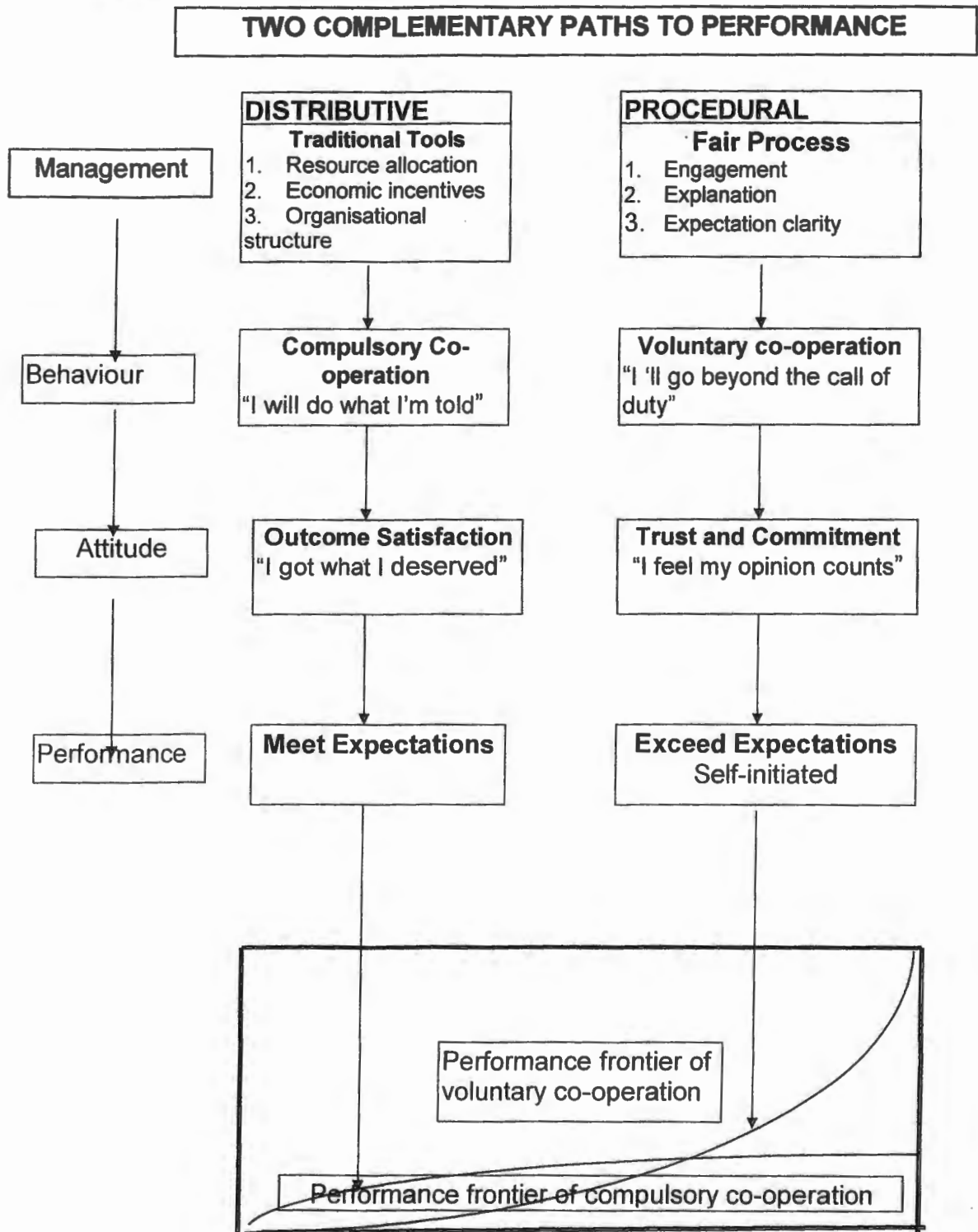
2.6.4 Fair process in context

Fair process is not decision by consensus process. Fair process is not meant to achieve harmony or to win peoples' support through compromises that accommodate every individual's opinions, needs, or interest. While fair process gives every idea a chance, it is the merits of the ideas and not consensus that drives the decision-making. Fair process is not the same as democracy in the workplace. Achieving fair process does not mean that managers forfeit their prerogative to make decisions and establish policies and procedures. Fair process pursues the best idea whether put forth by one or many. Fair process profoundly influences attitudes and behaviours that are critical to high performance. Fair process builds trust and unlocks ideas. With it, managers can achieve en the most painful and difficult goals while gaining the voluntary co-operation of the employees affected.

Fair process may sound like a soft issue, but it is not. Understanding the value of knowledge is very crucial for companies that are transforming according to fair process theory. The creation and sharing of knowledge are intangible activities that can neither be supervised nor forced out of people.

Distributive justice (refer to diagram 2.1) is a term that is used by behavioural scientists to explain how psychology fits in the workplace. According to this theory: People feel satisfied and tend to execute their duties to the letter when compensated on what they deserve. As a result of fair processes, people develop trust and commitment; this trust and commitment relationship triggers voluntary co-operation; thus driving performance to very high levels and sometimes invoking people to go beyond the call of duty.

Diagram 2.1: Fair Process Model



Source: Kim and Mauborgne (Harvard Business Review July/August 1997)

2.7 LEADERSHIP

In order to empower employees, implement fair process (The Three E's Theory) and to entrench participative management principles that will move organisations into and beyond entrepreneurial horizons (to be discussed in 2.9.1), strong leadership qualities are extremely essential.

From the foregoing, it can be seen that organisations are increasingly faced with world-wide competition, declining business confidence and tremendous changes in corporate and employee structures. There is now an urgent need for expert direction to handle the challenges that are currently confronting organisations and will still continue to do so in future. The question is "Where do we find these experts?" We shall answer this question by firstly defining leadership.

2.7.1 What is leadership?

Anyone can count the number of seeds in an apple, but who can know how many apples are in a seed? This is an ancient Chinese proverb that Hall and Maritz (1997:27) used to explain leadership.

Not only does the example of the apple seed alert us to the mystery of unexpressed potential, but also it captures the challenge of effective leadership. The purpose of leadership is to translate a potential for good performance into actual productivity. In many respects the effectiveness of a good leader is simply the one who manages available potential so that it may show through in performance. This means that truly

productive leadership must begin as an act of faith – in that, the leader recognises that the seed has the potential to produce many apples if it is properly looked after.

Moore (1990) concurs with Hall and Maritz (1997) when he says leadership as the practice of art and that leadership is spirit composed of personality, vision. Davis (1990) views leadership as the ability to persuade others to seek defined objectives enthusiastically. It is the human factor that binds a group together and motivates it towards goals. It is the ultimate act that brings success to an organisation and its people. Zaleznik (1990) contents that leaders should be pro-active and not reactive. They should respond to ideas and shape those ideas. Leaders should exert their influence in altering moods, evoking images and expectations and in establishing specific desired objectives. A leader is a person who has the ability to inspire and work with and through others to accomplish certain goals and objectives.

2.7.2 Characteristics of leadership

Bennis (1990), has identified four broad categories of leadership characteristics, namely (a) Managing attention, (b) Managing meaning, (c) Managing trust and (d) Managing oneself. A breakdown of these categories revealed the following elements

(a) Managing attention

- Development of leadership styles to suit organisations;
- Becoming a change agent;
- Being a risk taker;

- Being at the forefront of issues;
- Recognising appointed versus personal power; and
- Having effective leader behaviour.

(b) Managing meaning

- Identification with the organisation;
- Holistic systems approach;
- Creation of vision; and
- Being a strategist.

(c) Managing trust

- Communicating competently;
- Forging of a winning culture and climate; and
- Instituting health and wellness programs.

(d) Managing oneself

- Being ethically responsible;
- Having a sense of social responsibility;
- Being intuitive; and
- Having an internal locus of control.

2.7.3 Fair process in leadership

In a comparison to Davis' definition of leadership (paragraph 2.7.1) with the Fair Process theory (paragraph 2.6.2) the following assumptions can be made:

- Persuading other to seek defined objectives enthusiastically goes hand in hand with engagement principle of involving everybody in the decision-making processes. Fair process does not deprive the leaders of their prerogatives, hence, defined objectives that affect them;
- Human factor that bind the group is articulated by trust and commitment as suggested in fair process. Mutual understanding is the critical element of explanation clarity of the fair process;
- Sound leadership qualities according to the above definitions are the ultimate act that brings success to all potential and aspiring organisations;
- There is a close parallel thinking in the concepts of human factor as expressed by in the definition of leadership and that of fair process theory in that both recognise the individuality of human beings. Hence, no blanket statement that can be made regarding absolute techniques that can be used in dealing with people. Both these approaches allow for integration of circumstantial and environmental factors in managing people.
- These lines of thought require sound leadership qualities that the leader should have in order to distinguish from a vast variety of management styles a particular style for a specific organisation. And, hence, this being an art en route to exceeded expectations and inevitably improved performance.

2.7.4 Turnabout leadership

Much as other behavioural scientists have up-held the ideology of crisp human qualities, McLagan and Nel, (1995:15) have taken one step further to endorse turnabout leadership in the workplace. The 360-degree turnabout leadership evolution is founded and driven by knowledge of environmental forces in the global economic market place. According to this school of thought employee participation has a place and space in global markets. Besides striving for sustenance in local economic market, business leaders should be looking much wider than the desire to sell across the borders, while maintaining a high profile of participative management.

2.7.5 Positive prophecy

Positive prophecy theory is based on the premise that leaders have a special self-fulfilling prophecy. Research reports indicates leaders frequently get the results they expect from people because they treat people as they expect them to be treated and likewise, the people treat leaders respond in kind too. Studies of 1,800 leaders have shown that leaders' beliefs and values strongly influence what they expect and do in relation to other people. Hall, (1997:212).

According to the positive prophecies philosophy most people work at the highest level of their potential when:

- They know their potential;
- They desire responsibility;

- They are recognised and appreciated;
- High standards of performance are clearly articulated and consistently valued;
- Rewards, policies and opportunities reflect the belief that people want to do their best; and
- Efforts are facilitated rather than impeded.

2.7.6 Shared power

Research done by Lippitt, White, Blake and Mouton according to Hall, (1997:216) confirms that people who feel greater commitment to their tasks and are more likely to take responsibility and follow through when their leaders use of democratic, and equally shared power style. The report goes on to say that while a desire for power is critical to success, leaders who are motivated by a desire for socialised power enjoy greater career success than leaders who are driven by needs for either personalised power or achievement.

Most people put forth their best efforts when they control and enjoy a sense of dominion over their work when they are empowered to make decisions and see their ideas and feelings incorporated in the design and procedures governing their work. They enjoy the fact that they are trusted to make judgements that contribute to the accomplishment of objectives for the common good.

2.7.7 Managing for the release of potential

The job of a leader is to make something grow. Leadership is the use of the organisation's authority to create conditions where people can labour for that which they love. Leadership reflects a set of beliefs and practices aimed at releasing the full human potential available, so that it can be expressed in performance and allow people to feel good about their work and themselves.

The logic is simple and straightforward: When people feel good about themselves and when they are able to realise their own potential, they perform at or near their personal best. According to Hall, (1997:216), Author Gallaway, developer of performance enhancements, has developed integrative premise into an elegantly simple perspective for leaders:

$$\text{PERFORMANCE} = \text{POTENTIAL} - \text{INTERFERENCE}$$

Performance suffers when there is interference with potential. Interference of whatever sort offsets and subdues potential before it can show up in performance. Conversely, the less interference there is with potential, the more potential there will be available for performance and therefore, the more productivity there will be. The key to effective leadership, therefore, is to minimise interference while facilitating the release and full expression of potential.

Interference with potential by leaders is manifested in a variety of ways, depending on environment factors, such as socio-political and socio-economical factors. Typical examples of interference in the work place are: leaders who moved through ranks via Peter's principle (favourable policies and regulations), too many instructions, unattainable objectives, poor communication systems, lack of functional and proper tools, equipment, power greed, unclear reporting structures and many more.

2.7.8 Socio-synthesis

The dictionary meaning of sociosynthesis, as quoted by Hall, (1997:87) is the act of putting together complex social stimuli and reinforcements with innate human potential to achieve a meshing of talent and motivation with opportunity for performance.

Socio-synthesis, is also leader's a choice. Leaders may choose to create environments which interfere with people's potential or if they choose, they can provide a culture designed to minimise interference with available potential and capitalise on people's desire to perform well so that they might feel good about themselves.

2.7.9 Meaningful work

Most people put forth their best efforts when they feel that their personal needs and objectives are incorporated in achieving the goals of the organisation, and they take little pride when only their skills are required.

Most people become committed and are willing to give whatever effort is required to get the job done, when:

- Jobs are designed with workers' true potential for contribution in mind;
- Procedures and incentive systems are geared to their needs for self-expression and growth; and
- They can see the relevance of their work to the organisation's objectives and their own reasons for working

The research of Herzberg, Hall,(1997:220) has demonstrated that people derive more job satisfaction when their work is designed to allow fulfilment of their need for autonomy, challenge, recognition and inclusion. Attention to lower level needs does nothing to promote satisfaction and at best yields only dissatisfaction.

2.7.10 Openness and trust

Most people perform at their highest level when they enjoy sound relationships based on mutual trust and respect, born of meaningful two-way communication with both their leaders and their co-workers.

The theories of Argyris and Luft Hall (1997:224) found that the communication practices of the leaders are a reflection of leaders' values and social orientations and determine both the interpersonal authenticity and trustworthiness of working relationships. Bavellas and Leavitt, Hall (1997:224) both studied the effects of different patterns of communication and concluded that when only one-way communication is used, the person in charge of the process enjoys high morale and

those on the receiving end feel frustrated and exploited. Both researchers found some form of two-way communication to yield the best results in terms of both morale and task accomplishment.

2.7.11 Leadership turns potential into productivity

Hall and Maritz, (1997:27:31) opens their discussion on how leadership can tap can potential to improve productivity, with the old Chinese proverb: ***Anyone can count the number of seeds in an apple, but who can know how many apples are there in a seed?*** It is with this analogy in mind that an attempt is made to explain the challenges that effective leadership has to face to uncover the mystery of unexpressed potential.

a) The productive leader

True productive leadership begins with an act of faith in believing that a seed has the potential of producing many apples if properly and appropriately looked after. After all, not every seed can produce many apples. Specific basic conditions are necessary for a seed to produce apples, such as soil, water and sunlight, and, of course, the seed should be planted.

On the same breadth, employees require certain basic conditions to be productive, such as salary, security etc, (Maslow,'s hierarchy of needs). A true leader must be able to manage and nurture these needs. A leader must be able to influence the workplace environment and make it conducive to high levels of productivity. Instead of the leader managing the employee, he should rather manage the environment.

The primary characteristics of effective and efficient leadership are the willingness to acknowledge the mystery of unexpressed potential and of learning how to create an environment (an organisational culture) which will nurture that potential and encourage its expression in the course of carrying out the organisation's work.

b) Leadership system to manage the environment

A cultural environment conducive to the full realisation of potential in a workplace is characterised primarily by the organisations' policies, priorities, remuneration schemes, fringe benefits and' last but not least, the leadership style in implementing the organisational policies to allow employees to express their optimal potential. The leadership style should be aimed at striking a balance between meeting the organisation's objectives while satisfying the needs and aspirations of those who execute those objectives.

The dimensions of the competence system process require that of an environment is created in which employees collaborate in designing and solving the problems relating to their work, thus becoming committed to successful outcomes and exercising their innate creativity in meeting organisational goals. The leadership system should create collaborative opportunities through promoting values and the degree to which employees are invited to share in decisions that affect them, and by building trustful relations. Leaders influence commitment by providing or withholding opportunities for empowerment, allowing employees to work on relevant and personally rewarding tasks and encouraging a sense of belonging. Creativity can be blocked or triggered by the way that job design is made relative to the

environment, the kinds of social norms and climate promoted and problem-solving processes.

2.8 ENTREPRENEURIAL ORGANISATION

2.8.1 Entrepreneurship in perspective

Right from the onset, it has been very difficult to define participative management because of the many factors that influence the character and behaviour of this management process. Participative management styles are not prescriptive as such and cannot be guaranteed to be successful everywhere with everybody. It has been indicated in the previous discussions that a number of factors play a role in the successful implementation of participative practices.

Likewise, entrepreneurship, which is an advanced level of participatory work procedures, is also not predictable. Entrepreneurship is a human creative act and it is very difficult to predict to the dynamic and sophisticated nature of human beings. What follows will be an attempt to define entrepreneurship.

2.8.2 Definition of entrepreneurship

Timmons, (1994:07) defines entrepreneurship as creating and building something of value from practically nothing. It is a process of creating or seizing an opportunity and pursuing it. It is one of building long-term value and durable cash flow streams. Entrepreneurship involves any form of innovation that has a bearing on the welfare of the firm. Entrepreneurship allows businesses to survive and prosper in an ever-

changing economic environment. Entrepreneurship is a continuous process. Therefore, the focus should be on how wealth is created in the economic system within and existing organisations.

2.8.3 Principles of entrepreneurship

The guiding principles of entrepreneurship among others include development of vision goals, action plans and worthwhile reward for the employees. Entrepreneurial venture requires not only commitment of money, knowledge, skills, time, and energy but also requires an emotional commitment. Commitment in this sense refers to persistence, passion, believe in products or services. Feelings and emotions are real business activities and are of fundamental significance to entrepreneurship.

According to Timmons (1994:07), Kanter (1983) describes entrepreneurial organisation as that which operates at the edge of its competence, focusing more on its resources and attending to what it does not know than controlling what it already knows. Organisations should measure themselves not by the standards of the past but by visions of the future i.e. how far they have yet to go. Organisations should not allow the past to restraint them from looking into the future. It does not necessarily mean that what did not work in the past will always work in future. Employees should view themselves as real worthwhile employees and this alone helps them to easily adapt to any form of change. Organisation entrepreneurship requires a search for opportunities for business rather than dwelling on the threats of the past.

2.8.4 Summary

From the foregoing, it looked like participative management was the answer to the understanding of the work place. Some of the managers believed that if they could establish theoretical participatory structures such as unions, shop stewards and workmen committees, all the problems would be automatically resolved. The opposite is the true. If participatory structures are not nurtured they will die and dwindle like a seed that has fallen on rocks. It is imperative for efficient leaders to care for these structures, particularly with respect to the human element, which is operating through those structures. Due to the volatility and ever-changing perception of customers, participatory processes should also fluctuate in sympathy with both economic and business trends.

Participative processes in essence entail knowing how to deal with human beings in a wide ranging environmental factors. Needless to say, an ideal leader is one who is capable of managing systems within an environment. Building and creating conditions conducive for tapping the fullest potential of the employees is essential. This would inevitably be impossible if leadership does not trust its employees as capable. In conclusion, participative processes do not deny leadership their rightful authority and power, but encourages collaborative working together of all stakeholders.

CHAPTER 3

EMPIRICAL RESEARCH: THE RESEARCH METHODOLOGY

3. INTRODUCTION

In the ensuing chapter an attempt will be made to explain the research design in terms of selecting the appropriate research design, data collection, origin of questionnaires, data collection procedures, sampling, administration of the questionnaires, screening of data and the scoring of questionnaires. A brief overview on research results will be discussed in terms of the response rate profile of respondents.

3.1 SELECTION OF AN APPROPRIATE RESEARCH DESIGN

A research design is essentially a blueprint or a set of plans for collecting information. The ideal research design collects a maximum amount of information with a minimal expenditure of time and resources. Depending on the circumstances, a design may be simple or very complicated. There are no fixed guidelines concerning the amount of detail required.

It is important for the researcher to determine the methodology to be used in a particular project prior to the commencement of the study. Attempting to force a study to follow a particular approach or statistical methodology after the data have

been gathered makes the research susceptible to erroneous results. Wimmer *et al* (1983:47) and Huysamen (1994:123-138) suggest the following guidelines:

Naturalistic setting. The research study must be conducted under normally encountered environmental conditions to ensure the validity of the study. As far as possible, subjects should not be aware of the research situation and most preferably administered over a period of time.

Clear cause-and-effect relationships. The researcher must make every effort to rule out intervening dependent variable relationships.

Unobtrusive and valid measurements. There should be no perceptible connection between the communication presented to subjects and the measurement instruments used. Subjects tend to answer questions differently if they can identify the purpose of the study. Measurements should be aimed at both immediate and long-term effects on the subjects. It is imperative that the sample should be reasonably large enough to capture the representative perception. Only those subjects who will attach meaningful and value-added information should be included in the research sample.

Realism. A research design must above all be realistic. This entails a careful consideration of the availability of time, money, and data collectors. Preferably, the research panel should have a relatively high competency level on data collection and administration and lastly, should be willing to assist.

Standardised tests. The Human Sciences Research Council is the most important local source of information in this regard. However, a wide-ranging variety of sources are electronically available on the Internet and from University libraries.

Individual consultants or institution in most probability may yield valuable source of standardised tests.

Literacy level of the respondents. For accurate information it is imperative that the respondents should have reasonably acceptable level of education. The questions should, likewise, be structured to suite the literacy level of the focus group. Technical terms and slang should be avoided at all costs, irrespective of the literacy level of the focus group. This is necessary because the research study may be repeated sometime in a near or distant future. If technical terms by then would have changed, the possibility of obtaining wrong results is very high. No distortion and misinterpretation should be allowed in any circumstances

Trial run project: A pilot run should be conducted once the methodology has been selected. This essentially entails a small-scale study comprising ten or so participants. This critical phase of the research study scans the appropriateness of the measuring instrument in terms of the expected results and the clarity of the questions aimed at the specific focus group.

3.2 RESEARCH STUDY DESIGN

3.2.1 Rationale for the research study

The research study is based on Freud's philosophy that there are only two realities; *love and work*, which can essentially be called *task and social-emotion*. Lewin, the founder of gatekeeping, studied information and patterns of interaction among organisational groups Hall (1980:285). "*Gatekeeping is the personal assumption by leaders of responsibility for others' levels of participation; it is the active solicitation by leaders of contributions from other members and it is provided by leaders for*

support and reinforcement as well as the creation of openings for others to become involved". Gatekeeping is relevant to organisational performance because it affects the way people feel about the decisions made for them, and also governs their actions relating to those decisions.

The Gatekeeping exercise of Lewin and Vroom entailed a simple group discussion on a topic equally common to all participants whereby some group members are purposefully asked to play a silent role. Time allocated for this discussion was approximately forty minutes. A reaction form (see Appendix 3) was distributed to members and they were asked to fill it out anonymously, indicating as honestly as possible their feelings about the session that had just ended.

The purpose of the exercise was to study *firstly*, the reactions of people involved or uninvolved and *secondly* the extent to which participating members would spontaneously undertake the gatekeeping function for the group. Approximately 400 people were involved in the study over 40 sessions and the results followed the same pattern two thirds of the time.

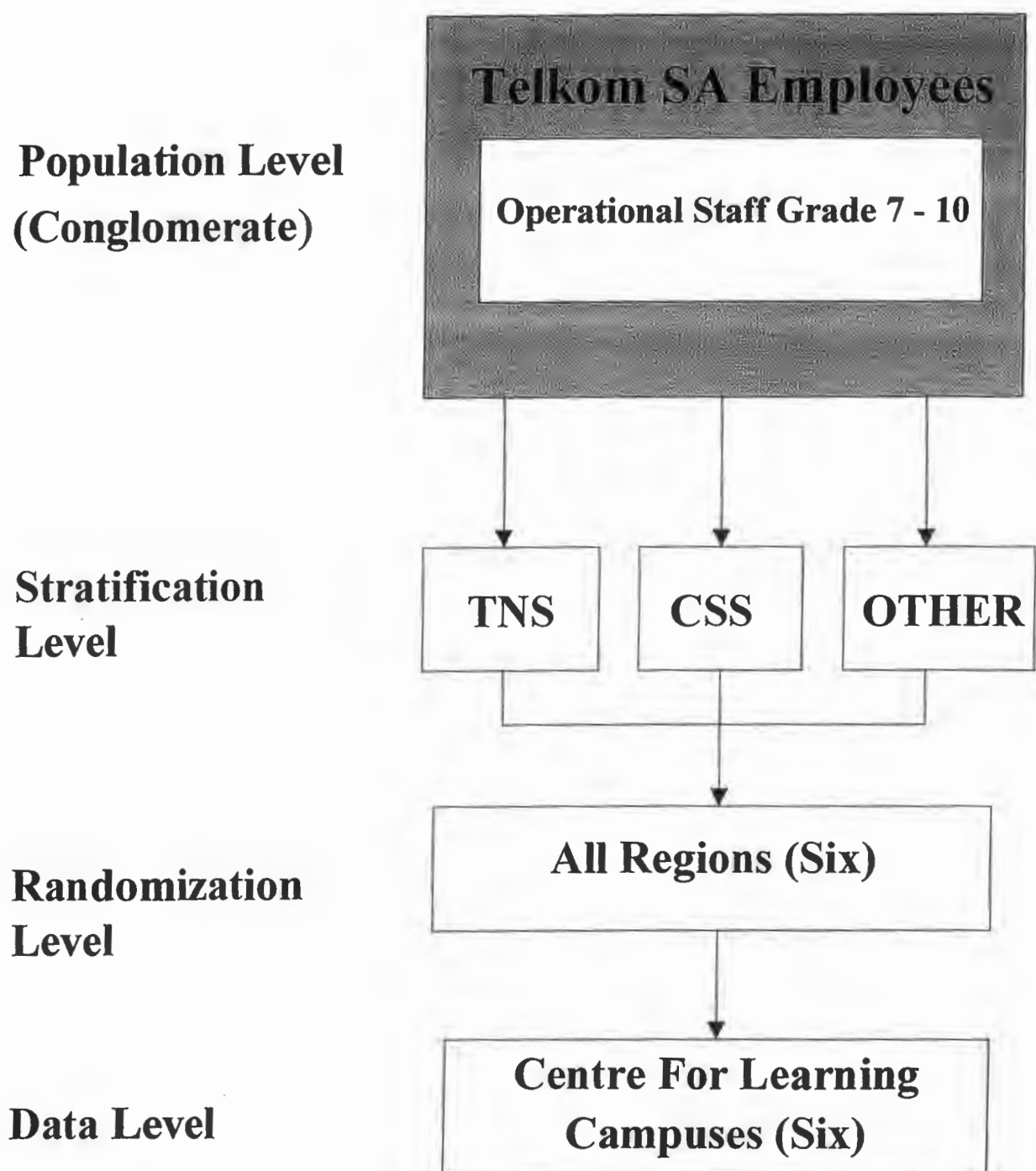
For the sake of benchmarking this research study, Teleometrics International's, researched *Personal Reaction Index* (see Appendix 2) questionnaires were used but modified to suit South African standards and the level of literacy of the focus group. The six questions of the Reaction Index (see Appendix 3) were retained but modified slightly for the focus group to understand. Instead of using all nine alternatives (choices) only four of them have been retained. These alternatives go in pairs requiring responses from extreme positive to the extreme negative responses. This

questionnaire contained two extra pages, the first was the cover sheet with STRICTLY CONFIDENTIAL on it to assure the prospective respondents of the absolute confidentiality and the second page contained information for statistical purposes such as the region, service organisation, service unit and the area manager or senior manager. The purpose of this research study was to find out how Telkom employees feel when they are not involved in the decisions affecting the work they do. This research study questionnaire excluded the second part that would have been used to measure the managers of respondents' gatekeeping facilitation of. The exclusion of the second component of the study was mainly due to time constraints and the fact that the company was aggressively engaged in staff reduction through a process of redeployment and retrenchments. There would not be any correlation to the study because some of the concerned managers concerned might have been re-deployed or retrenched.

3.2.2 Methodology

When the population is large, like it is for Telkom SA with 58,000 employees at the time of conducting the research, random sampling became more appropriate method to use. Random sampling which according to Leedy, (1980:147) is a means of selecting a sample from the whole population in such a way that the sample characteristics of each of the units approximate the broad inherent characteristics of the total population.

Diagram 3.1: Stratified random sampling design



Refer to Diagram 3.1. The first level in the stratified random sampling design refers to Telkom SA employees as the conglomerate population and operational staff

Grade 7 – 10 represented the stratified population. On the second level, are Technology Network Services (TNS), Customer Services and Sales (CSS) and Other (respondents who did not mention their service organisation on the questionnaire and an insignificant number from other service organisations). The third level was random population from all six regions, namely, North Eastern, Gauteng, Eastern, Central, Western and Southern. The fourth level of data collection referred to Centre for Learning in all its six campuses, namely, Olifantsfontein, Booyens, Durban, Bloemfontein, Cape town and Port Elizabeth.

Diagram 3.1 shows the geographical population sampling following the guidelines of stratified random sampling (see diagram 1) and illustrates randomisation level. It must be mentioned that in Telkom regional boundaries do not conform to provincial boundaries as depicted in the geographical population sample column. The data level of the stratified random sampling is illustrated under the column data capturing centres each representing a province.

TABLE 3.1: Research population sample

DATA CAPTURING CENTRES	GEOGRAPHICAL POPULATION SAMPLE
Olifantsfontein	Pretoria; Vereeniging; Rustenburg; Mpumalanga, Northern Province
Booyens	Witwatersrand; East and West Rand; Midrand
Durban	Kwa-Zulu Natal
Bloemfontein	Free State; Northern Cape; North West Province

Cape Town	Cape Town
Port Elizabeth	Port Elizabeth, Umtata, Ciskie

3.2.3 Sample size

The sample size was not pre-determined, but the aim was to obtain the largest possible sample in accordance with the general rule for random sampling method. Statistical method of sampling was not employed because of the inaccurate figures that would be used. It has been mentioned that Telkom is engaged in staff numbers containment, therefore, the effort that would be put to obtain accurate figures would not add much value to this research study.

Wimmer, (1984:69) suggests the following multivariate guidelines of non-probability sampling:

Very good	=	1 000
Good	=	500
Fair	=	300
Poor	=	200
Very poor	=	50

The Total number of respondents who returned their questionnaires was 500. About 2% of the returned questionnaires were partially completed or not completed at all. The Southern region did not respond, for reasons beyond the scope of this research.

The targeted sample was about 65% of 58 000. This figure includes about 20% of the support staff that was not targeted. In 1998 Telkom SA conducted a survey that targeted 5% of all categories of employees, but only 2% responded. From the above figures it can be concluded that the sample size for this study was fairly good.

Table 3.2 represents the sample size in the stratification level of Diagram 1. These are not the only service organisations in the company; many more were not included because they did not form part of the research study.

Table 3.2: Stratification level of random sampling.

REGIONS	TECHNOLOGY NETWORK SERVICES (TNS)	CUSTOMER SERVICES AND SALES (CSS)	OTHER
North Eastern	273	16	21
Gauteng	16	0	10
Eastern	39	30	11
Central	72	0	3
Western	38	1	17
Southern	0	0	0
TOTALS	438	47	62

Table 3.3 shows a further sub-division of the stratification level of the strata (Technology Network Services -TNS). TNS constituted the largest sample size in this research. This breakdown will be helpful in analysing the research findings.

Table 3.3: Technology network services stratified sampling.

REGIONS	TECHNOLOGY NETWORK SERVICES (TNS)	
	Access Network Operations (ANO)	Core Network Operations (CNO)
North Eastern	166	41
Gauteng	15	1
Eastern	12	27
Central	80	0
Southern	14	16
South Eastern	0	0
TOTALS	287	85

3.2.4 Respondents’ profile

No distinction was made with respect to gender, age, and colour or creed because these demographics do not impact on the research results.

.Demographically the survey sample focused on operational Grade 8 to 10 employees attending courses at various campuses. Clarification needs to be made

here with regard to the grading system in Telkom SA; Grade 1 to 5 are employees on managerial level (Middle management to Executive level respectively) and Grade 6 to 7 (First line management level). The operational workforce ranges from the lowest Grade 10 to Grade 8 the highest. And lastly; Grade 12 to 11 in descending order are employees on the auxiliary band, now called support.

Representation in terms of gender averaged at about 30% females and 70% males based on the Affirmative Action ratio policy. Ages ranged from about 20 to 40 years; young people were predominant (based on personal observation). Depending upon the type of course presented namely technical or non-technical) the ratio would not differ substantially from the 30% Whites and 70% Blacks norm set by the Affirmative Action policy. Males dominated the attendance on technical courses, while non-technical courses were dominantly populated with females. Minimum qualification levels were ABET level 3 and the majority of respondents were within the bracket of N1 and N6 (equivalents of Standard 10). At the upper end of the scale graduates and post-graduates represented a very low percentage. Language representation was largely based on the geographical location (eleven official languages). Religion and ethnicity was not considered because that would not add any value to the interpretation of the results. Appendix 6 shows the Management System Information Support (MSIS) statistical report of student attendance at all regional campuses for the month of August 1999. The study sample was fairly representative in terms of diversity, work classification and job Grading according to this report. A total of 6 662 employees were trained during the month of August 1999 at various training centres throughout the country.

3.2.5 Data administration

It is customary in Telkom training centres to complete customer satisfaction surveys at the end of the course. It would therefore not be unusual for the respondents to complete this extra questionnaire in line with the underlying guidelines of research design with respect to natural setting, the cause-and-effect relationship and unobtrusiveness as discussed in section 3.1. A pilot run was conducted consisting of eight respondents, three managers to validate the questionnaires.

Questionnaires were distributed electronically via E-mail to selectively identified people within the Centre For Learning (Training Centres) domain. Due to the low return rate of the questionnaires, it was necessary to select those people who were interested, reliable and/or had been engaged in a similar intervention. The completed questionnaires were either handed-in by the Centre For Learning staff who might be in that particular region at the in time or were sent through internal mail system. A deadline was set for the return of the completed questionnaires.

A Microsoft Excel spreadsheet was used to analyse the questionnaires (see Appendix 7). The front page of the questionnaire requested the following information purely for statistical analysis purposes. The **Region** category required information of whole population group. The **Service organisation** category requested information regarding the sub-population of the target group. The **Service Unit**, as sub-division of the sub-section was used to enable the researcher to identify the specific category of work group and finally the **Senior Area/Senior Manager** was provided for so that constructive feedback could be given to the concerned person if necessary without identifying the respondents concerned.

The results were sorted according to regions. A worksheet was made for each region and Head Office was considered as a region on its own. All six questions were plotted on the spreadsheet and each question had columns for each alternative numbered one to four. Respondents' choices were tallied in the relevant columns as "1". Two extra columns were added horizontally as a checkpoint to make sure that all the choices of each respondent were captured. The total of six was anticipated. Each respondent's choices were totalled and those totals were used to:

- Obtain the total number of respondents in the region concerned;
- Convert those totals to percentile scores; and
- Draw supporting graphs.

The Region, Service Organisation, Service Unit and Area/Senior Manager columns were mainly used for the identification of respondents.

The frequency for each question's alternatives chosen was multiplied by the scale value, for example, if there were Ten Fours (10×4) the total would be 40. This was repeated for the remaining alternatives. The number of participants divided the total in each column. Then, the average was calculated. For example:

Question 1

Alternative 4	:	(10 x 4)	=	40
Alternative 3	:	(6 x 3)	=	18
Alternative 2	:	(2 x 2)	=	4
Alternative 1	:	(2 x 1)	=	2
Total			=	66
Divide by 20			=	66/20 = 3.3 (Percentile Score)

NB: Number of participants = 20

Then the score of 3.3 was tallied in the relevant column for each question for all regions to produce supporting graphs. Regional percentile scores (see Appendix 8) were tallied and converted to percentages and a graph was generated (see Appendix 9). Conversion from percentile scores to percentages was calculated as follows:

$$\text{Percentage} = \text{Percentile score} \times 100/4 \text{ (Four alternatives)}$$

This percentage was compared with averaged 1996 and 1998 percentages for each category of the Telkom survey obtained from ***"Snapshot PULSE Survey"*** supplement to the ***"ON-LINE" Newspaper***. (see Appendix 10). The averaged percentages were also tallied in Appendix 11. PULSE is the abbreviation of the following:

- Performance of the people of Telkom*
- Urgency to become world class*
- Learning organisation*
- Service to our customers*
- Excellence in what we do*

The PULSE data was used to form the baseline graph for each category of the questionnaire. PULSE Survey categories were mapped with the research study themes as depicted in Table 3.4 below:

Table 3.4: Matching of PULSE categories with research study themes

PULSE CATEGORIES	RESEARCH STUDY THEMES
• Involving employees • Proud to be part of Telkom • Responsibility • Leadership • Decision quality	• Participation • Satisfaction • Ownership and commitment • Frustration • Decision quality

3.3 RESEARCH RESULTS

The process used for data analysis will be based on the analytical survey method. This decision has been made on the premise that the stratified random sampling technique was used as indicated in section 3.2.2. An analytical survey study takes data that is essentially quantitative in nature and analyses the captured data by means of inferential statistics. Characteristically, inferential statistics means taking a

small sample of a population and drawing a general conclusion about the whole population. The collected data will be interpreted and the analysis of the results will be dealt with in details in chapter 4.

3.3.1 Population data

Refer to Appendix 12. Half of the population sample that participated in the research study represented the North Eastern Region (50%). The eastern and Central Regions came very close to occupying the second spot (16% and 15% respectively. The Southern Region had 10% of its population partaking in the study. Head Office and the Gauteng Region constituted 5% of the population sample. This can be explained on the basis of on the following considerations:

- Only employees that were attending courses were sampled;
- It was not possible to release all employees for training, otherwise productivity would suffer;
- All training campuses were being upgraded at the time of this study;
- North Eastern Region training campus (Olifantsfontein) was the first to be upgraded and the only campus with accommodation facilities; and
- North Eastern Region is one of the most densely populated regions.

It stands to reason that the North Eastern Region should form 50% of the population sample. One other important fact that must be borne in mind is that Olifantsfontein is the best equipped and the most fully staffed campus. A lot of training is thus taking

place at this campus. The low percentages of the other regions are acceptable when considering the above factors.

Stratification data

Stratified data in terms of service organisations that took part in the research study are shown in Table 3.2. It can be clearly seen that the Technology Network Services (TNS) service organisation had the largest number of respondents, and is most probably the largest section in Telkom. Again, the North Eastern Region had the highest number of respondents for the reasons given above. An interesting point that must be mentioned here, is the discovery of the fact that the respondents could not differentiate between service organisations and service units. This was evidenced by a relatively significant number of respondents in the “Other” column of Table 3.2.

3.3.2 Randomised data

Table 3.3 illustrates the breakdown of Technology Network Services (TNS). The same analysis could have been made in respect of the other service organisations, but for the purpose of this study only one service organisation was selected on the basis of its sample size.

It can be inferred that Access Network Operations (ANO) is the largest section in the company based on the significantly high figure of 287 as compared to a total of 85 for Core Network Operations (CNO). A trend that is noticed is that the North Eastern Region is the largest sample size in all categories and therefore could be the largest division the whole of Telkom.

3.4 SUMMARY

In a normative survey, sound research begins with a careful consideration of data. Data determine the research method most of the time, while careful consideration of the population will justify generalised statements. In general the population sample selected should be both logically and statistically defensible.

A generalised statement that can be made from the available data used in this survey is that the North Eastern Region trains most of Telkom employees. From the available data for the study it can also be inferred that the Technology Network Service (TNS) division and in particular Access Network Operations (ANO) constitutes a larger part of Telkom employees. It follows that whatever research findings that will be discussed in chapter 5 will be a justifiable representative of the company's perception according to a normative survey study.

Chapter 4 will consist of an analysis of the empirical results.

CHAPTER 4

RESEARCH ANALYSIS

4. INTRODUCTION

In determining the role that participative management can play towards the ideals of Vision 2000, it becomes necessary to analyse some of the principal constructs of employee involvement contained in the researched questionnaire by Teleometrics International. These are some of the many guidelines towards full and comprehensive access management. Participation, satisfaction, ownership, commitment, frustration and perceived quality of decisions were considered in the survey.

As an opening remark, Hall, (1996:291) based his findings on the premise that "there is a positive relationship between the amount of participation an individual experiences and feelings of satisfaction, responsibility and commitment. And put another way it means that people value and tend to support what they help create. This echoes what has been said by Schutte: (1994:3) at the beginning in chapter 1. He had the following to say: "people work the hardest when they have planned the work they are doing".

4.1 RESEARCH FINDINGS

A very brief overview of the research findings will now be discussed. Refer to Appendix 11.

Participation: The degree of participation in all regions seems to be acceptable although it scores less much the same as frustration compared to other categories of the questionnaire. A percentile score of above 2 in all regions suggests that respondents are agreeing with the efforts that are made to involve them in.

Satisfaction: With the exception of the Eastern Region all other areas are more than satisfied as evidenced by the percentile scores of around 3. Gauteng has the highest score of 3.6.

Ownership: Ownership scores relatively high in all regions. Head Office has the highest percentile score of 3.6. It will have to be inferred that because of the positions the respondents occupy it is not surprising that they tend to be more responsible than the respondents in the rest of the regions.

Commitment: Commitment scores relatively the same as ownership. A percentile score of about 3.4 is relatively good. There is a very small margin between ownership and commitment in all regions. A sense of ownership is the result of commitment.

Frustration: Much as has been expected the respondents were not as frustrated as was anticipated in regions. Again the level of frustration in Durban is the highest at a percentile score of 3.1.

Decision quality: Eastern Region again showed that they are not really happy with decisions that were being made in that region. The rest of the region averages a percentile score of 3 and Durban has the lowest score at 2.6.

4.2 PARTICIPATION ANALYSIS

On a four-point scale that was used in the questionnaires all the regions are more than 50% (percentile scale of 2) satisfied with the level of participation. Table 4.1 ranks all the regions with respect to the level of participation with reference to satisfaction and the quality of decisions. These aspects are complementary in the sense that the level of satisfaction is a direct result of decisions that are made to control and regulate the level of participation.

It is evident that there is a correlation between the level of satisfaction and the quality of decisions that are made. Again, there is a correlation between the quality of decisions made and the amount of participation afforded to the participating respondents. The Gauteng and the Southern regions are not synchronised with the rest because they are telling us that the decisions are very good and yet they are not participating as much as they would have liked to, although, they are extremely satisfied. This phenomenon could be attributed to extrinsic motivation.

4.3 FRUSTRATION ANALYSIS

Table 4.2 ranks the level of frustration in comparison with commitment and ownership. Frustration is a direct inverse of participation. The ranking is almost and inverse of Table 4.1. The Eastern and Southern regions scored the lowest on

participation according as reflected in Table 4.1, and in Table 4.2 they are sitting right on top of the list as the most frustrated regions respectively. There is also an obvious correlation between commitment and a sense of ownership. What Table 4.2 is telling us is that as much as Gauteng in Table 4.1 were frustrated with the decisions that were made, they are equally committed to take full ownership of what they are charged with. Again, this situation could more than likely also be attributed to external motivation as well. Another reason for this phenomenon could be attributed to the rationale of leadership in the region concerned. The majority of managers could be on right track, but because of the few bad managers, employees tend to generalise their perceptions. Perhaps the phenomenon could be attributed to the re-structuring processes within the company that result in people moving from one section to the other. Some employees could be carrying over their sentiments from the previous leadership. More investigation needs to be done in this area.

TABLE 4.1: Participation as the dominant factor

REGION	PARTICIPATION	SATISFACTION	QUALITY DECISIONS
Central	3.1	3.0	3.0
North Eastern	2.9	2.9	3.0
Head Office	2.8	2.9	2.9
Gauteng	2.6	3.6	3.0
Southern	2.6	3.0	3.1
Eastern	2.6	2.5	2.6

TABLE 4.2: Frustration as a dominant factor

REGION	FRUSTRATION	COMMITMENT	OWNERSHIP
Eastern	3.1	3.2	3.2
Southern	3.0	3.4	3.3
Central	2.9	3.5	3.4
North Eastern	2.6	3.4	3.2
Gauteng	2.6	3.3	3.2
Head Office	2.4	3.6	3.2

4.4 REACTION INDEX ANALYSIS

Unlike Hall's, (1996:291) findings, which postulate that people who are not involved (ownership) experience more frustration than those that are involved, survey results have shown the opposite. The employees say, yes, we are frustrated and yet we are more committed to the work we do as evidenced by the survey results. Cultural factors and the socio-economics of South Africans as compared to the American society could perhaps explain this state of affairs. Culturally, South Africans are more willing to protect their work at all costs than workers in the more advanced countries are. Other reasons could that be cited are:

- The company is now looking after its people better than ever before;
- The quality corporate clothing that employees receive could be having an overriding influence on their sentiments;
- The transport that they are now using is far better than the vehicles that were previously used;
- The equity partnership with Southern Bell Co-operation (SBC) could have influenced leadership's style;
- The migration of previously disadvantaged people into management and senior management positions;
- The appointment of the first Black Chief Executive Officer (CEO) in the company;
- Unions have now adopted a new collaborative stance within the company. They are now working with the company as opposed to previous years;

- Incidentally, most of the shop stewards are now in management positions within the company. There are only two major unions (CWU and SATA) in the company as opposed to the many that existed in the past; and
- More that ever before, employees are now being trained and re-trained in large numbers (see Appendix 6).

4.5 THE “PULSE” SURVEY ANALYSIS

The results of this study concurs very much with the company wide survey that was conducted in 1996 and 1998 insofar as taking responsibility and being proud to be part of Telkom, are concerned (see Appendix 11).

Ostensibly there is a marked improvement in the way that employees now perceive management decisions compared to less than a year ago. The study results show an improvement with respect to the perceived quality of decisions, as compared to the results in 1996 and 1998 of the PULSE Survey. This mind shift could be attributed to the drastic implementation of Affirmative Action and the injection of young blood into the management fold.

Incidentally the level of frustration still remains at 69% (31% satisfied with management and 69% frustrated by management leadership in the 1996/1998 PULSE Survey. Undoubtedly job satisfaction should show steeply rising levels in both the PULSE Survey and research results of this study of 73% and 83% respectively. Levels of participation and involvement of employees in decisions affecting the work they are doing are still a concern as shown by these two surveys.

4.6 PERCENTILE ANALYSIS

The Central Region in particular clearly showed a constant percentile score of 3 and above in all categories except on the level of frustration which is less than a factor of 2.9. This region was comparatively less frustrated than the others in this survey. The degree of participation there was the highest of the survey results, leaving no doubt why the levels of commitment and ownership are so high, registering percentile scores of 3.5 and 3.4 respectively on a four-point scale.

Ownership and commitment scored quite high in all regions (minimum of 3.2 to a maximum of 3.6)

The participation category of this research study requires more attention than the other sections of the questionnaire because scores here were the lowest in both the 1996/1998 PULSE Survey and in this research study. Participation alone cannot enable businesses to thrive but forms the most important factor to ensure success in business. The fact that participation has been singled out for further discussion does not necessarily mean that the other aspects contributing to success in business are of lesser importance. From the foregoing participation has emerged as a dominating factor and this will be discussed in the next paragraph.

4.7 PARTICIPATION AS A DOMINANT FACTOR

A lot more needs to be done, as evidenced by the research survey, in almost all regions participating in this study. Van den Berg, (1999:38), Schutte, (1994:6), Hall, (1997:13), McLagan and Nel, (1995:X), Leigh, (1997:32) and many more all share the same sentiments namely topic that participative management and employee involvement form the corner stone of success.

Van den berg (1999:38) says the following: " The desire to be important is one of the deepest urges in human nature and the craving to be appreciated – the deepest principle. Nothing is more powerful than positive reinforcement – men and women from all walks of life have produced far better work and put in far greater effort under the spirit of approval."

A substantial number of managing directors believe that employee involvement (participation) is a long-term investment in business survival, says Schutte (1994): Hall (1997), also shares the same sentiment.

McLagan (1995) states that a study of Fortune 1 000 companies sponsored by the Association for Quality and Participation found that more than 70% had a formal employee involvement strategy and found that despite their popularity, participative strategies had affected only 13% of the people working for the companies polled. In a study that was conducted for Fel-Pro on employee engagement the study showed that:

- People who participated in the study had best records;
- They had fewest disciplinary records; and
- They gave most suggestions for productivity and quality improvement.

Garfield, (1992:99) supports participative management by telling a story of a company that was going bankrupt in June 1991. Of the 9 000 employees, 2 000 attended a pep talk rally at the Sky Harbour Airport. After the workshop they raised \$6 000 to take out an advertisement. The ad read in part: *"The Employee Owners of America West Airlines have our own secret ingredient – and ours cannot be duplicated. With this ingredient comes motivation, an on-time departure and arrival (record) and an exemplary safety record, all of which are second to none. We ask you now to show your support and confidence in our abilities and our company.* Indeed the company was rescued from the doldrums of bankruptcy.

4.8 SUMMARY

In conclusion, now that it has been shown how participative management has done wonders for other companies, we need to address the question of benchmarking this survey with other research studies. Veldsman, (1997) [head of organisational effectiveness group at Ernest and Young Management Consulting Services and Rehana Harilall] suggests a benchmark of 81.8% and found that centralised decision-making contributed 45% as one of the major barriers in effective employee involvement. A percentage of 69% for this study is good and a worse-off percentage of 53% for the PULSE Survey is evidently not acceptable to push Telkom into world class Telecommunication company.

CHAPTER 5

CONTEXTUALISING PARTICIPATIVE MANAGEMENT WITHIN CORPORATE STRATEGY

5. INTRODUCTION

This chapter begins with a review of Telkom mission and value statement. The mission and value statements will be quoted. The search for the belief and the value systems meanings will also be put in context with the contemporary underlying participative management processes.

5.1 TELKOM MISSION AND VALUE STATEMENT

5.1.1 TELKOM Vision

"Our vision is that Telkom will become an internationally competitive, world-class telecommunications company. To do this, we will transform ourselves to deliver excellent service to our customers while meeting world-class telecommunications performance standards and achieving an acceptable return for our shareholders. We aim to play a leading role in Africa and will honour our social commitments."
(Telkom: 1999).

5.1.2 Telkom value statement

“To move toward our vision, we embrace the following three core values:

We are customer-driven. We will work to understand our customers’ present and future needs, to continuously act to exceed their expectation, and to be the carrier of their choice.

We are performance driven. We will strive continuously to improve and excel. We will set aggressive performance targets and measure our success, benchmarking ourselves globally. We will enter into alliances to enhance our performance.

We value our people and their diversity. We value fairness in all our dealings with people. We recognise individual and team performance. We value an entrepreneurial and pro-active approach. We believe in action learning and will invest in the ongoing development of our skills.

Our value system is based upon integrity in all we do.” (Telkom: 1999).

5.2 THE NEW MEANING AT WORK

For many decades and until recently most companies have ignored basic facts about human nature, such as the fact that people need to feel involved in

decisions that affecting them. The fundamental reality is that management plays a crucial role in any organisation that is seeking to be profitable. Involving employees does not mean empowering workers to do as they please. First and foremost, it must be realised that people do not come to work empty handed and empty minded. People come to work with their bodies and minds carrying lots of talents and unique spirits

People have a burning desire to be of service to their companies. When people feel that they are being of service to something other than their work they are supposed to do, the undoable gets done, and the impossible becomes possible. People need variety in whatever they do. People like challenges and they enjoy them more especially when they are winning. It is true that people want to find purpose to their lives and work in particular. Really and truly people want to be involved right across the whole spectrum of business activities. Over and above, people expect fairness in totality and as mentioned in section 2.6.

Fairness profoundly influences attitudes and behaviours that are critical to high performance. Fairness builds trust and unlocks ideas. People need explanation, engagement and expectation clarity. Furthermore, people desire recognition for the well-done job well done and people want to be part of the winning team. People need continuous reinforcement and challenges to exceed all expectations. The human spirit never fails to rise to challenges. This fact has just been demonstrated by high levels of satisfaction, feeling of ownership and

commitment namely 75%, 81%, and 85% respectively despite the relatively low participation level of 69% and low morale (frustration) of 69% as referred to in chapter 4.

5.3 MISSION IN CONTEXT

Berrett-Koehler (1993:28) distinguishes two sets of paradigms: (a) The old paradigm, - the mission to increase shareholders' wealth. (b) The new paradigm –the mission to produce quality services or products that promote the well-being of the community and to provide a working environment conducive to personal growth and creative productivity while increasing shareholders' wealth. Simply put, organisations need to help create meaning and purpose for their employees and to link the organisation more closely with its workforce.

Telkom employees that took part in this research study are still satisfied and committed even if the prevailing situation is not exactly as they would have desired, as demonstrated in paragraph 5.2 above. Nevertheless, Telkom is still on the road to becoming a world-class telecommunications company as evidenced by high levels of sense of ownership and commitment of 83% as demonstrated in chapter 4. Is this enough for Telkom to realise its objectives? The employees surveyed indicated that they need to participate at least 31% more (100% – 69%).

5.4 REALISATION OF THE MISSION

One way of fostering a value-based environment is by attaching meaning to work. Meaningful work is achieved by integrating work life and human life in general. Employees should be stimulated to work consciously at higher levels of their physical, mental, emotional and spiritual dimensions of their lives. Work should be seen a joint venture (partnership) between employers and employees as opposed to the way work is viewed in traditional paternalistic relationships.

Employees should be afforded equal participation in all work activities. Then the true meaning of participation will be realised. Yes, according to Telkom value statement, employees are valued together with their diversities as mentioned in paragraph 5.1.2 above. Based on the results of the survey in chapter 3 it was demonstrated that the company has not touched adequately, the spiritual dimension of their lives yet. The physical, mental and emotional dimensions have been adequately addressed as evidenced by the high levels of satisfaction, feelings of ownership and commitment. In chapter 1 two questions was asked: "How do you keep a worker 24 hours?" and "What makes people tick? Both the emotional and spiritual aspects of a human nature are extremely essential towards optimal fulfilment of the working relationship.

The company aspires to valuing diversity, and to recognising the individual and team performance of its employees. These aspects have been adequately

covered as well. When we look at the top structure of the company we find that it is well representative in terms of diversity.

The desire to be important (to be appreciated) is one of the deepest urges in human nature as mentioned in chapter 4. The Research findings in chapter 4 indicate that the employees are frustrated and yet they are still upbeat with the decisions that the company is making. This is something quite contrary to Teleometrics International findings – frustration scores are much higher than the quality of decisions made in a non-participative work environment. The reason is not far but in what Van den Berg (1999) mentioned in paragraph 4.5 that people have the desire to be appreciated and important. Corporate clothing supplied by the company, and the type of vehicles employees use, to mention a few make them feel well cared for and important. This is typically in line with the company's mission statement.

The company also aspires to have fair dealings with their employees. Union representatives form an integral part of Telkom structures right from the Board of Directors to shop floor level. The emotions of employees are relatively high as the study revealed in chapter 4.

In an effort to reward and recognise the individuals and team Performance Management System (PMS) and the "*Name in Lights*" reward system have been introduced in the company. There is nothing wrong in "*Name in Lights*" system

except the Performance Management System which unions feel that it is not fair enough. The middle and first line management structures are not yet representative enough thus, explaining the reason why this excellent management tool is not received with applause by the employees because it is implemented by the people who the employees do not have trust in. The Performance Management System forms the core of the discontentment in the company because it does not touch the spirit and minds of employees..

5.5 RE-ENGINEERING IN PERSPECTIVE

Not so long ago re-engineering was at the top of management buzz-words but today it is increasingly becoming denounced as a failure. There is a fundamental reason for many failed transformation efforts in organisations – failure to produce lasting results in with corporate strategy. Most analyses of unsuccessful change programmes have attributed their failures to either lack of management commitment or inadequate attention to people issues. In particular, it is believed that the basic vision that guides many change experts is flawed. Organisations hold the view that mankind is infinitely perfect and can easily accept any decision. It has been noted that change solutions break down in implementation because of the following according to Bennett, (1998:22-32):

- The solutions cannot cope with the complexities of the real world or they meet with over-whelming organisational resistance; and

- Change processes go through a series of phases and usually require a considerable length of time to be successful. Skipping steps creates an illusion of speed and never produces satisfying results. Critical mistakes in any of the phases can have very devastating impact.

Many change initiatives have achieved, some short-term objectives such as cost reduction, while solutions to the real challenges have proved to be elusive as evidenced low level of participation and high level of frustration results of this research study. The two common explanations are cited by Bennett, (1998:22-32): are:

- Lack of senior management commitment; and
- Failure to address the "softer" issues related to re-engineering's impact on people and corporate cultures.

5.6 FAILURE OF RE-ENGINEERING

The theory of constrained change is based on the premise that man is basically good and has natural desire to behave in ways that maximise the benefits to the society. If a man is not behaving in this manner, the reasoning continues, it must be because he has been corrupted by selfish thoughts or ignorantly clings to wrongheaded ideas. The solution, therefore, is for the enlightened individuals to educate the masses as to the operating rules that they should follow to achieve the greater social good. Bennett, (1998:23)

Solutions developed from an unconstrained vision tend to oversimplify the complexity of the real world and can fall apart when implemented. There is tremendous value in current traditions and operating decisions, since these reflect the cumulative wisdom of disparate individuals making independent trade-offs. Bennett, (1998:25-26). Failures of re-engineering process as cited by Bannett (1998:25) and Kotter, (1995:60-67) from an in-depth study of why transformation efforts fail are:

Not establishing a great sense of urgency. Getting transformation program started requires the aggressive co-operation of many individuals. Without motivation, people won't co-operate and the effort leads nowhere. Almost 50% of the institutions studied have come short in this phase because:

- Sometimes executives grossly underestimate how hard it can be to drive people out of their comfort zones;
- More than often re-engineering owners lack patience. They are only looking on the down side of facts - fear of being blamed for causing crisis
- Having too many managers than leaders. Managers tend to maintain the status quo because they are protecting their jobs.
- Failure to convince people that change is necessary. People will not agree to any intervention that threatens their job security.

Not creating a powerful guiding coalition. Transformation programme often starts with one or two people. Transformation awareness also grows gradually. Minimum number of prominent role players should include committed senior executives, senior managers, and representatives from customer base as well as union leaders. If these role players are not on-board early enough nothing much worthwhile happens. Major change is impossible unless the head of the organisation is an active supporter.

Cheating the process. People follow new processes on paper, but still continues to use old methods to handle all exceptional and complex problems. For an example *Field Effectiveness and Quality (FEQ)* and *Street Distribution Cabinet (SDC)* to name a few have become redundant because of the cheating effect (own inferences). FEQ required employees to record all activities of the working day from start to finish. Somewhere along the line the process became too complex and subsequently was discontinued. SDC operations were disbanded because of the same reasons of employees not recording accurate information as required.

Lack of buy-in. When those who have to implement the new processes fail to get solutions to the work they are doing, they tend not co-operate and thus maintain status quo.

Contradictory incentives. Insufficient attention is given to change existing incentives both formal and informal. Some employees fail to support implementation because they see only the negative things that impact on their own careers.

Short-sightedness. Resistance was viewed as either a lack of understanding or a lack of commitment. It was also believed that a group of “experts” without sufficient knowledge and experience in change management would play a major role in developing others and re-designing processes to emerging situations.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6. CONCLUSIONS

6.1 PARTICIPATION AS THE DOMINATING CONCERN

The research study has proved it beyond doubt that participation is a concern for many employees. Ironically, this is a much talked about theme that is on everybody's lips from manager, employees, politicians, economists, journalists, doctors, church leaders and even to children in primary schools. The word "participation" appears in countless behavioural sciences, sociology and faculties of education literatures and yet it is the least practised. The word participation has evolved through centuries. It has so many synonyms such as employee involvement, employee empowerment, self-managing teams, gatekeeping, collaboration, access management and ownership. Nonetheless, it refers to an ideal that is not lived up to. Participation has no boundaries. It is inclusive of, for instance, job satisfaction, leadership, a sense of commitment, ownership, return-on-investment, shareholder value, productivity, economy and wealth.

The research study has also proved that: the inverse of participation is frustration, and frustration leads to low morale, and that leads to non-commitment

such as this common syndrome: *"don't bother me I only work here"*. This attitude is the result of the decisions that have been made by anybody else other than leaders themselves exclusively. When leaders make wrong decisions, businesses close down, which can lead to a poor economy. The effects of bad economy are terribly undesirable.

For obvious reasons participation requires special in-depth analysis. A team undertook an extensive research project to discover to what extent is participative management really practised in South Africa and to find out what it does and what it doesn't. Besides the old authoritative culture as a major stumbling block chief executive officers reported the following barriers according to Schutte (1994):

- Lack of total commitment, visibility and support from senior management (100%)
- Poor communication (91%)
- A non-supportive union attitude (91%)
- A lack of integration with management system (91%)
- Poor ownership of human business in the line (91%)
- Insensitive and threatened supervisors (86%)
- Lack of meaningful and acceptable "bottom-up values (73%)
- Illiteracy and lack of training and development (68%)

In the same research study, the Board of Directors identified the following stumbling blocks:

- Trust and openness (100%);
- Quality facilitation (91%);
- Effective (warm and friendly/ownership creating) communication (91%);
- Line ownership of human business processes (91%);
- Labour union support (86%);
- Human skills development at supervisory level (86%);
- Integration of involvement/participative processes with the organisation's processes, planning and control (82%);
- Recognition, feedback and appreciation (82%); and
- Effective processes, stimulating/supporting creativity and innovation (77%)

Re-engineering focused more on developing perfect processes rather than on improving existing structure, guidelines and incentives. Because of the emphasis on processes and oversimplification of human nature necessary to re-design a comprehensive business stream, the initiatives failed to anticipate fully the complexities of the real world. When confronted with resistance, those behind these processes shift the blame onto the people implementing these processes as being uncooperative. In fact, much of the resistance has been rational. Employees had genuine concerns that were not adequately addressed by management. The root cause of failure of re-engineering were diagnosed to:

- Not understanding current trade-offs and motivation;
- Not re-defining structures and incentives;
- Jumping to process designs without fixing existing problem;
- Not understanding the real world complexities; and
- Not leaving the details to those closest to the task to contribute in making decisions.

6.2 RECOMMENDATIONS

6.2.1 Create a culture of participation

An organisation that is fully participating as a rule rather than an exception satisfies the following conditions: Garfield, (1993:95)

- Provides a compelling mission and/or set of worthy values with which employees can identify
- Provides a structure that encourages maximum participation by emphasising flexibility and autonomy
- Provides reward for employee participation and does not punish employees for taking risks
- Has ongoing involvement programmes to ensure that full participation remains the standard operating procedure and
- Recognises and supports every employee's need to integrate work with family life.

6.2.2 Share mission and values

Recommendations regarding the mission and value statements are the following:

- Egan (1993) and Garfield (1995) suggest that it is unrealistic to leave the final formulation of a company strategy to the masses, however many people can contribute to the formulation of the strategy. Having contributed, they recognise the strategy as their own and tend to implement it more vigorously than they would have without any involvement.
- An employee is far more likely to embrace the company's mission and act on it if it is worthwhile for his personal aspirations; alternatively if it pursues an external social activity such as community building, Black Economic Empowerment, Red Cross or whatever institution that is enjoying community popularity.
- When the mission contains employees' values such as caring, trust and respect, most importantly putting people first, employees are more likely to want to give in willingly.

6.2.3 Structure for participation and create flexibility

Organisational structures should be crafted in such a manner that it supports participation rather than impeding it. Some of the techniques that could be used are:

- Encourage the “rule of common sense”. If a decision has to be made no consideration should be given to rules and regulations as long as that decision brings about a visible solution or outcome;
- Encourage employees to take risks;
- Encourage cross-functional training by allowing employees to move from one job to the other;
- Build cross-functional self-managing teams; and
- Design supporting physical space to facilitate involvement.

6.2.4 Reward for participating

If employees are to be fully involved they must share the downside as well as the upside of the business. Executives must suffer along with other employees when the business turns sour. Pay is not the only compensation that companies can offer. Employees are aspiring to a conducive quality of work life and economic benefits. The quality of their work life can be enhanced by:

- Recognition;
- Respect;
- Open communication;
- Flexible work schedules;
- Continuous training and education;
- Family orientated benefits and the
- Opportunity to make an impact on the business.

6.2.5 Ongoing involvement programs

There is virtually no room big enough to host of possible involvement programs. The type and numbers of these programs vary according to the nature of the business and the culture of an organisation. These programs are essentially meant to close the loop of communication lines within an organisation and are strategically structured to enhance effectiveness and effectiveness of participation. Few of the many examples are:

- Start-up meetings (Green Areas);
- Plan, Do, and Review meetings (PDR);
- Suggestion Schemes; and
- Recreation and Sports Committees.

6.2.6 Harmonise work and family

In most cases conflict exists between work and family which is quite natural. A balanced approach should be mutually reached between the two parties i.e. employers and employees. Much as organisational objectives are important, employees' personal goals and aspirations are also important. As an enhancement tool, policies of an organisation as well as the business plans should explicitly reflect on the employees' aspirations. Right from the top to the bottom of an organisational structure employees should be actively involved. Typically the events could encompass the following:

- Company travel excursions;
- Trade association meetings;
- Breakfast and dinner meetings;
- Weekend treats;
- Christmas parties; and
- Educational committee.

6.3 CONCLUSIVE PARTICIPATIVE PROCESSES

Schutte, (1993:5-6) in his research identified the following road map towards successful implementation of effective and efficient participative processes:

- An unshakeable, totally sincere commitment, involvement and visibility by the organisation to improve quality and competitiveness;

- The organisation must equip every member of the company with problem solving and human skills;
- Opportunities must be provided for people to achieve something worthwhile/solve problems/be part of the solution
- Fair processes and ownership recognition practices must be in place;
- The organisation must ensure that quality and competitiveness will become part of daily life through empowering people at their level (they must feel owners of their jobs and job related issues); and
- Participative management must become a lifestyle in the organisation so that ownership/stakeholdership/partnership will become the driving force towards business survival, growth, quality and competitiveness.

6.4 RE-ENGINEERING

Booz-Allen and Hamilton, (1998:32) provides the solutions that may off-set re-engineering shortcoming by way of comparison and further suggest the following:

- Focus on trade-offs and incentives rather than the process;
- Create guidelines and establish proper limitations;
- Recognise those making decisions;
- Establish explicit financial targets linked to specific initiatives;
- Conduct a proper diagnostic survey;
- Identify root-cause problems;
- Establish right capabilities to support business vision; and

- Prepare for change resistance and root out irrational resistance.

Table 6.1 illustrates the difference between re-engineering and the unconstrained change theory.

TABLE 6.1: Comparison between re-engineering and constrained change

	RE-ENGINEERING	CONSTRAINED CHANGE
• Focus :<i>Initially</i> • Focus :<i>During redesign</i>	• "As is" process • "To be" process Mapping	• Causal diagnostics • Structure and guidelines
• Desired outcome	• Ideal process	• Frame work for making the right decisions as they arise
• Measure of success	• Process adherence	• Financial outcomes
• Incentives	• Designed to support process	• Analysed up-front and changed to support desired decision making
• Change team : <i>Status</i> • Change team : <i>Role</i>	• Special project • Develop process maps	• Central to running the business • Redesign structure, guiltiness and incentives – business leaders determine "how"
• Resistance to change	• Must be irrational – a sign of lack of understanding or commitment	• Probably rational - possibly a sign of contradictory incentives

Source: Booz-Allen & Hamilton (1998)

The theory of Japanese reflected on continuous improvement in paragraph 2.4.4.

Radical changes within an organisation more than often result in vehement resistance which is adversarial to an organisational intent of improvement (re-engineering).

6.5 SUMMARY

The bottom-line of this research study revealed the following:

- Telkom employees are no longer that unhappy with the decisions that management make;
- Ownership and commitment have taken a very sharp upswing turn - something to comment the company about;
- The level of satisfaction within employees is reasonably good; and
- Participation has inched forward to accepted levels.

The vision and mission statements of the company are completely in line with what scholars of practical participation processes are advocating as has just been indicated in this research study.

In conclusions, managers must encourage employees to initiate process improvements and new ways of responding to customers' needs – but in a controlled manner. Managers should inspire and promote commitment to an organisations' core values by walking their talk. When employees suspect the actions of their leaders, they will more than likely not believe value statements of an organisation. Clearly articulated boundaries of operation often influence employees to passionately accept their responsibilities. Managers must challenge employees to explain the meaning of changed circumstances and to

review actions that the employees have developed to react to problems and opportunities as often as it is necessary. It is imperative that managers should constantly focus on changing information that the top-level management has identified as potentially strategic. This information should be discussed and cascaded down to all levels of management and the entire workforce.

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APPENDIX 1

PROJECT RAINBOW

ROLES, ACCOUNTABILITY AND RESPONSIBILITY OF RE-ENGINEERING UNIT

CORE ROLES

1. Consultancy
2. Facilitation
3. Change Management
4. Training
5. Coaching

CORE ACCOUNTABILITY

As the driver for business process improvement, we are accountable for providing consultancy and facilitation services in company-wide business process management and re-engineering so as to ensure successful planning, deployment and measurement of re-engineered processes and other related improvement initiatives. In this context, we focus on corporate strategic alignment and contents as well as operational excellence in line with our corporate vision.

RELATED RESPONSIBILITIES

1. In collaboration with and cross-functional units (including key enablers, Human resources, and Information Technology) plan, co-ordinate, facilitate and implement process re-engineering and other improvement initiatives company-wide.
2. In co-operation with Inter Audit, identify and strategize potential opportunities for improvement via Audit findings to prevent recurrence.
3. Plan, develop and implement quality management system and strategy to sustain continuous quality improvement in the company.
4. Integrate and align business improvement initiatives with corporate as well as business unit objectives to ensure optimization of resources.
5. Facilitate the creation of forums that will ensure stakeholder buy-in, commitment and ownership.
6. Design and develop process management and problem solving methodology and tools and problem solving methodology and tools for field application.
7. Provide relevant training on concepts, methodology and tools for business improvement teams on project basis.
8. Develop documentation for all business processes and other improvement initiatives in line with ISO 9000 requirements.
9. Plan and implement environmental management system according to ISO 14 000 requirements and to ensure its integration with the current management system.

10. Identify and track benefits arising from re-engineered processes and other improvement initiatives to ensure their sustainability and continuous improvement.
11. Develop and implement a comprehensive and communication plan to inform, educate and promote business improvement activities throughout the company.
12. Facilitate change management to ensure efficient and effective implementation of re-engineered processes and improvement activities and projects.

Appendix 2

A PERSONAL REACTION INDEX

INSTRUCTIONS:

1. Carefully read the statement question which will give you a sense of issues of importance
2. Then read the **NINE** possible responses to the statement question
3. Choose **ONE** response which best suits the statement question by *circling the number it*

1. Numerous decisions affect the work we do. To what extent do you participate in making those decisions that directly affect your work?

In general, I participate:

- 9 Fully and completely
- 8 Quite a lot
- 7 A little more than average
- 6 Averagely
- 5 Neither very much nor very little
- 4 Less than I would want to
- 3 Averagely less than I would want to
- 2 Quite a lot less than I would want to
- 1 Not at all

2. Given the type of decisions that are made regarding how, when and what you do at your work. How satisfied do you feel in general, with the amount and quality of your participation and involvement in shaping those decisions?

In general I feel :

- 9 Completely satisfied
- 8 Quite satisfied
- 7 Moderately satisfied
- 6 A little more satisfied than dissatisfied
- 5 Neither very satisfied nor very dissatisfied
- 4 A little more dissatisfied than satisfied
- 3 Moderately not satisfied
- 2 Quite not satisfied
- 1 Completely not satisfied

3. When the decisions have been made with or without you, You should be responsible for the work you do. How much ownership do you take for the decisions affecting the work you do?

In general I feel that I have:

- 9 Complete ownership
- 8 Quite a bit of ownership
- 7 Moderate ownership
- 6 A little ownership
- 5 Neither very much nor very little ownership
- 4 Very little ownership
- 3 Moderately little ownership
- 2 Quite little ownership
- 1 Complete no ownership

4. Being committed to a decision means having a sense of personal identification with the decision than when the decision has been passed unto you. How committed to you feel with the decision affecting your work?

- 9 Completely committed
- 8 Quite committed
- 7 Moderately committed
- 6 A little more than not committed
- 5 Neither very committed nor not very committed
- 4 A little bit not committed than committed
- 3 Moderately not committed
- 2 Quite more not committed
- 1 Completely not committed

5. Reactions to the decisions affecting your work may be total approval to total frustration. How frustrated do you feel working under the decisions that have been made for your work?

In general I feel:

- 9 Completely frustrated
- 8 Quite frustrated
- 7 Moderately frustrated
- 6 A little more frustrated than approving
- 5 Neither very frustrated nor very approving
- 4 A little more approving than frustrated
- 3 Moderately approving
- 2 Quite approving
- 1 Completely approving

6 Some decisions affecting your work are good while others are bad: Evaluate the quality of those decisions made which affect your work.

In general, the decisions made are:

- 9...The best possible
- 8 Quite good
- 7 Moderately good
- 6 A little more good than bad
- 5 Neither very good nor very bad
- 4 A little more bad than good
- 3 Moderately bad
- 2 Quite bad
- 1 The worst possible

Appendix 3

***STRICTLY
CONFIDENTIAL***

**RESEARCH STUDY AS A
PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE
MASTER IN BUSINESS ADMINISTRATION
AT POTCHEFSTROOM UNIVERSITY (CHE)**

The purpose of this study is to identify areas of improvement needed by managers to better perform thus improving quality of work life in Telkom.

All information is confidential and no individual will be identified.

Time required: 20 Minutes

The following information is required for statistical purposes. In no way will this information be divulged to any body except myself and my project leader at Potchefstroom University.

Region:

Service Organisation (e.g. TNS etc.) :

Service Unit (e.g. BVS etc):

Service Area/Senior Manager:

Thank you for participating in this research study

INSTRUCTIONS:

1. Carefully read the statement question which will give you a sense of issues of importance
2. Then read the **FOUR** possible responses to the statement question
3. Choose **ONE** response which best suits the statement question by circling it

1. Numerous decisions affect the work we do. *To what extent do you participate in making those decisions that directly affect your work?*

In general, I participate:

- 4 Fully and completely
- 3 A little more than average
- 2 Averagely
- 1 Not at all

2. Given the type of decisions that are made regarding how, when and what you do at your work. *How satisfied do you feel with the amount and quality of your participation and involvement in shaping those decisions?*

In general I feel :

- 4 Completely satisfied
- 3 Moderately satisfied
- 2 Moderately not satisfied
- 1 Completely not satisfied

3. When decisions have been made with or without you, you should still be responsible for the work you do. *How much ownership do you take for the decisions affecting the work you do?*

In general I feel that I have:

- 4 Complete ownership
- 3 Moderate ownership
- 2 Moderately little ownership
- 1 Complete no ownership

4. Being committed to a decision means having a sense of personal identification with the decision that you have made than when the decision has been passed unto you. *How committed do you feel with the decision affecting your work?*

In general I feel that I am:

- 4 Completely committed
- 3 Moderately committed
- 2 Moderately not committed
- 1 Completely not committed

5. Reactions to the decisions affecting your work may be total approval to total frustration. *How frustrated do you feel working under the decisions*

which have been made for you concerning your work?

In general I feel:

- 4 Completely frustrated
- 3 Moderately frustrated
- 2 Moderately approving
- 1 Completely approving

6 Some decisions affecting your work are good while others are bad: *Evaluate the quality of those decisions that are made which affect your work.*

In general, the decisions made are:

- 4 Quite good
- 3 Moderately good
- 2 Moderately bad
- 1 The worst bad

Appendix 4

Work Practices in High-Performing and Low-Performing Organisations

Work Practice	High- Performing Firms	Low Performing Firms
Company culture emphasises people	90%	20%
Company uses a participative style	70%	4%
Pay is related to group or individual performance	86%	30%
Employees have clear goals for them and firms	80%	26%
Company encourages creativity	62%	10%
Company gives more than 6 days training	60%	12%
Company uses latest technology	72%	28%
Company encourages employee stock ownership	96%	56%
Company uses latest workplace technology	94%	56%
Company uses outside training	76%	40%
Company has formal and integrated career paths	66%	30%
Employees work at home	40%	8%
Company uses technical training	74%	38%
Jobs are more generalist than specialist	50%	25%
Company makes deliberate efforts to hire the best	54%	30%
Company employs part-time people	54%	30%
Company is highly decentralised	82%	62%

Appendix 5

DESCRIPTION OF THE 1994 BALDRIGE AWARD CRITERIA

Customer-Driven Quality

Quality is judged by customers. All product and service characteristics that contribute value to the customer and lead to customer satisfaction and preference must be the focus of a company's management system. Value, satisfaction and preference may be influenced by many factors throughout the customer's overall purchase, ownership and service experiences. These factors include the company's relationship with customers that help build trust, confidence and loyalty. This concept of quality includes not only the product and service characteristics that meet basic customer requirements, but it also includes those characteristics that enhance them and differentiate them from competing offerings. Such enhancements and differentiation may be based upon new offerings, combinations of product and service offerings, rapid response or special relationships.

Customer-driven quality is thus a strategic concept. It is directed towards customer retention and market share gain. It demands constant sensitivity to emerging customer and market requirements and measurement of the factors that drive customer satisfaction and retention. It also demands awareness of developments in technology and competitor's offerings and rapid and flexible response to customer and market requirements.

Leadership

Company's senior leaders must create a customer orientation, clear and visible quality values and high expectations. Reinforcement of the values and expectations requires substantial personal commitment and involvement. The leader's basic values and commitment need to include areas of public responsibility and corporate citizenship. The leaders must take part in the creation of strategies, systems and methods for achieving excellence. The systems and methods need to guide all activities and decisions of the company. The senior leaders must commit to the growth and development of the entire work force and should encourage participation and creativity by all employees. Through their regular personal involvement in visible activities such as planning, communications, review of company performance and recognising employees for quality achievement, the senior leaders serve as role models, reinforcing the values and encouraging leadership in all levels of management.

Employee Participation and Development

Company's success in improving performance depends increasingly on the skills and motivation of its work force. Employee success depends increasingly on having meaningful opportunities to learn and to practice new skills. Companies need to invest in the development of the work force through education, training and creating opportunities for continuing growth. Such opportunities might involve classroom, on the job training, job rotation and pay for demonstrated skills. Structured on the job training offers a cost

effective way to train and to better link training to work processes. Increasingly training, development and work organisations need to be tailored to a more diverse work force and to more flexible high performance work environments.

Major changes in the area of work force development include (1) integration of human resource management - selection, performance, recognition, training and career advancement; (2) aligning human resource management with business plans and strategic change processes. Addressing these changes requires acquisition and use of employee-related data on skills, satisfaction, motivation, safety and well being. Such data need to be tied to indicators of company or unit performance such as customer satisfaction, customer retention and productivity. Through this approach human resource management may be better-integrated and aligned with business directions using continuous improvement processes to refine integration and alignment.

Partnership Development

Companies should seek to build internal and external partnerships to better accomplish their overall goals. Internal partnerships might include those that promote labour-management co-operation such as agreements with unions. Agreements might entail employee development, cross-training or new work organisations such as high-performance work teams. Internal partnerships might also involve creating network relations among company units to improve flexibility and responsiveness.

Examples of external partnerships include those with customers, suppliers and education organisation. An increasingly important kind of external partnership is the strategic partnership or alliance. Such partnerships might offer a company's core competencies or leadership capabilities with complementary strengths and capabilities of partners, therefore, enhancing overall capability including speed and flexibility.

Partnership should seek to develop longer-term objectives, thereby, creating a basis for mutual investment. Partners should address the key requirement for success of partnership, means of regular communication, approaches to evaluating progress and means for adapting to changing conditions.

Appendix 6: MSIS Statistical Report

MSIS
 PROGRAM : ZPTPD047
 DATE : 1999/09/05 01:00:18
 PAGE : 1

Statistical Report For Centre For Learning

Training statistics for period: 1999/08/01 - 1999/08/31

Service organization : ALL

Plant : ALL

Plant section : ALL

ACTUAL TRAINING DAYS:

ACTUAL EMPLOYEES TRAINED:

ABET	TOTAL	TOTAL		Management		Marketing		Technical		
		MALE	FEMALE	Male	Female	Male	Female	Male	Female	Male
Female		Male	Female	Male	Female	Male	Female	Male	Female	Male
AFRICAN		49970	3594	803	476	527	650	4269	259	44371
2209	2511	2036	475							

01-05		62	11	30	9	4	2	28	0	0
0	26	21	5							
06-08		690	221	252	129	125	59	313	33	0
0	300	232	68							
09-12		48906	3333	518	336	393	589	3624	199	44371
2209	2128	1736	392							
OTHER		312	29	3	2	5	0	304	27	0
0	57	47	10							

ASIAN		1033	237	281	162	94	58	658	17	0
0	391	309	82							

01-05		69	0	46	0	2	0	21	0	0
0	25	25	0							
06-08		366	40	112	39	34	1	220	0	0
0	134	120	14							
09-12		586	197	123	123	58	57	405	17	0
0	231	163	68							
OTHER		12	0	0	0	0	0	12	0	0
0	1	1	0							

COLOURED		18449	1205	514	264	225	308	5191	98	12519
535	1166	956	210							

01-05			32	15	16	5	3	0	13	10	0
0			22	18	4						
06-08			603	46	205	32	37	3	361	11	0
0			197	180	17						
09-12			17774	1117	293	227	185	305	4777	50	12519
535			926	746	180						
OTHER			40	27	0	0	0	0	40	27	0
0			21	12	9						

WHITE			7105	2337	1306	1072	585	816	5214	342	0
107			2594	1901	693						

01-05			233	25	142	15	15	0	76	10	0
0			106	98	8						
06-08			3188	613	881	379	303	141	2004	93	0
0			1335	1139	196						
09-12			3540	1692	283	678	267	675	2990	232	0
107			1126	639	487						
OTHER			144	7	0	0	0	0	144	7	0
0			27	25	2						

TOTAL			76557	7373	2904	1974	1431	1832	15332	716	56890
2851			6662	5202	1460						

Appendix 7 **Excel Data Spreadsheet**

Region	s. Org	S. Unit	S. Man	Question 1				Question 2				Question 3				Question 4				Question 5				Question 6				Totals					
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Central	CSS	CMC	Du Preez			1					1				1			1		1					1	0	1	2	3	6			
Central	TNS	ANO	Greg Needt				1				1				1		1							1	1	0	0	5	6				
Central	TNS	ANO	Greg Needt				1				1				1		1							1	1	0	0	5	6				
Central	TNS	ANO	Greg Needt				1			1					1				1					1	0	0	2	4	6				
Central	TNS	ANO	Oupa Setshego		1					1					1				1					1	0	1	3	2	6				
Central	TNS	ANO	J Fouche				1				1				1		1						1	0	1	0	5	6					
Central	TNS	ANO	J Fouche				1			1					1				1				1	0	0	1	5	6					
Central	TNS	ANO	Sakkie Haarhof				1				1				1				1				1	0	0	0	6	6					
Central	TNS	ANO					1				1				1				1				1	0	0	1	5	6					
Central	TNS	ANO	Motlhamme				1					1			1				1				1	0	0	3	3	6					
Central	TNS	ANO	Du Preez		1					1					1				1				1	0	1	2	3	6					
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Central	TNS	ANO	Setshego				1				1			1			1					1	1	1	1	3	6						
Central	TNS	ANO	Du Preez				1				1				1				1				1	0	0	0	6	6					
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Central	TNS	ANO	Greg Needt				1			1					1				1		1		0	0	3	3	6						
Central	TNS	ANO	B Geldenhuys			1				1					1				1				0	1	4	1	6						

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Region	s. Org	S. Unit	S. Man	Question 1				Question 2				Question 3				Question 4				Question 5				Question 6				Totals					TOT
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Central	TNS	ANO	Motlhamme				1					1				1				1			1	0	0	3	3	6					
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Appendix 7 Excel Data Spreadsheet

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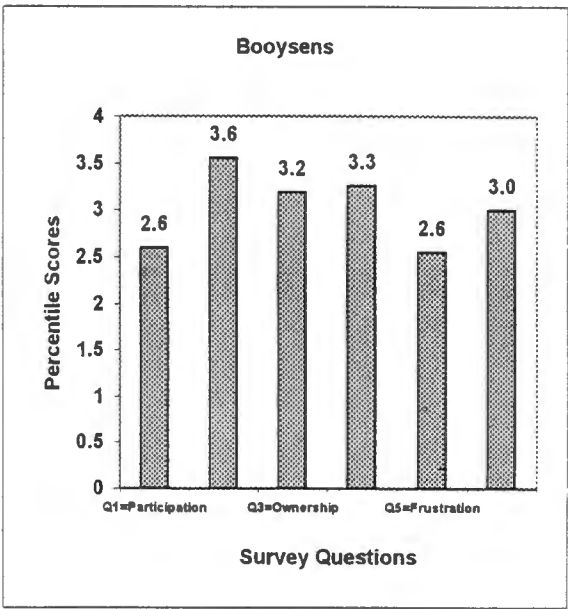
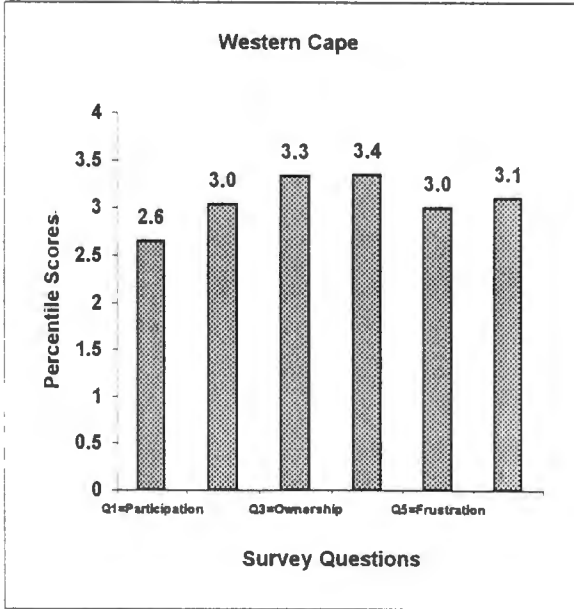
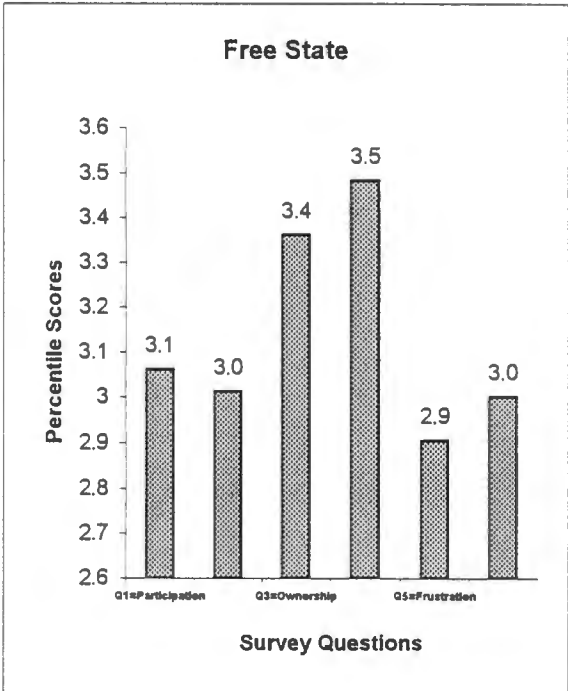
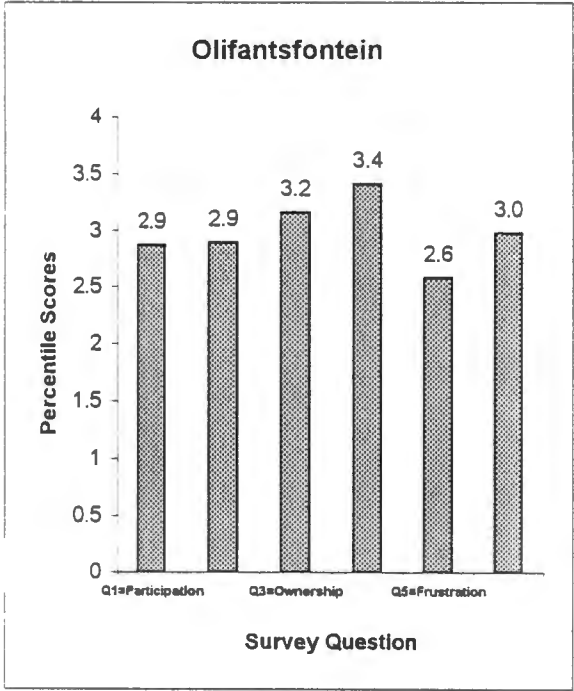
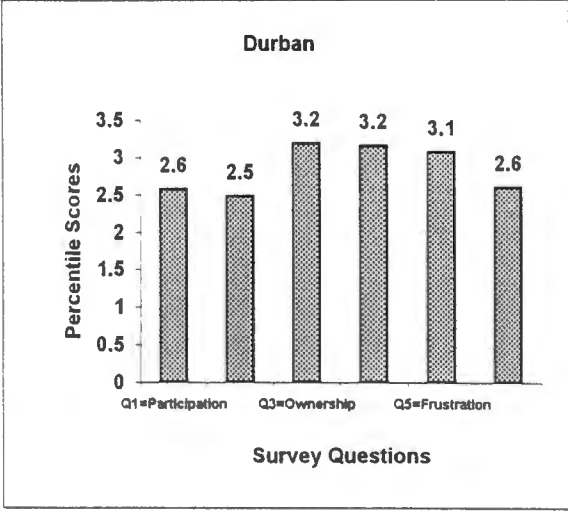
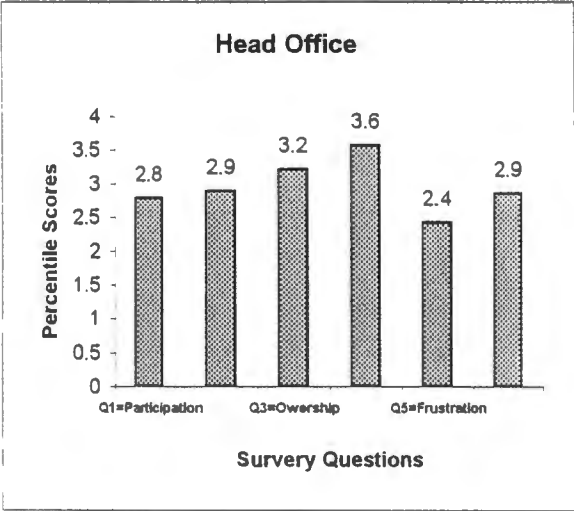
Appendix 7 Excel Data Spreadsheet

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Central	TNS	ANO	J Fouche		1					1			1				1			1			1			0	1	4	1	6	
Central	TNS	ANO	R Prinz				1			1			1				1			1			1			0	0	2	4	6	
Central	TNS	ANO	Bloem				1			1			1				1			1			1			0	0	4	2	6	
Central	TNS	ANO	Mafikeng		1			1				1					1			1			1			2	2	0	2	6	
Central	TNS	ANO	Allewagan				1				1						1		1				1			0	1	2	3	6	
Central	TNS	ANO	Kimberly		1				1				1				1			1			1			0	3	0	3	6	
Central	TNS	ANO	Ollievagan		1					1			1				1			1			1			0	2	3	1	6	
Central	TNS	ANO	T Walters	1					1				1				1			1			1			1	1	2	2	6	
Central	TNS	ANO	S Haarhof				1				1						1		1				1			0	1	2	3	6	
Central	TNS	ANO	S Haarhof				1				1						1		1				1			0	1	2	3	6	
Central	TNS	ANO	S Haarhof			1				1							1			1			1			0	1	5	0	6	
Central	TNS	ANO	Peter Burger		1				1			1					1		1				1			0	5	0	1	6	
Central	TNS	ANO	Peter Burger		1				1			1					1		1				1			1	3	2	0	6	

Appendix 7 Excel Data Spreadsheet

Central	TNS	ANO	Silo's Thilie	1				1				1				1				1			1				1			2	0	2	2	6
Central	TNS	ANO	Peter Burger	1							1					1				1			1				1			1	1	0	4	6
Central	TNS	ANO	Greg Needt				1			1				1					1			1				1			0	0	4	2	6	
Central	TNS	ANO	Greg Needt			1			1					1				1				1				1			0	2	3	1	6	
Central	TNS	ANO	Greg Needt		1					1				1					1			1				1			0	1	5	0	6	
Central	TNS	ANO	Du Preez				1			1				1				1			1				1			0	2	2	2	6		
Central	TNS	ANO	Du Preez			1				1				1				1			1				1			0	1	5	0	6		
Central	TNS	ANO	Du Preez				1			1				1				1			1				1			0	1	3	2	6		
Central	TNS	ANO	Du Preez			1				1				1				1			1				1			0	1	5	0	6		
Central	TNS	ANO	Du Preez			1				1				1				1			1				1			0	0	4	2	6		
Central	TNS	ANO			1			1						1				1			1			1			1	1	2	0	3	6		
Central	TNS	ANO					1						1			1				1			1			1		0	2	1	3	6		
Central	TNS	ANO					1						1			1				1			1			1		0	1	1	4	6		
Central	TNS	ANO					1						1			1				1			1			1		0	0	5	1	6		
Central	TNS	ANO			1					1				1					1			1			1		0	1	4	1	6			
Central	TNS	ANO	Setshego			1				1				1				1			1			1		1	0	0	2	4	6			
Central	TNS	ANO	D Smit			1				1	1					1				1			1		1		1	1	1	1	3	6		
Central	TNS	ANP	W Motshabi		1				1					1			1			1	1						1	3	0	2	6			
Central	TNS	ANP	W Motshabi				1		1					1				1			1				1		0	1	2	3	6			
Central	TNS	ANP	A Aswagen		1				1					1			1		1					1			0	3	1	2	6			
Central	TNS	ANP	A Aswagen		1				1			1					1		1					1			0	3	2	1	6			
Central	TNS	CFL	L Moodley				1				1				1				1			1			1		0	0	2	4	6			
Central	TNS	CFL	C Grundligh	1				1					1			1				1			1				2	1	2	1	6			
Central	TNS	CNO	P Lopes	1					1				1			1			1			1			1		1	1	1	4	0	6		
				8	19	16	40	7	14	33	29	4	8	25	46	0	6	31	46	6	24	25	28	2	17	43	21							

Appendix 8
Regional Percentile Scores



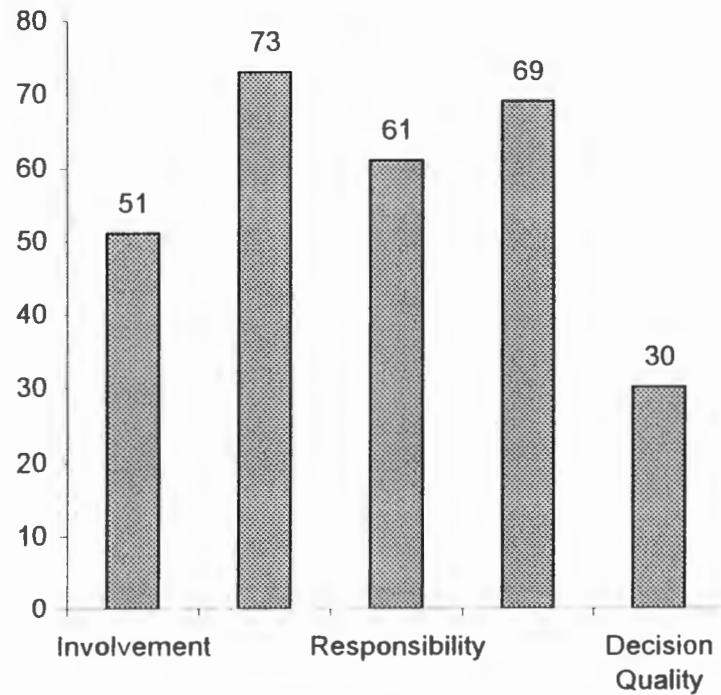
Appendix 9

Overall Scores: Percentile and Percentages

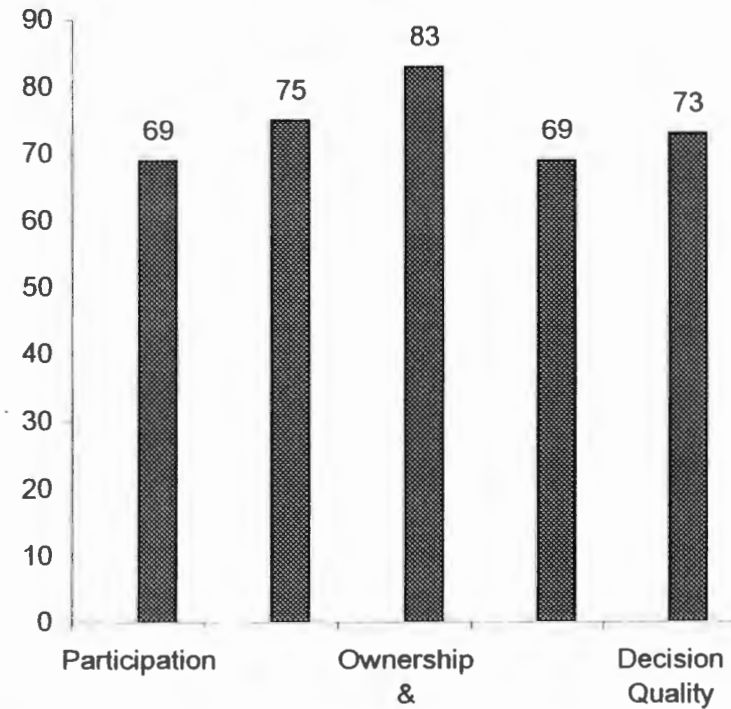
PULSE Averages Data For 1996 & 1998				
Involvement	Pride	Responsibility	Leadership	Decision Quality
51	73	61	69	30

Overall Percentages for the Research Study				
Participation	Satisfaction	Ownership & Commitment	Frustration	Decision Quality
69	75	83	69	73

Averaged 1996/1998 PULSE Survey Results



Comparative Research Survey Results



Survey results: now for some action

THE RESULTS ARE OUT, BUT THE TELKOM PULSE EMPLOYEE SURVEY IS FAR FROM OVER. IN FACT, THE REAL WORK IS JUST BEGINNING.

Now that we have the survey results, which are explained inside this newsletter, we can move onto the next step: drawing up action plans to bring about improvements in key areas.

THREE AREAS FOR IMPROVEMENT

Based on the survey results, Telkom has pinpointed three areas that need the most urgent attention. These are

- the company's image and customer service
- management (including supervision) and working relationships
- authority and decision-making.

Telkom has selected these three focus areas because our scores for them were significantly lower than those of other South African companies and international telecommunications operators. Such big gaps are a clear indication that there is room for improvement.

Action plans to address the three focus areas are now being drawn up. There will be an overall action plan for the whole of Telkom, as well as plans for each business unit and group.

ACTION PLANS

In drawing up their action plans, the business units have two options: focus groups or project teams.

FOCUS GROUPS

Employees from all levels in a business unit can be asked to join focus groups, each consisting of 8 to 10 people. Focus group leaders will be chosen and trained to lead the groups.

The idea is for each focus group to look at one of the problem areas, such as company image. First, the group must try to find out why the results in that area were so poor. They must then recommend ways to improve the situation.

PROJECT TEAMS

These teams will consist of a few, hand-picked "experts", who will be asked to make recommendations on how to improve the problem areas.

Organised labour and management will be involved in drawing up action plans, and the Human Resources Group will ensure that the plans are implemented and monitored.

Performance of the people of Telkom

Urgency to become world class

Learning organisation

Service to our customers

Excellence in what we do

ANOTHER SURVEY'S IN THE PIPELINE FOR '98

In about 15 months' time, probably in June 1998, a second Telkom employee survey will be conducted. The results of the new survey can then be compared with the 1996 one - so we will be able to see if we have actually succeeded in making Telkom a better place to work.

Curious about your BU's results?

The Telkom Pulse Employee Survey produced two sets of results. One covers the results for Telkom as a whole, while the other reflects the situation in each business unit and group. This newsletter focuses only on the overall Telkom results. To find out how your business unit's results are being communicated, speak to your BU or group representative. They are:

- Comcon: William Schooling (012 323-2814)
- Network and Technology: Joanee van Wyk (012 311-1487)
- Corporate Customers: Lynette Fourie (012 311-2970)
- International Business: Yvonne Baker (012 311-2966)
- Information Technology: Martin Broodryk (012 311-1833)
- Supply Management and head office groups: Petro du Plooy (012 311-2971)
- HR Group: Hannes de Beer (012 311-2510) and Eric Heath (012 311-2463)
- Support Services: Wally Victor (012 311-1743)
- Training: Johan van Niekerk (011 653-0134)

The issues under the spotlight

WORK ORGANISATION

How well do departments organise work? How efficiently do they operate? Do they produce work of excellent quality?

SUPERVISION

Do supervisors do a good job of building teamwork, giving feedback, developing people's ability and communicating effectively?

MANAGEMENT

Do employees usually believe what management says? Does management make fair decisions? Is management interested in employees well being?

WORKING RELATIONSHIPS

Do different business units cooperate with each other? What about relationships between management and organised labour?

COMMUNICATION

Is it 'safe' to speak up in Telkom? Do employees get the information they need to do their jobs? Do they understand Telkom's goals and objectives?

PERFORMANCE APPRAISAL

Do employees understand how their performance is evaluated? Do they think that they are evaluated fairly?

TRAINING AND DEVELOPMENT

Do employees think their career prospects in Telkom are good? Has the training they've had equipped them for their jobs?

EMPLOYMENT SECURITY

Do employees worry about being retrenched? Or about restructuring? Or about the future of Telkom?

COMPANY IMAGE

Do our customers and the general public have a high opinion of Telkom? And of its products and services?

PAY AND BENEFITS

Do Telkom employees think that their pay and benefits are as good as or better than in other organisations?

JOB SATISFACTION

Is morale (team spirit) in departments high? Do employees think that the work their department does is important?

COMPANY CHANGE

Do employees understand why Telkom is transforming? And do they support the transformation?

REACTION TO SURVEY

Do employees think management will act on the results of the survey?

WHO RESPONDED TO THE PULSE SURVEY?

By the cut-off date in January this year, 6 158 employees had completed and returned the survey questionnaire. This represents a response rate of 38%.

Although this was disappointingly low, it is high enough for the results to be viewed as scientifically valid. This is the

opinion of International Survey Research (ISR), the company that conducted the research on behalf of Telkom.

One reason for the low response rate was the timing of the Telkom survey - November and December are months when many people take leave.

Another reason was problems with obtaining the addresses of people selected to take part in the survey. Postal delays also had an impact, as about 400 questionnaires were received after the cut-off date - too late to be sent to Chicago in America for processing.

PARE THEM WITH THOSE OF OTHER COMPANIES, SOUTH AFRICAN AND INTERNATIONAL.

Here is an example of how useful these comparisons can be. In answering the question on pay, 37% of Telkom staff said they felt their pay was as good as or better than other

The Telkom results were better than the international norm in four areas: job security, job satisfaction, work organisation, and training and development.

JOB SECURITY
65% of Telkom employees say they can be sure of having a job as long as they perform. This is

surveys). In fact, only 25% of employees in other SA companies think their pay is competitive.

On the other hand, the Telkom result of 37% is 4% lower than the "international norm" (meaning international telecommunications operators which ISR has surveyed).

ments are needed.
This is why Telkom's action plans will focus on three areas: company image and customer service, management and working relationships, and authority and decision-making. In all three, our scores were lower than the SA and international norms.

6% higher than the international norm, which is only 59%.

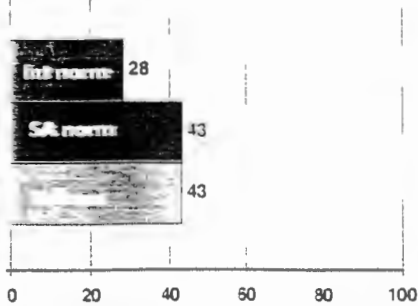
JOB SATISFACTION
43% of Telkom staff say their career prospects in the company are good. The international norm is only 28%.

WORK ORGANISATION
While 62% of Telkom staff say

the work in their department is well organised, the international norm is only 56%.

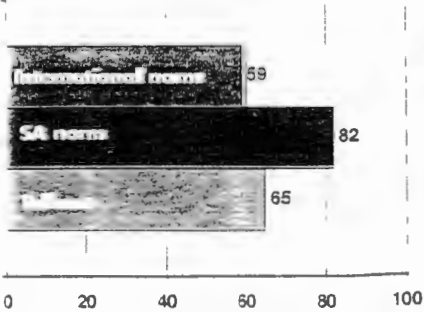
TRAINING
68% of Telkom staff say the training they have received has prepared them well for their jobs. This is 5% higher than the international norm, 63%.

Career prospects
Only 28% of employees of international telcos believe their career prospects are good. Telkom's score was 15% higher, at 43%. This is the same as the SA norm.



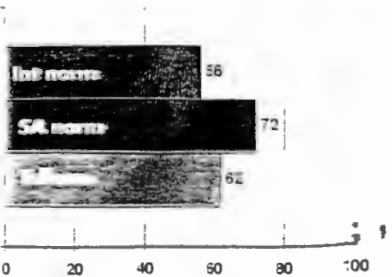
% of staff who say their career prospects in the company are good

Job security
Telkom staff are less negative about job security than employees of other telcos. 65% Telkom employees believe they will have a job as long as they perform, compared to the international norm of only 59%. The SA norm is 82%.



% of staff who say they will have a job as long as they perform

Work organisation
62% of Telkom staff say the work in their department is well organised. This is 6% higher than the international norm of 56%. The SA norm, however, is 72%.



% of staff who say the work in their department is well organised

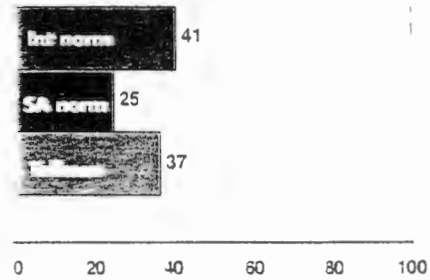
Our score for pay better than SA norm

Pay

While 37% of Telkom staff say their pay is as good as or better than in other organisations, the SA norm is only 25%

This doesn't mean that Telkom's pay is better than in other SA companies. It simply means that our staff are less negative about their pay than employees in other SA companies.

On the other hand, the Telkom score is lower than the international norm, which is 41%.



% of staff who feel benefits are as good as or better than in other organisations

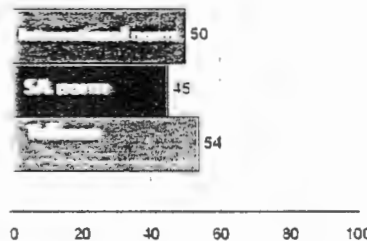
THE WHEN'S AND WHY'S OF THE PULSE SURVEY

The Telkom Pulse Employee Survey was conducted in November and December 1996. It was handled by International Survey Research (ISR), an American company that specialises in employee opinion surveys.

The main aims of the survey were to:

- find out how Telkom staff in general feel about issues like transformation, job security, the image of the company, leadership, pay and benefits;
- find out how staff in each of the business units and groups feel about these issues;
- compare the overall Telkom results with those of other South African companies; and
- compare Telkom's results with those of telecommunications companies worldwide.
- Identify the most pressing problem areas that need to be addressed, and draw up action plans to improve these areas.

Benefits also fared better than SA and international companies



% of staff who feel benefits are as good as or better than in other organisations

Benefits

54% of Telkom staff agree that their benefits are as good as or better than in other organisations. This is higher than both the SA and international norms. The SA norm is 45%, and the international norm is 50%.

Again, this doesn't mean that Telkom's benefits are better, but that its staff are more positive about them than other employees.

WHO'S THE HAPPIEST?

- Interestingly, employees working in rural areas tended to be more positive about Telkom than those in urban areas.
- Afrikaans-speaking women working in rural areas seem to be the happiest employees in Telkom. This group was more optimistic about the company and its future than anyone else taking part in the survey.
- In fact, Telkom's women employees are generally more positive than the men, judging from their responses.

- Except for their views on the company's affirmative action track record, black staff are more positive about the company and its future than whites, Indians or coloureds. Overall, whites were the most negative group.

Communication

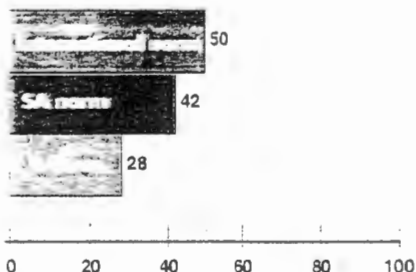
39% of Telkom staff believe the company does an excellent job in keeping employees informed. This is lower than the SA norm (56%) and the international norm (49%).

WHERE WE NEED TO IMPROVE

Focus area 1: management and relationships

BASED ON THE SURVEY RESULTS, TELKOM HAS IDENTIFIED THREE AREAS FOR IMPROVEMENT. THESE ARE COMPANY IMAGE AND CUSTOMER SERVICE, AUTHORITY AND DECISION-MAKING, AND MANAGEMENT AND RELATIONSHIPS.

THESE THREE ISSUES WERE SELECTED BECAUSE THE TELKOM RESULTS FOR BOTH WERE SIGNIFICANTLY LOWER THAN BOTH THE SA NORM AND THE INTERNATIONAL NORM, AS THE GRAPHS ON THE NEXT FEW PAGES SHOW.



Management credibility
28% of Telkom employees surveyed said that they often believe what management says. This is 13% lower than the SA norm of 42%, and 22% lower than the international norm, which is 50%.

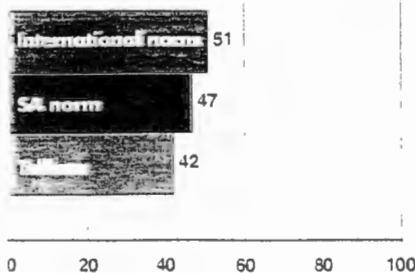
% of staff who often believe what management says

IT LOOKS REALLY BAD, BUT IT'S PART OF THE TRANSFORMATION TERRITORY ...

Telkom's score was the same as for other companies going through transformation. In other words, companies in transformation tend to face similar problems.

Management decision-making

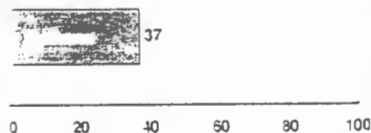
Telkom staff were a little more positive about the kind of decisions management takes - but, again, our result was way below both the SA and international norms. 42% of Telkom employees agreed that the decisions management usually takes about employees are fair. The SA norm is 5% higher, at 47%. The international norm is 51%.



% of staff who believe that the decisions management takes about employees are usually fair.

Cooperation between management and organised labour

37% of Telkom staff said there is good cooperation between management and organised labour. (There is no SA or international norm.)



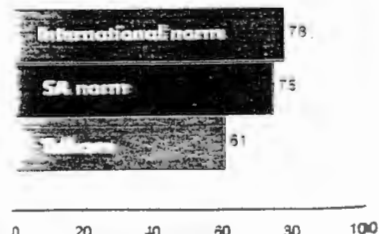
% of staff who say there is good cooperation between management and organised labour

Employees' well-being

Exactly 40% of Telkom staff agreed that management is interested in the well-being of employees. The SA norm is 48%, the international norm is 51%.

Relationships between staff of different races or ethnic backgrounds

61% of Telkom employees believe that staff of different races or ethnic backgrounds usually get on well. This is 14% lower than the SA norm (75%) and 17% lower than the international norm (78%).



% of staff who think that employees of different races or ethnic backgrounds get on well

Our image and customer service also need work

How well do you think the company is doing in customer service

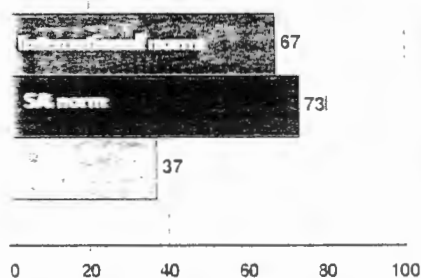
IN THIS CATEGORY, STAFF WERE ASKED WHAT THEY THINK

- ABOUT OUR CUSTOMERS' OPINIONS OF THE COMPANY
- ABOUT THE GENERAL PUBLIC'S OPINION OF THE COMPANY
- ABOUT THE REPUTATION OF OUR PRODUCTS AND SERVICES

Our image among customers

37% of our staff surveyed feel that our customers have a high opinion of Telkom.

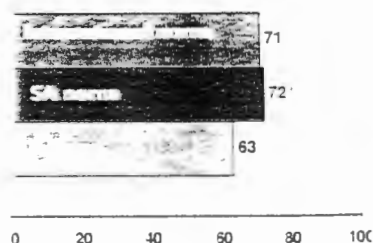
This is 36% lower than the SA norm of 73%, and 30% lower than the international norm, which is 67%.



% of staff who think that the company is highly regarded by customers

Is the company a good place to work?

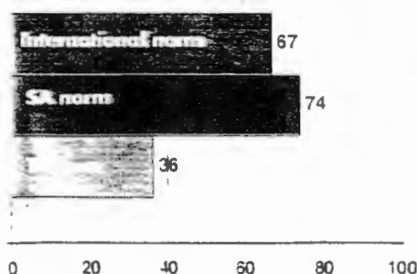
63% of Telkom staff said they would recommend the company as a good place to work. The SA norm is 72% and the international norm is 71%.



% of staff who would recommend the company as a good place to work

Our image among the general public

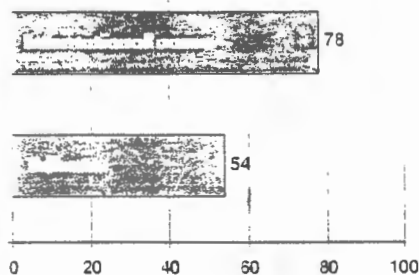
Telkom's image among the general public is shaky, according to Telkom employees. 36% of our staff agreed that Telkom is highly regarded by the general public. The SA norm is 74% and the international norm is 67%.



% of staff who think the general public has a high opinion of the company Telkom

The reputation of our products

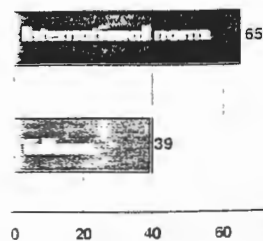
Altogether 54% of our staff say that the company had a good reputation for the quality of its products. This is 24% lower than the international norm of 78%. (There is no SA norm.)



% of staff who think the company has a good reputation for the quality of its products

The reputation of our services

39% of our staff say that the company had a good reputation for the quality of its services. This is 26% lower than the international norm of 65%. (There is no SA norm for this issue.)



% of staff who think the company's services have a good reputation

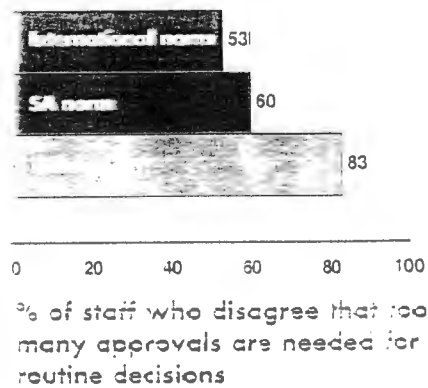
DECISION-MAKING: TOO MANY APPROVALS, TOO MUCH RED TAPE

Focus area 3: authority and decision-making

- IN THIS CATEGORY, RESPONDENTS WERE ASKED IF
- TOO MANY APPROVALS ARE REQUIRED FOR ROUTINE DECISIONS IN TELKOM
 - TOO MUCH TIME IS SPENT ON MEETINGS AND PAPERWORK
 - DECISION-MAKING AUTHORITY IS CLEAR
 - DECISION-MAKING IS TOO CENTRALISED.

Approvals needed for routine decisions

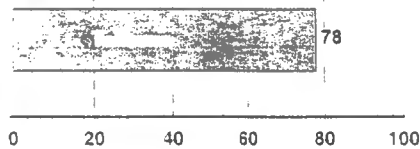
83% of Telkom staff agree that too many approvals are needed for routine decisions in the company. This is 23% higher than the SA norm (60%) and 30% higher than the international norm (53%).



Attending meetings

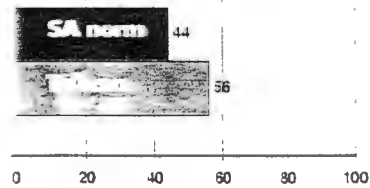
In Telkom, 78% of respondents said too much time was spent attending meetings. (In this case, there is no SA or international norm.)

% of Telkom staff who agree that too much time is spent attending meetings



Centralised decision-making

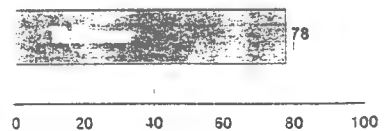
56% of Telkom respondents said that decision-making is too centralised. The SA norm is 44%. (There is no international norm.)



% of staff who say decision-making is too centralised

Doing paperwork and filling in forms

78% of Telkom respondents agree that too much time is spent on completing paperwork and forms. (There is no SA or international norm.)

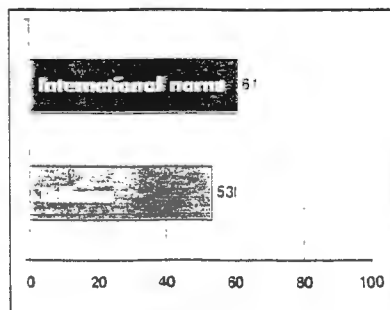


% of staff who agree that too much time is spent on paperwork and forms

Supervisors and decisions

53% of Telkom employees say that their supervisor makes clear-cut decisions. The international norm is 61%. (There is no SA norm.)

% of staff who say that their supervisor makes clear-cut decisions

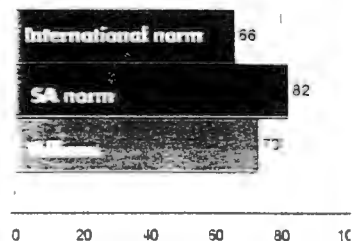


Performance appraisal

40% of Telkom staff are positive about how their performance is evaluated. This is lower than both the SA norm (48%) and the international norm (46%).

Are employees proud to belong to the company?

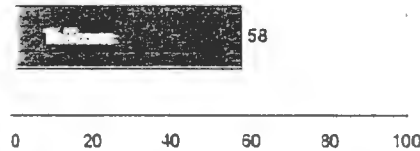
73% of Telkom staff say they are proud to be part of the company. This is 9% lower than the SA norm (82%), but 7% higher than the international norm (66%).



% of staff who are proud to be part of their company

Do you believe Telkom will truly become world class?

58% of Telkom staff say they believe that Telkom will become a world-class company. In this case, there is no SA or international norm.



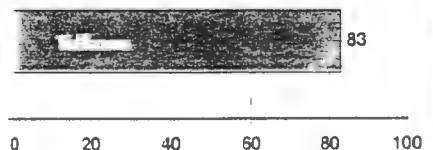
% of staff who think Telkom will become world class

• 58% OF TELKOM STAFF BELIEVE THE COMPANY WILL BECOME WORLD CLASS

• 83% UNDERSTAND WHY TELKOM MUST TRANSFORM

Company change

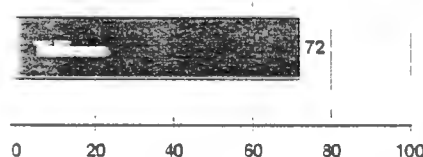
• 83% of Telkom staff say they understand the need for Telkom to transform.
• Some 76% support the transformation taking place. (There are no SA or international comparisons.)



% of staff who understand why Telkom needs to transform

Does Telkom make a positive contribution to the communities in which it operates?

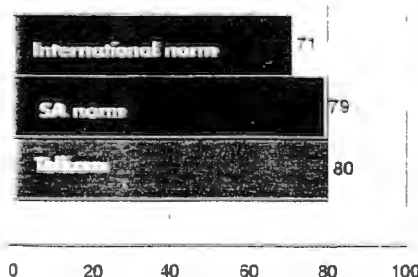
72% of Telkom staff agreed with this statement. This question was designed for Telkom, so there is no SA or international norm.



% of staff who think the company makes a positive contribution to communities

Looking for ways to improve

80% of Telkom staff said their departments always looked for better ways to serve customers. This is higher than both the SA norm and (79%) and the international norm (71%).



% of staff who say their departments always look for better ways to improve service to customers

THE WAY FORWARD

Well now we know where Telkom needs to improve, and that action plans are being drawn up to make sure that improvements happen.

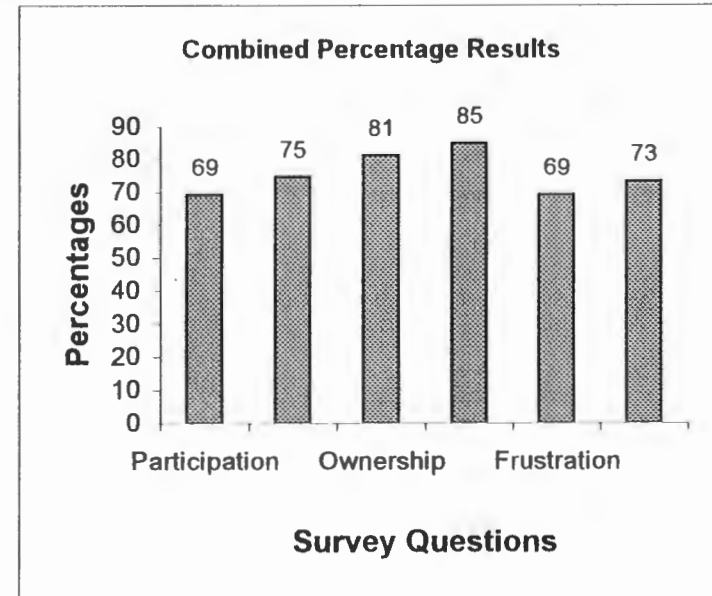
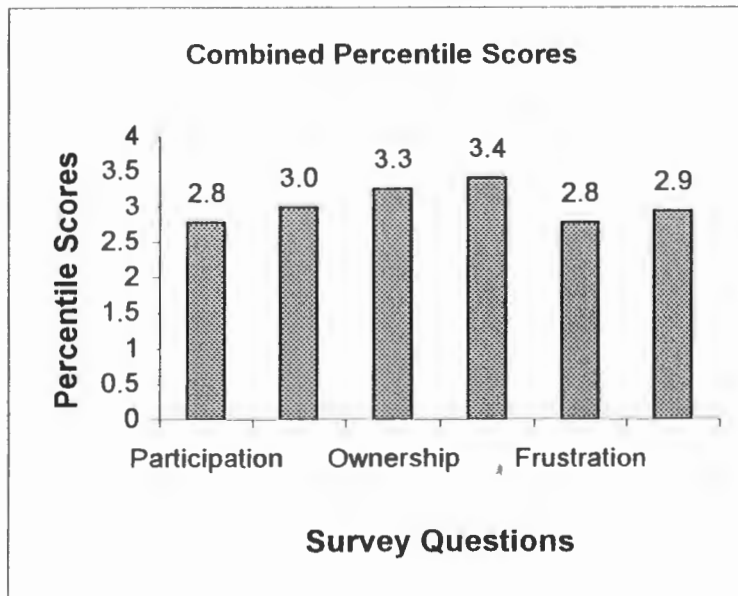
However improving the situation isn't just the responsibility of management, supervisors, "focus groups" or project teams. In the final analysis it's up to each and of us to make the company a better place.

Let's all make it happen.

Appendix 11

Comparison of PULSE and Overall Research Study

	Participation	Satisfaction	Ownership	Commitment	Frustration	Decision Quality
W/Cape	2.6	3.0	3.3	3.4	3.0	3.1
Booyens	2.6	3.6	3.2	3.3	2.6	3.0
Eastern	2.6	2.5	3.2	3.2	3.1	2.6
Free State	3.1	3.0	3.4	3.5	2.9	3.0
Olifantsfontein	2.9	2.9	3.2	3.4	2.6	3.0
Head Office	2.8	2.9	3.2	3.6	2.4	2.9
Totals	16.6	17.9	19.5	20.4	16.6	17.6
Percentile Average	2.8	3.0	3.3	3.4	2.8	2.9
Percentage Average	69	75	81	85	69	73



REGIONAL REPRESENTATION IN PERCENTAGES

