

Application of the Employment Equity Act and diversity in the mining industry

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Abstract

The global move towards human rights, the publication of King 11 reports and the post democratic legislations coerced the South African mining industry to diversify its workforce. The Employment Equity Act was the major driving force behind this, aimed at eliminating discrimination in the workplace and implementing Affirmative Action measures so that the workforce would reflect the economically active population. The question remains as to whether it could achieve a representative workforce, since the Commission of Employment Enquiry reports (2009-2010) and the Quarterly Labour Force Survey (second quarter, 2010) indicated that progress is very slow throughout all the industries.

The mining industry is still predominantly White-controlled and emphasis is being placed on stimulating Black empowerment in the industry. Since the early 1990s the industry has seen significant restructuring and changes, including the phasing out of the traditional mining houses and the incorporation of the designated groups (females and Blacks) in ownership and management. However, rising gold prices and pressures on the global economy have forced the industry to embark on measures which impacted badly on the employment equity, leading to measures such as downsizing both the operations and staff, limiting training, centralising and outsourcing through contractual work. Migrant labour still plays an integral part.

In order to analyse the application of Employment Equity Act and workplace diversity in the mining industry, a literature review was conducted to conceptualise the major constructs, and a survey through a close-ended questionnaire was administered to establish the progress made in this regard. The questionnaire was divided into three sections: section A was a biographical/demographic analysis focussing on the personal attributes ranging from gender, age, race, education and job grade. Section B and C were in the form of five-point likert scale to analyse the extent of understanding and knowledge, as well as attitudes and behaviour of the respondents respectively. The results were compared to secondary data in the form of reports collected from the senior metallurgy human resource manager.

The convenience sample was taken from a sample of employees staying in the mining complex known as the 'Quarters', which comprised 345 houses, of which a response rate was 54%.

Findings from the primary data indicated some progress in changing the organisational culture, with the majority of the respondents giving positive perceptions towards gender, disability and language used, while they identified the following as barriers (negative perceptions): lack of commitment by management; unfair labour practices in recruitment, promotions, training and development; insufficient knowledge about EEA and diversity; racial discrimination; and negative turnover intentions. They believed that diversity could improve productivity. The secondary data revealed that there was slow progress in attaining the numerical targets, especially in the D-band upwards (senior and top management levels). The females and people with disability were under-represented in all categories.

The majority of employees in the skilled (C-band), semi-skilled and unskilled (B1-B7) were terminating their services. It is suggested that training of personnel about EEA and diversity

be considered to get their active support and to prepare them for the change from the status-quo, extensive development of management on labour relations and good practices, as well as formation of committees to steer and monitor the adherence to policies.

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LIST OF ABBREVIATION

AA	-	AFFIRMATIVE ACTION
BBBEE-		BROAD-BASED BLACK EMPOWERMENT ACT
BEE	-	BLACK ECONOMIC EMPOWERMENT
CEE	-	COMMISSION FOR EMPLOYMENT EQUITY
DoE	-	DEPARTMENT OF EDUCATION
DoL	-	DEPARTMENT OF LABOUR
EE	-	EMPLOYMENT EQUITY
EEA	-	EMPLOYMENT EQUITY ACT
ILO	-	INTERNATIONAL LABOUR ORGANISATION
JIPSA	-	JOINT INITIATIVE ON PRIORITY SKILLS ACQUISITION
LRA	-	LABOUR RELATIONS ACT
MPRDA-		MINERAL AND PETROLEUM RESOURCE AND DEVELOPMENT ACT
MQA	-	MINING QUALIFICATIONS AUTHORITY
NQF	-	NATIONAL QUALIFICATION FRAMEWORK
NQF	-	NATIONAL QUALIFICATION FRAMEWORK
NSDS	-	NATIONAL SKILLS DEVELOPMENT STRATEGY
RPL	-	RECOGNITION OF PRIOR LEARNING
RSA	-	REPUBLIC OF SOUTH AFRICA
SDA	-	SKILLS DEVELOPMENT ACT
SDC	-	SKILLS DEVELOPMENT COMMITTEE
SETA	-	SECTOR EDUCATIONAL AND TRAINING

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CHAPTER ONE

INTRODUCTION AND BACKGROUND

1.1 Introduction

The Employment Equity Act (EEA, No 55, of 1998) was promulgated as a response by the democratic South African government to its apartheid predecessor and other discriminatory laws and practices which had created disparities in employment, occupation and income within the labour market. However, this legacy had created such pronounced disadvantages for certain categories of people that they cannot be redressed simply by repealing the discriminatory laws. The Employment Equity Act was therefore one of a series of laws aimed at redressing discrimination of the past in the workplace, by giving the “designated” group members the preferential treatment in promotions, recruitment, education, financial aid and career advancement. It was expected to increase the numbers of the ‘designated’ group members in elite positions in the workplace, such that their proportion reflects the economically active population (EAP). Hence, diversification of the workplace would be increased, so as to reflect the multiracial make-up of the country. However, reports by the Commission for Employment Equity (2009-2010) and Quarterly Labour Force Surveys (second quarter, 2010) indicated that the numbers were far below the targets, and that the incorporation of these groups into their new positions continued to be plagued by challenges and riddles.

The mining industry is used to analyse the application of employment equity and attainment of workplace diversity, but even though it is one of the largest employers in South Africa it tends to be one of the most difficult industries to transform. Its progress in this regard has tended to be slow compared to other industries, so in addition to the EEA, the enactment of the Broad-Based Socio-Economic Charter for mining industry, also referred to as the mining charter (Department of Trade and Industry, 2002) and the Mineral and Petroleum Development (Act No.28, of 2002) were enacted so as to accelerate the process. The mining charter and its related Scorecard (Department of Minerals and Energy, 2002) set numerical targets and timeframes to monitor the progress made by the mining industry in redressing previous imbalances. Nevertheless, at the end of the first period, in 2009, the targets were still far from being met. This could be attributed to both external and internal factors, the former being macro-factors beyond the organisation’s control and including economic growth

rate, inflation, globalization, legislation, population demographics, education and skills deficit. The latter, internal or micro-factors, on the other hand, are those within the organisation's control, and include human resource practices and organisational culture (Nel et al., 2008:25).

This study therefore seeks to analyse the internal factors in order to identify at company level the challenges retarding adherence to the EEA and progress with diversification of the industry. A specific goldmine was used to collect both the primary and secondary data. While it is recognised that different organizations have different challenges, depending on their culture and systems, the source of the challenge is usually common. This chapter highlights the problem and the industry overview, and sets the research objectives, as well as the research design, procedures and strategies that were employed to reach the research objectives.

1.2 Problem Statement

The South African mining industry is facing a major challenge regarding the attainment of workforce diversity in terms of implementing EEA legislation. This is one of the contentious discussions in many companies' boardrooms, due to its polarity. People benefiting from this situation support the status-quo, while the non-beneficiaries strive for change. It should be noted that the EEA is a piece of legislation and therefore is binding for all. It is supposed to ensure that companies have workforce profiles at all levels, mirroring the EAP. The following table shows the ideal situation which EEA seeks:

Table 1.1: Profile of the national population and EAP by race and gender

Population group	National population distribution (Census 2001)			Economically active (QLFS, September 2009)		
	Male	Female	Total	Male	Female	Total
African	37.7%	41.3%	79.0%	39.2%	34.2%	73.5%
Coloured	4.3%	4.6%	8.9%	6.1%	5.2%	11.3%
Indian	1.2%	1.3%	2.5%	1.9%	1.1%	3.0%
White	4.6%	5.0%	9.6%	6.7%	5.5%	12.2%
Total	47.8%	52.2%	100.0%	54.0%	46.0%	100.0%

Source: CEE annual report 2009-2010:6

The figures in Table 1.1 (above) suggests that white and black populations at the time of the labour survey formed 12.2% and 87.8% of South Africa's EAP respectively. However, various reports indicate that 12 years after EEA's promulgation, the workplaces are still skewed and generally controlled by white males. The white population comprises a 10% minority of the total population but is controlling 80% of the economic wealth (*Mail and Guardian*, 30 July 2010). The 2009-2010:9 CEE report shows that white males with an EAP of 6.7% are occupying more managerial positions than black males with an EAP of 47.2%. The table below shows the existing skewed workforces' profiles in different industries:

Table 1.2: Industry Sector workforce profile percentage population distribution at senior management level for all employers by race and gender.

Occupational levels	Male				Female				Foreign National		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Agriculture	15.9%	2.9%	1.6%	61.8%	5.1%	0.9%	0.4%	10.4%	0.9%	0.1%	100.0%
Mining and Quarrying	13.2%	2.3%	2.8%	65.5%	3.5%	0.3%	0.7%	8.0%	3.5%	0.3%	100.0%
Manufacturing	7.0%	4.4%	8.0%	57.7%	2.7%	1.8%	2.0%	12.3%	3.7%	0.4%	100.0%
Electricity, Gas and Water	22.1%	3.6%	5.7%	39.7%	11.6%	1.8%	2.0%	8.6%	4.2%	0.7%	100.0%
Construction	11.8%	4.5%	4.8%	62.8%	3.8%	1.3%	1.1%	7.9%	1.8%	0.3%	100.0%
Retail and Motor Trade/Repair Service	6.9%	5.0%	8.2%	50.8%	2.0%	2.1%	3.1%	19.8%	1.6%	0.5%	100.0%
Wholesale Trade/ Commercial Agents/ Allied Services	8.0%	6.2%	10.0%	46.7%	2.6%	4.2%	2.9%	18.1%	1.0%	0.3%	100.0%
Catering/ Accommodation/ other trade	12.8%	3.8%	3.7%	40.4%	7.6%	3.9%	2.0%	23.3%	1.9%	0.5%	100.0%
Transport/ Storage/ Communications	12.4%	4.4%	10.5%	46.1%	5.0%	1.7%	2.1%	15.7%	1.5%	0.4%	100.0%
Finance/Business Services	9.4%	3.6%	6.7%	45.6%	5.4%	2.1%	3.2%	20.9%	2.4%	0.8%	100.0%
Community/Social/ Personal Services	27.9%	5.1%	5.1%	26.0%	15.3%	2.5%	2.9%	13.8%	1.0%	0.3%	100.0%

Source: CEE annual report 2009-2010:13

This unhealthy situation of a market dominated by white males indicates non-compliance by employers to EEA requirements. This is further evidenced by the rate of promotions, recruitments, terminations and training, of white males compared to the designated groups,

in the private sector, which includes the mining sector (Appendix B). These Tables in Appendix B indicate that the white males continue to be empowered and gain promotions, irrespective of the EEA requirement for preferential career advancement of the designated group. The mobility of this group is an indication of the availability of opportunities for them, which is contrary to any claims that they no longer have jobs because of EEA. It is a matter of concern as it shows that whites are being replaced by more whites, thus creating very little, if any, staff turnover of designated groups.

Employers are however acknowledging their support to the transformation of workplaces in their vision, mission and values statements. For instance, within the mining industry, large companies such as *AngloGold Ashanti* have diversity as one of their values:

“We value diversity: we aim to be a global leader with the right people for the right jobs. We promote inclusion and teamwork, deriving benefit from rich diversity of cultures, ideas, experiences and skills that each employee brings to the business”
(*AngloGold Ashanti* Annual report, 2009:3).

Based on this background, the research question can be posed as follows:

What are the employees’ perceptions in the mining industry as the result of the implementation of the Employment Equity Act and other measures to diversify the workforce?

1.3 Purpose of the research

The aim of the study is to investigate the application of the EEA and diversity in the mining industry, through analysis of a representative sample taken from a goldmine and human resource metallurgy department’s reports. Literature studies indicate that the Employment Equity Act (no.55, 1998) was promulgated with the aim of:

- addressing the issue of discrimination in the workplace
- ensuring that the business organizations implement affirmative action
- fostering the achievement of workforce diversity.

‘Affirmative action’ involves measures to accelerate the recruitment, promotions and education of designated groups in the workplaces. It is a contentious procedure as there are differing experiences and perceptions between the people who support the status-quo and those who advocate reform. Some people perceive this law as ‘reverse apartheid’ and a

measure to lower standards, while others view it as a levelling measure to close the gap between the previously advantaged and disadvantaged. Diversity, on the other hand, acknowledges the importance of the contribution made by everybody in the workplace, while utilising and rewarding them optimally. It does not specify that one group must be given preference over the other, but advocates only the inclusion of all, without discrimination.

Since this law intends to solve a dilemma, the understanding of the different perceptions of people is deemed an utmost necessity to detect the prevalent forms of frustrations, which may lead to subtle resistance, such as gossiping and reluctance to do the job, or can be overt such that sabotage is actually carried out. The data from this research project can also be used to establish the progress made in complying with EEA and the challenges encountered, thereby giving direction for future recruitment, training and development planning of the employee profiles.

1.4 Research objectives

The primary objective of this study is to empirically analyse the application of EEA and workplace diversity in the mining industry. This is achieved through the formulation of the following secondary objectives:

- To establish the progress made in the mining industry to achieve a diverse workforce at all employment levels.
- To analyse the most prevalent perceptions of employees with regards to diversity and EEA application within the mining industry.
- To investigate the main barriers to diversity attainment and successful implementation of EEA in the mining industry.
- To make recommendations to improve the transformation of the mining industry's workplaces and successful implementation of EEA.

1.5 Research Methodology

A number of methods were employed in conducting this quantitative research.

1.5.1 Literature Study

A literature study was conducted to gather information on EEA and diversity in the mining industry. It drew on the latest relevant books, journals and internet sites, with regard to the problem being investigated and finding its correlation with the theoretical perspective and previous research findings (Leedy & Ormrod, 2005:70). This literature study aims to reveal the underlying problems present in the mining industry as the result of the implementation of EEA and other measures to diversify the workforce.

1.5.2 Empirical Study

- **Research design**

A cross-sectional study was conducted with a sample drawn from the population at one time to achieve the research problem. Kumar and Ranjit (2005:93) regard this type of study as useful in finding the overall picture as it stands at a particular time and place. It was suitable in this research and the questionnaires were formulated to get the primary data on the following:

- Section A: the biographical and demographical details regarding race, gender, marital status, skills, education and employment post.
- Section B: the level of understanding and knowledge of EEA and diversity values.
- Section C: the extent of attitudes and behaviour of employees with regards to EEA measures and diversity at their workplace.

The secondary data was collected from the senior human resource manager metallurgy to establish the progress made by this goldmine to achieve the numerical targets set. This study will gain insight and support to the formulation or upgrading of policies to manage EE measures and diversity, identify training needed, and inform management on the culture prevailing in the workplace.

- **Population**

The mining industry has 305,000 employees and 62 commodities, ranging from gold, platinum, and diamond to sands throughout many provinces in South Africa (*Quarterly Labour Force Survey*, quarter 2, 2010). A particular goldmine in the North West province has been used as the target population from which the sample was taken. According to this

mine's sustainability review report (2009), it employed 37 425 people including 33 325 employees and 4 070 contractors.

- **Convenience sample procedure**

A convenience sample was taken from the target population of employees of a certain goldmine residing in the mine complex called 'Quarters', with 345 houses. Due to time constraints 160 questionnaires were distributed, of which 87 were returned. These were analysed and found to be error-free, thus counting for the 54% response.

- **Data analysis**

Data was analysed using frequencies, percentages and mean score ratings consolidated by the North West University (Potchefstroom Campus) statistics department consultants.

- **Ethical measures**

The topic and the research methods to be used met the ethical guidelines of the Senior Human Resource Manager of the goldmine, from whom permission was granted to conduct the survey. The questionnaire explained the objectives and relevance of the study, assured the respondents of anonymity, and gave them the option of not participating in the study if they did not wish to. A contact number was provided in case a respondent had any questions or needed some clarifications.

1.6 Limitation of the Study

Due to the limited time within which this research had to be completed, and the large population, data collection was aimed at a sample of a certain goldmine employees staying in the mine complex. This was a convenience sample because only employees staying in that mine complex participated.

1.7 Division of Chapters

Chapter 1 has provided an introduction to the topic and the research problem presented, giving rise to the aim and objectives of this study.

Chapter 2 will present a literature review of the workplace diversity.

Chapter 3 will review the literature on the legislative framework and mining charter.

Chapter 4 will establish the empirical research on the prevalent perceptions of certain goldmine employees in order to determine the barriers (negative perceptions) impeding the progress of achieving workplace diversity through the implementation of EEA. The reports from the metallurgy department will be used to substantiate the perceptions made by employees.

Chapter 5 will present and analyse the research results with cross-referencing to the literature in order to draw conclusions on the problem in hand.

Chapter 6 will draw a conclusion and make recommendations for suitable methods or strategies which could be used to accelerate the success of EEA implementation.

1.8 Conclusion

Diversity in the 21st century is unavoidable, due to the current political, social and economical events. The important social events, such as migratory phenomena and increasing presence of women in the workplace, and economical trends such as firm internationalization and globalization of markets, push organisations to face up to social and organisational problems stemming up from diversity (Ayoko & Hartel, 2006:347; Seyman, 2006:301). The workforce must therefore be diverse, multi-skilled, knowledgeable and adaptable. The South African population is already diverse, therefore the workplaces need to utilise it proportionately. Legislation to eradicate discrimination, such as EEA, SDA, and BBBEE, as well as guidelines such as the Mining Charter are the major driving forces to attain it. However, these have not yet been fully incorporated or their aims realised.

Chapter Two will review the literature on this topic so as to provide a framework from the research into this problem.

CHAPTER 2

WORKPLACE DIVERSITY

2.1 INTRODUCTION

A literature review is a systematic, explicit, and reproducible method for identifying, evaluating and interpreting existing recorded working (Kumar et al, 2005:31). It is written in order to gain insight into an existing body of knowledge, in this case diversity and EEA. Diversity and associated tensions have long existed worldwide, for instance in the American Revolution and subsequent influence on the nature of the United States Constitution, which in turn sparked the Civil War, generated race riots in the 1960s and produced today's cultural conflicts (Roosevelt, 2006:xi). In South Africa, diversity informed the formulation of apartheid laws, formed the basis for struggle against them in the 1960s, and since 1994 have been used in the Constitution and Bill of Rights for transformation and protection of all.

In the Republic of South Africa (RSA), diversity is one of the intended consequences of the EEA, therefore companies are forced by this legislation to have diverse workforces, or face the consequences of non-compliance. It is also driven by other external and internal factors noted in Chapter One, ranging from globalisation to population demographics. The workplace is a platform for meaningful human interaction across race, gender, skills and education. It is therefore seen by the majority of South Africans as a forum and point of reference for the issues of diversity (Gildenhuys, 2008:60), and an environment in which the transformation or alteration of habits in society is mainly manifested.

Bourdieu (1990:54, as cited in Phakathi, 2001:175) stated that temporal aspects of the *habitus* should be carefully studied, since, without the historical dimension it would be impossible to understand its nature:

“The *habitus*, a product of history, produces individual and collective practices – more history – in accordance with the schemes generated by history. It ensures the active presence of the past experiences, which, deposited in each organism in the form of schemes of perception, thought, and action, tend to guarantee the ‘correctness’ of practices and their constancy over time, more reliably than all formal rules and explicit norms.”

Workplace diversity and its management is a challenging and long-term process, due to this historical legacy of organisational *habitus*. It is therefore crucial to set its context by a brief history of the workplace, in this case the mining industry. This chapter examines the history of the mining industry, the literature on diversity, its management, benefits, challenges and best strategies to employ in order to attain it

2.2 CONCEPTUALISATION OF KEY TERMS

2.2.1 Workplace

Workplace is defined by the Longman South African School Dictionary (2007:781) as the room or building where people work. It is defined in Section 213 of Labour Relation (Act 66 of 1995) (LRA) as the place or places where employees work. If an employee works in several places they all constitute a workplace, an extension of the definition made to address the issue of diluted forms of employment. According to Nel et al. (2008:105), these include part-time, freelancing, temporary, tele-work and home-based employment. The EEA regulations as amended in 2006, Section 1.3, clarify the LRA by indicating that the workplace of an employer with more than one independent operation constitutes the place or places of different operations.

On the contrary, Webster et al. (2005:303) argue that the diluted forms of employment extend the definition of workplace beyond the physical and social space in which the work is done. An example is that of a worker of the contractor in the mines whose workplace becomes the offices of the contractor not the mine where actual work is done.

For the purpose of this study the workplace will refer to the mining industry, including both contractual workers and the mine workers.

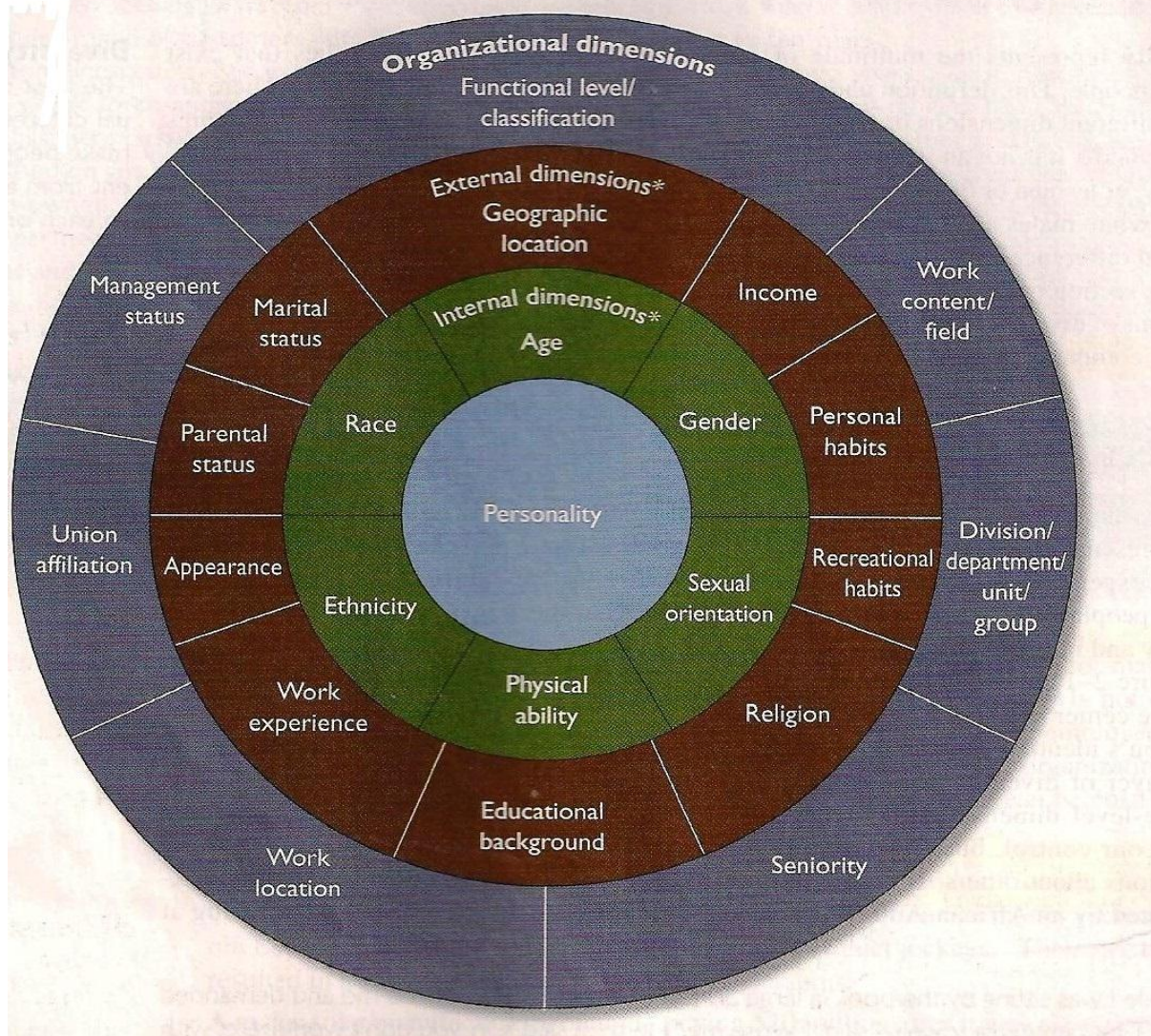
2.2.2 Employment

The Longman South African School Dictionary (2007:231) defines it as the work that one does to earn money. It can exist in either profit making sectors such as mining industries or banks and public service, or in non-profit making sectors such as churches and household. In RSA the employment is regulated through the Department of Labour (DoL) by Labour Relations Act (LRA) and the Basic Conditions of Employment Act (BCEA). They protect the interests of both the employer and employees (Nel et al., 2008:104). In the mining industry the formal contract of employment stipulating the job description, conditions of employment and remuneration is available (Chamber of Mines of South Africa Agreements, 2009).

2.2.3 Diversity

Diversity is defined as the host of individual differences that make people different from and similar to each other (Kreitner and Kinicki, 2007:47). It is described by Lee Gardenswartz and Anita Rowe (as cited in Kreitner et al., 2007:48) through the four layers of the diversity wheel. These layers distinguish the important ways in which people differ. In combination they define people's personal identity and how it influences the manner in which they see or are seen by the world. Personality is at the centre, indicating how one can be distinguished with regards to personal or invisible characteristics such as attitudes or beliefs. The subsequent layers describe how one is identified or identify others with respect to internal, external and organisational dimensions. Figure 2.1 (below) illustrates the diversity wheel:

Figure1: The Four Layers of Diversity



Source: Kreitner et al, (2007:49)

Broadly defined by Wentling (2009), diversity moves beyond 'us' versus 'them' to a focus on accomplishment of both individual and organisational goals. However, organisations seeking to correct their bias against a particular group may define it narrowly, according to their specific needs. In RSA the CEE narrowly defines it in terms of race, physical disability and gender. The CEE sets out to improve the representation of people from the designated groups in South African workplaces at all levels of employment (*CEE Annual Report, 2009-2010*). The designated group according to EEA includes Blacks (African, Indians and Coloureds), Women and people with disability. In the mining industry, diversity is aligned with EEA, and as a result is narrowly defined according to the above mentioned factors.

For the purpose of this study, diversity is understood as dealing with similarities and differences embedded within a person or organisation. As a result it is defined in accordance with the culture of the organisation, its stage of development and personnel attitudes.

2.2.4 Perception

Perception is a mental and cognitive process that enables people to interpret and understand their surroundings (Kreitner et al., 2007:207). It affects people's interactions, and should be defined beyond how people perceive themselves, to include how they are perceived by others (Greenberg, 2006). Hence, it describes social cognition, which is the window through which observations, interpretations and responses to events and people are made (Kreitner et al., 2007:213). A person's belief or response to something based on past experiences or interactions becomes reality, which has a great influence on one's behaviour and satisfaction. Its impact is a great challenge to the South African organizations currently, because the stereotyped beliefs hinder the achievement of workplace diversity. It is important for organizations to constantly monitor their performance regarding diversity management through their employees' perceptions (Selome, 2008:19).

In this study, perceptions refer to employees' beliefs and attitudes as a result of their experiences of EE legislation in encompassing workplace diversity.

2.3 WORKPLACE: OVERVIEW OF THE MINING INDUSTRY

The South African mining industry is responsible for the extraction and purification of minerals such as platinum, coal, diamonds, gold and vanadium. With the advent of a new democratic constitution and rising costs from gold mining activities, this industry is faced with

several restructuring changes (Bendi, 2010). One important change is the reconstruction of the post-apartheid economy, including the development of human capital and the country's competitiveness in global markets (Webster and Von Hold, 2005:173).

According to the mining charter a large number of people employed, was excluded from participating and benefiting from the proceeds of the mines due to racial discrimination. Hence its control being predominantly white controlled. Emphasis is therefore placed on stimulating black empowerment in this industry (Bendi, 2010). It is reputable for its legacy of discrimination and employment of unskilled, cheap labour. This section presents a historical overview of transformations in this industry.

2.3.1 Historical overview of discrimination in the mines

EEA seeks to redress the discrimination in the workplace. In an attempt to understand it and the intensity of the challenges and obstacles encountered to eradicate it, a brief history of discrimination in the mines is illustrated below through the presentations made by Nel et al, (2008:77-91), and Dikane (2006:2-8).

The mining industry had been historically tainted by racial discrimination, wage disparities and job reservations. It used legal codes which categorised human beings as Black (Africans, Indians and Coloureds) and White, which advantaged white males in attaining superior positions. Masses of Black people were confined to unskilled jobs, while white women were only allowed clerical and secretarial jobs.

This system had its origins in colonialism, where the labour market was historically discriminatory. According to Chalera (2007:27), throughout South Africa's colonial history, particularly during the 1652 to 1948 period, an impressive array of legislation was implemented to supply the colonialist masters with labour. Between 1652 and 1870, large numbers of slaves and other workers (Indians and Chinese) were imported to meet the country's labour needs, which were mostly agricultural. This gave rise to the Masters and Servant Act of 1841, which provided for an easing of employer-worker relationships.

The discovery of diamonds and gold in 1870 and 1872 respectively, demanded engineering and mining skills. The skills were then imported from Europe and labourers were indigenous, almost exclusively black from South Africans rural areas as well as neighbouring countries such as Lesotho, Botswana, Swaziland and Mozambique. The migrant workers were forced to stay in single sex hostels away from their families, while the white workers were accommodated with their families on the mine property. These white artisans brought with them not only the knowledge and skills necessary for mining, but also British trade unionism,

which provided them with a power base when interacting with their employers. However these trade unions emphasized the colour bar and discriminated against the blacks, who were regarded as cheap unskilled labour and excluded from trade unions.

In 1900 the mining industry had developed so much that some of the black workers were placed in skilled jobs at unskilled wages, called 'gangers', and later 'team leaders' (the term used when referring to a person responsible for a team of workmen collectively called a 'gang'). This was enforced by the Mines and Works Act, as amended in 1926, which barred the employment of blacks in certain positions through the issuing of government controlled certificates, such as 'the Blasting Certificate'. This certificate was given only to white and Malaysians and was a requirement for attaining a miner's position. It resulted in the reclassification of people's household income based on racial diversity. White males were placed on the highest scale, followed by Indians males, then coloured males, with black males at the bottom of the scale (Dikane, 2006:3).

From 1948 to 1979 the Nationalist Government perpetuated this discrimination legacy in the mines through the implementation of a series of Acts which embodied its racial policies to ensure that the white minority were privileged. Those included the Black Labour Regulation (Act No.48 of 1953), the Industrial Conciliation (Act No.28 of 1956), the Job Reservation Act and many more. The Mines and Works Act, of 1956, section 11, prevented females from working underground in the mines. The Bantu education limited educational opportunities for blacks to attain necessary skills which could afford them better positions at work (Msimang S, 23 May 2007).

The recruitment of black labour was centralised through a single recruiting agency, the Witwatersrand Native Labour Recruiting Agency, which set the wages across the board, to prevent black labourers from choosing richer mines. This was augmented by the long standing Master and Servant Act which deemed resignation by a black labourer on dissatisfaction about wages or working conditions a criminal offence. The strict internal system of discipline and a compliant state that deployed police action harshly in the event of labour unrest or strikes ensured that black labourers would struggle to organise themselves. All these resulted in all white unions only being lawfully recognised. Those unions exacerbated the discrimination by reserving the skilled jobs for their registered members through a closed shop agreement. Hence, the Blacks were automatically excluded because they were not classified as 'employees', therefore could not belong to a registered union.

The industrialisation process, however, outgrew the legislative structure during the late 1960s as more skilled labour was needed, and it marked the beginning of a new labour

policy between 1979 and 1994. The Wiehanh Commission of Inquiry was set up in 1979, and recommended several changes, including advocating equality and fairness in the mining industry, extension of the definition of the employee to include Africans, the replacement of 'scheduled person' by 'competent person' without distinction on the basis of race. As a result the black unions gained recognition, especially in 1981, and the gangers who from 1964 were already performing the skilled jobs were afforded certificates and were compensated accordingly.

2.3.2 The transformation in the mining industry

From 1994, after the first elections in the country with universal suffrage, the apartheid laws were revoked, with acts and codes being amended to redress the inequalities of the past. The following are identified in this study as the most important legislation to address discrimination in the mining industry:

- Constitution of Republic of South Africa (Act No. 108 of 1996)
- Employment Equity (Act No 55, 1998), which fostered an equitable representation of designated people in the workforce to reflect the national demographics of the Economically Active Population (EAP)
- Broad-Based Black Economic Empowerment codes of Good Practice (Act No. 53, 2003), which set numerical goals for the representation of designated groups at all levels and categories in the workplace
- Skills Development (Act No. 97, of 1998), which promoted the training and development of skills in the workplace
- The Basic Conditions of Employment (Act No. 75, of 1997), which promoted economic development and social justice
- The Mineral and Petroleum Development (Act No.28, of 2002).

Since their promulgation, the mining industry started changing their policies in alignment with these laws. The transformation legislation and the mining charter will be discussed further in Chapter 3.

Notable changes included employment of females underground, skilling and promoting blacks into management positions and skilled positions, conversion of some hostels into married quarters, and reducing numbers of people per room in the hostels. The housing allowances were given to those not staying on the mine property and blacks were allowed to reside with their families in previously white-only mine houses. The wages were set according to the positions, and blacks could now join any trade union of their choice, the

most popular being the National Union of Mine workers (NUM), Solidarity and United Association of South Africa (UASA). The blacks were also subsidized in medical aid schemes with their families.

2.4 DIVERSITY IN THE WORKPLACE

Workplace diversity refers to the characteristics which make people different from one another in the workplace, ranging from their physical appearance to domains which affect the running of the business, such as technical orientation, management style or educational level (Knudson, 2008). People thus differ according to their education and skills, as well as their biographical and demographic background. In terms of EEA, chapter 2 section 6(1) the differences include age, race, colour, gender, religion, health, language and many other factors, all of which management style should therefore cater for.

Workplace diversity is mostly driven by EEA legislation in RSA, which enforces improvement in representation of designated groups of people in the workforce. This has brought changes in the workplace, particularly in demographics, social identity, societal norms and power sharing (Booyesen L, 2007:7). The organisations therefore have to restructure their activities to accommodate these new entrants. In the mining industry, women were not allowed to work underground, therefore with their inclusion several changes had to be made, such as new changing rooms, policies to transfer them to non-radioactive areas during pregnancy, and measures to counter sexual harassment. Cultural differences also had to be considered in order to understand the needs of the different races. According to Booyesen L (2007:3), these have resulted in societal level identity crises and conflicts increasingly spilling over into the workplace.

The proper management skills and styles for this varied workforce are necessary, therefore deeming the importance of diversity management. According to Kreitner et al. (2007:183), people with different life experiences will interpret reality differently, and thus affect their behaviour and perceptions. Patterns of physical and mental action (cognitive structure) determine the way people think and behave. Cognitive structure, even though it does not form part of this report, is determined by personal experience (family, peers, school system), cultural and social influences.

Effective management of diversity has resulted in organisations' ability to capitalize on talents of their diverse workforce, hence performing better and more efficiently, while improper handling of workforce diversity can backfire, leading to tension among employees

and hindering individual and organisational performance (Roosevelt, 2006:195). The traditional practices of human resource management thus become old and indispensable to a new approach of management, known as 'diversity management', and which integrates and valorises the diversity of the workforce. Diversity recruitment, orientation, promotion, performance evaluation, compensation and social payments, retention, training and development are thus deemed an utmost necessity (Seymen, 2006:309).

2.4.1 The Benefits of Managing Workplace Diversity

Managing workplace diversity recognizes individual differences, not only as a static socio-demographic attributes, but also as dynamic changes in people's experiences, motivations, needs and interactions, in the context of work organizations (Mulholland, Ozbligin & Worman, 2006:5). It ensures that the organisation's practices and policies change with the changing demographics of the workforce, such that every employee becomes useful to the organisation. According to Kreitner et al. (2007:51), it focuses on creating an organisational environment or culture that maintains a positive work environment, in which similarities and differences of individuals are acknowledged, valued and managed in such a way that all employees can reach their potential and maximise their contribution to the organisation's strategic goals and objectives. Differences are not taken as a sign of inferiority, hence employees become motivated and committed.

A diverse workforce offers the organisation a mixture of talents which improves its effectiveness. Heterogeneous groups have a broader reservoir of experiences and different cultural perspectives that will facilitate better problem-solving (Seyman, 2006:302). For instance, gender and ethnic diversity can help work teams to better understand the needs and perspectives of a multicultural customer base. Diversity can enhance a number of contacts a group or work unit has at its disposal (Kreitner et al., 2007:62). The leadership therefore has the responsibility for creating an environment of diversity and culture, then managing it. According to Greenberg (2006), the proven benefits of managing diversity include reduction of costs associated with excessive labour turnover and absenteeism; and lawsuits, as well as enhancement of organisational flexibility. In addition to the benefits listed above one can include enhancement of creativity and innovation, since all employees are free to advance their perceptions and experiences, due to the flexibility of organisational practices. It improves teamwork as it considers all the unique qualities of all employees. In a team all stakeholders participate and rely on each other's performance. It reduces conflicts because all are presumed to be equal.

Cummings and Worley (2005:410) encourage organisations to develop human resource systems that account for similarities and differences, therefore urging them not to focus only on aspects of diversity such as race and gender, which limits a more systematic view of diversity and, specifically, how valuing and managing it can benefit organizations, individuals and society. It is therefore not a single overnight intervention but a process of several supportive human resource practices and procedures.

The impetus for diversity initiatives must therefore come from the awareness of the business implications: addressing the needs of workers, especially those groups which have historically been underrepresented and underutilized (such as women, people with disability and black people); satisfying the demands of competitiveness; and fulfilling the requirements of the organization's role in the community (Wentling, 2009). It becomes evident that organisations only indulge in change motives if the potential benefits are clear and worthwhile, except in cases where they are pressurised by legislation.

A company with a good reputation becomes the target for aspirant employees, and is able to retain its existing workforce. If it succeeds in attracting talented employees, presently a problem for most organisations in South Africa, then it operates with the most experienced, diverse and efficient workforce. Findings of several researchers suggest that there is a positive correlation between workforce diversity and company performance; therefore even though the main driving force for diversity in South African organisations is the EEA and BBBEE implementation, organisations stand to gain an improved performance from managing diversity.

2.4.2 The Challenges of managing workplace diversity

Several researchers have concluded, on quality and participation management, that employee performance depends on commitment and culture of the organisation. Accommodation of uniqueness would enhance development of individual capacity, hence commitment. Conversely, hostile work environments lead to discrimination, resulting in resistance. In order for organisations to benefit from diversity, the people in them must change the manner in which they interact. Transformation cannot happen unless management understands that diversity is about being susceptible to employment consequences as a result of one's association within or outside certain groups (Mor & Barak, 2005:122). According to the same report, it is important as a first step in dealing with diversity issues to determine what are the prevailing concerns and barriers amongst the employees, because they develop perceptions about their organisation's approach to

diversity as well as their own views pertaining to diversity in their workplaces. Therefore challenges are different for different organisations.

The salient challenges include the following:

2.4.2.1 Resistance to change

It is difficult to diversify the workplace since this would involve changing firstly people's personalities, such as attitudes and behaviours, then organisational structure and infrastructure (Catalyst, 13 May 2009). Organisational structure refers to its culture, while infrastructure refers to documented disciplines such as policies and regulations. Organisational culture is a set of shared, taken-for-granted implicit assumptions a group holds, which determines how it perceives, thinks, and reacts to its various environments (Kreitner et al., 2007:76). Culture is therefore a product of perceptions and experiences affecting one's behaviour.

The relationship between perceptions and actions does not form part of this study but is brought to substantiate the effect that culture has on perceptions. Negative diversity perceptions have resulted in stereotypical actions of discrimination in South African workplaces, in turn creating the problem of skewed workplaces.

Catalyst (13 May 2009) lists the following as examples of perceptions leading to resistance:

- Belief that development of some employees necessarily impedes the advancement of others
- Equating the goals of diversity effort with tokenism
- Sense of being dominated by political correctness
- View that diversity and inclusion efforts separate employees by emphasizing groups over individuals.

White males may feel left out of the change process and resist it; on the other hand females or designated group members may resist it because of fear of being singled out, thereby implicating their lack of competency. Kreitner et al. (2007:64) agrees with Catalyst that the resistance can either be subtle and passive, therefore reflected through complaints and negative attitudes, or overt and deliberate, shown by sabotage and flouting of policies, as well as conflicts. It is clear that resistance results from misunderstanding of diversity values, therefore it should be understood that managing diversity caters for both the organisation by increasing productivity, and employees through individualised development.

2.4.2.2 Poor Planning for diversity

Diversity should be seen as an organisational strategy to utilize its human resource fully, as a result must be seen as a priority (Kreitner et al., 2007:64). Managers therefore need to plan how they will implement it in such a way that everyone finds it necessary for his/her career advancement. Failure to plan or implement it properly results in frustrations and resistance by both the management and staff. Employees resort to resigning while managers try different strategies to implement it correctly (managers must comply with the law or face penalties).

Poor career planning, lack of political savvy on the part of diverse employees, fears of reverse discrimination, ethnocentrism, inaccurate stereotypes and prejudice are examples of barriers to managing diversity, due to management failure to change the attitudes of the employees (Kreitner et al, 2007:64). Training on diversity must be performed prior to actual implementation, in order to instil understanding of its values and hence get the support of employees.

2.4.2.3 Failure to create diversity culture.

Valuing diversity emphasises the importance of managers in recognizing and accommodating individual differences rather than relying on stereotypes (Kreitner et al., 2007:32). Hence, it revolves around creating the culture or environment in which everyone feels important and needed. By contrast, unsupportive and hostile culture lead to individuals feeling resented and frustrated, thereby resorting to measures such as 'job-hopping' in their quest to find a homely environment where they can feel accepted.

'Job-hopping' is defined as the frequent, voluntary movement of individuals from one organisation to another for a variety of reasons (Selome, 2008: 2). In RSA, while this is common amongst knowledgeable employees, for career progression and personal development, in designated groups, it is driven by several factors which make it hard for them to fit in properly in the white dominated workplaces. They include amongst others: discrimination, lack of mentoring and being pressurized to work hard to prove that they are not tokens (Khangile and Maponya, 2007:3). The organisation's culture is therefore directly proportional to the organisation's ability to retain and attract employees, especially designated group who are in demand.

Supporting the staff to develop their skills and proficiencies to their full potential should be a focus of diversification rather than pursuing numbers to comply with the law (Mboweni,

2006). However, this becomes inevitable if managers, especially middle management, are resistant or reluctant to change:

“....experience and research have shown that if there is one place to always look out is the supervisory level. If one does not focus on this, one might experience lots of turbulence going forward. Bad managers and seniors can spoil honest efforts being made by any organisations” (Mboweni, 13 October, 2006).

This is supported by the *AngloGold Ashanti SA* Corporate Office human resource manager on his report to *Society* (2008), when he indicated that organisations can have good values but when behaviours do not support them they become useless. This implies that executive managers can structure brilliant and progressive measures but if middle management fails to execute them appropriately, they become ineffective. This can either be due to deliberate flawing of the policies and procedures or to lack of understanding. Whatever the reason, the creation of a favourable work environment lies in the hands of supervisors and middle managers who deal with employees directly on a daily basis.

Monitoring and evaluations must be regularly performed in order to assess the culture of the organisation and to detect discrepancies in management, especially at middle and supervisory level. Hence, executives must be informed of the need to either revise or amend the policies, or to train and mentor personnel.

2.4.2.4 Discrimination

Discrimination is a major challenge to workplace diversity due to its nature of being embedded deep in the behaviour and attitudes of people who make up the workforce, including both the staff and the management (*Human Capital Management*, 2006:7). According to Thomas KM and Chrobot-Mason (2005:84), the criteria against which people are judged usually grow out of prejudice, hence the biasness of judgements. In the workplace, if the focus is on the person and not the job, the human resource activities such as promotion, recruitment, retrenchment, disciplinary measures, or training will be based on the person's characteristics such as race, gender or disability, and therefore will be biased. The mining sector must therefore review its management policies to ensure their conformance to diversity measures.

Despite all these challenges, RSA has placed more efforts in assisting managers to address these problems by constantly updating their acts and supplementing them with codes of good practice. According to the CEE Report (2009-2010:iv), the new update of EEA is due in 2011, with intense monitoring systems and increased compliance penalties.

It must be understood that change is a process which takes time to be accomplished, depending on the change objects (the organisation and the employees). The strategies must therefore be set up to implement it.

2.4.3 Strategies for enhancing diversity

Diversity in SA is a change motive resulting from recent legislation changes. It can therefore be accomplished by following the ten principles of change management (Coetsee, 2008:10) or by developing company-specific strategies informed by the EEA code of Good Practice: preparation, implementation and monitoring of employment equity plans.

The study of diversity practices by Ann Morrison (Kreitner et al. (2007:68) identified the following as effective practices in the management of diversity: accountability (manager's responsibility to treat diverse employees fairly), development (preparation of diverse employees for greater responsibility and advancement) and recruitment (attracting job applicants at all levels who are willing to accept challenging work assignments).

According to Roosevelt (2006), the following strategies have worked:

- Link strategy to company goals.

How will diverse workforce help in increasing corporate goals, look for new markets or partnering with clients?

- Communicate with management and staff about diversity.

Numerous meetings are needed to achieve buy-in.

- Plan how to increase designated groups.

How and when? This implies the review of recruitment and promotional policies. Also it implies getting specialized equipment to accommodate people with disability.

- Develop and implement skills training programmes.

Get mentors and carry out regular practical diversity training.

- Change culture and decision-making processes to include everybody.

Form committees that include people from different departments to improve interactions, hence improve relationships. For example, form quality circles, financial committee or monetary policy committee.

- Change board of directors as well to implement diversity even in the executive level.

This will reduce resistance from top and middle managers as they see that diversity is implemented at all levels.

- Democratically elect committee dealing with diversity measures and publicize it.

Committees responsible for skills development, recruitments and promotions.

- Report progress to everybody and discuss barriers.

Benchmark with sector charter targets

- Analyse progress internally through audits.

Good strategies are a key success factor for an organization therefore must be understood and implemented correctly, timeously and effectively.

2.5 CONCLUSION

Managers and employees are currently faced with the serious challenge of diversifying their workplaces as result of internal and external environmental factors, but mostly compliance with the current legislation. As a result they must deal with sensitive issues such as Affirmative Action (AA), gender, physical and racial discrimination, which impact on employees' perceptions and organizational culture. It is imperative for organizations to develop and implement strategies which will instil cohesiveness amongst members of the organisations, hence their collective view of being the same team with differences but not the same team despite the differences. It means that their differences should be viewed as a value to increase efficiency, but not as a barrier to achieving optimal efficiency.

There is an agreement amongst researchers that managing diversity improves an organisation's efficiency, even though there are challenges which individuals as well as the organisation encounter. The major challenges are discrimination, planning and the creation of a climate of diversity, necessary to eradicate prejudice and hostile work environment. The line managers are seen as a barrier as they fail to implement the EEA correctly, hence the slow progress in workplace diversification. They are the most influential in creating inclusive organisational cultures that support employee diversity created by strategies to achieve employment equity.

This chapter began with the definitions of key constructs then explored the workplace (mining industry). Lastly it looked at the theoretical literature on workplace diversity,

discussing its benefits, its challenges and the best strategies for managing and valuing it. Throughout the literature, special reference was made to the mining industry and EEA.

The mining industry has made some progress with respect to EEA implementation, even though the numerical representation is still small. Notable progress has been made in the creation of diversity environment (*A goldmine Annual report*, 2009).

Chapter 3 will present the analysis of the legal framework set by the government to accelerate the objectives of EEA, as well as the mining charter and its scorecard for enhancing the progress in the mining industry.

CHAPTER THREE

LEGISLATIVE FRAMEWORK AND THE MINING CHARTER

3.1 INTRODUCTION

South Africa is in the process of major socio-economic, social and political transition (Nel et al., 2008:25). Economically, growth has slowed down with recession and political contestation marked both within the ruling party and outside it. Deep rooted dissatisfactions with the negligible impact of change on communities' everyday lives are manifested in increasing protest action (HSRC, November 2009). In this context the workplaces have come in the spotlight as the yardstick to measure the social changes due to transformation legislation.

Since the first democratic elections in 1994, the legislation has been changing with new laws being promulgated and amendments made to others to redress the mistakes of the past, and promote equality and unity amongst all citizens. These affected the labour market and employment relations. The ILO (convention No. 111 of the ILO) and the constitution of RSA (Section 9) demand equality in all spheres.

Equality in the workplaces is however difficult, since South Africans are not at the same level with regard to education and skills possession, following the apartheid principles which gave blacks inferior education (Bantu education), and denied them skills through discriminatory acts (Dikane, 2006:6). In order to redress this imbalance so that the competition in the labour market becomes fair, substantive equality is deemed necessary. Unlike formal equality, this approach considers the actual and socio-economic disparities (Nel et al., 2008: 156), and has resulted in the promulgation of AA, EEA SDA and BBBEE acts, as well as amendments made to the Constitution and LRA. The DoL monitors compliance with regard to employment equity and skills development through employment equity plans and work skills plans. The Department of Trade and Industry monitors black economic empowerment (BEE) through the implementation of the Code of Good Practice.

This chapter analyses the transformation legislation and the mining charter, then relate them to the problem statement and the theoretical literature study of the workplace diversity, in order to understand the rationale behind the EEA.

3.2 CLARIFICATION OF MAJOR TERMS AND CONCEPTS

It is important to clarify key concepts as they are understood in this study.

3.2.1 Equality

According to Nel et al. (2008:16), equality is defined as giving everyone the same distribution or treatment. Differentiation between formal and substantive equality is made, with the former being similarity or sameness of treatment, i.e. the law must treat individuals in the same manner irrespective of their special circumstances (socio-economic conditions). The latter refers to treatment according to special circumstances until equality of outcome is acquired. For the purposes of this study the latter is used.

3.2.2 Designated Employer

A designated employer is defined in the preamble EEA to mean a company employing 50 or more employees or having total annual turnover that is equal to or above applicable annual turnover that is equal to or above the annual turnover of a small business in terms of Schedule 4 to this Act. It may also be an organization of state, defined in Section 239 of the Constitution; or a municipality as referred to in Chapter 7 of the Constitution; or an employer bound by collective agreement in terms of Section 23 or 31 of LRA, required to comply with this legislation. In this study the designated employer refers to the mining industry.

3.2.3 Affirmative Action

Affirmative action (AA) measures are designed to give special support to disadvantaged members of a community, for example allowing them easier access than others to benefits such as education, jobs and housing. According to Nel (2008:359,) it is a labour market policy aimed at redressing past imbalances that are a direct result of discrimination. It is further described in Section 8 (3) (a) of the Constitution as “measures to ensure the adequate protection and advancement of persons, groups and categories of persons disadvantaged by unfair discrimination, in order to enable their full and equal enjoyment of all rights and freedoms”.

Bendix S (2001:435) refers to AA as the purposeful placement or development of competent, or potentially competent, persons in, or to, positions from which they were debarred in the past, in an attempt to redress past disadvantages and to render the workforce more representative of the population.

In the light of all these definitions and many more not cited here, it is clear that AA includes measures to accelerate upward mobility of the competent and potentially competent designated group by offering them support in the form of preferential treatment in recruitment, promotion and training.

3.2.4 Employment Equity

Employment equity is the prohibition of unfair discrimination in the workplace. It involves eradicating direct or indirect unfair discrimination against employees on one or more grounds, including race, gender, sex, HIV status, pregnancy, culture, political opinion, sexual orientation, disability and many more ways in which people differ (EEA chapter 2). Section 5 and 6 of the EEA are the principle sources of the prohibition against unfair discrimination in employment, however Section 6 (2) of EEA indicates that there is a prerogative on an employer to apply justified or fair discrimination in EE programmes on the following grounds:

- Inherent requirements of the job
An employer cannot for example be compelled to employ a blind person (disabled according to definition of designated group) as an underground worker because the job entails visual guidance in order to move around underground.
- Affirmative action
Giving preference to those applicants coming from the designated group is not unfair discrimination, when applicants are from a diverse workforce.

3.2.5 Broad Black-Based Employment Equity

Broad Based Black Economic Empowerment (BBBEE) is a policy intervention driven from the economic and industrial complex in government. It is aimed at addressing the economy's skewed racial profile, and calls on the private sector, including the mining industry, to restructure itself and to create opportunities for previously disadvantaged individuals. The policy requires change to personnel selection, promotion and development, supplier selection, enterprise development and social engagement. It is from this approach that BBBEE can be viewed as a major driving force for economic development in the next decade. It revolves around the following seven pillars which form the base for measuring the impact of the policy objectives across different sectors and entities within the economy:

1. Ownership
2. Management Control
3. Employment Equity
4. Preferential Treatment

5. Skills Development
6. Enterprise Development
7. Socio-Economic Development

It is intended from these that the economy will meet the economic needs of all South Africans, however, presently all the elements of the BBBEE are failing to fully accomplish equality, with Employment Equity being the worst performing (CEE, 2009-2010:36).

Research suggest that the same structural variables that influence who participates in and benefits from an economy also impacts on what new ideas enter, what is produced and what growth opportunities exist. Organisational arrangements prompt and constrain economic actors continuously, shaping what and how they produce. When favouring large firms and vertical relationships, for example, organisational structures offer opportunities for large-scale undertakings that emphasise heavy capital investment. Such structures are however less conducive to nimble adjustment in the face of changing global economics.

This has impacted the structure of the mining industry greatly, such that the BEE ownership is afforded only by politicians, prominent civil servants and individuals with well-established links to ANC such as Cyril Ramaphosa, Patrice Motsepe, Tokyo Sexwale, Manne Dipico, Sakiee Makozoma, Alistair Ruiters, Manana Bakane Tuoane and Cheryl Carolus. However, according to Bendi (2010) some correct applications are gradually taking place, for example, the giant mining companies are outsourcing the engineering services to the small consulting engineering companies.

3.3 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA (Act No. 108 of 1996)

South Africa's constitution, as amended for the sixteenth time in 2009, currently forms the basis for the law and government of RSA. It included a Bill of Rights, as well as the relationship of various government structures.

The preamble is as follows:

We, the people of South Africa, recognise the injustice of our past, honour those who have worked to build and develop our country, and believe that South Africa belongs to all who live in it, united in our diversity. We therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental rights.

The Constitution, according to Nel et al. (2008:156), commits the state to the goal of achieving equality in terms of Section 1(a). It starts by acknowledging the mistakes of the past, then concentrates on establishing a society which is free and diverse, with democratic values, fundamental rights and social rights. Chapter 2 of the Constitution is the Bill of Rights, which aims to create a society founded on principles of equality, dignity and freedom. Section 9 protects the right of equality and enshrines the constitutional guarantee that the law will benefit people equally and prohibit unfair discrimination.

According to Section 9(2) of the constitution:

Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons or categories of persons, disadvantaged by unfair discrimination may be taken.

This means that the constitution looks beyond the formal equality to substantive equality, which regards some forms of discrimination as fair. The enactment of the Basic Conditions of Employment (Act 75 of 1997), the Labour Relations (Act 66 of 1995) EEA and the AA provisions, SDA and BBBEE, are some of these measures envisaged by Section 9(2).

The mining industry is no exception to the rest of the working spheres, therefore the application of EEA, as validated by the constitution, is aimed at bringing substantive equality in the workplace, by bringing into the career-pipeline the designated groups through preferential treatment.

3.4 EMPLOYMENT EQUITY ACT, (Act No. 55 of 1998)

In 1998 the government promulgated the Employment Equity Act (EEA) to achieve equity in the workplace, in response to the disparities created by apartheid laws that had disadvantaged certain categories of people. The effects are so deeply ingrained in the organisations that they cannot be redressed by simply repealing the discriminatory laws.

According to the preamble, the EEA seeks to:

- (a) Promote equal opportunities and fair treatment in employment through the elimination of unfair discrimination.

(b) Implement AA measures to redress the disadvantages in employment experienced by the designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workplace.

(c) Achieve a diverse workforce broadly representative of the South African population.

Therefore, its purpose is to push the pendulum from its previous extreme negative discrimination towards positive discrimination until such time as the employment statistics match the demographics of the country. The act is dedicated to operate to the advantage of the three designated groups: Blacks, women and people with disability. It further covers the following as the other grounds of discrimination: pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, religion, HIV-status, conscience, belief, political opinion, culture and birth (Human Capital management: The EEA, 2005/2006: 213).

The CEE is presented in chapter 4 of the Act and is responsible for EEA enforcement and monitoring. Its report (2009-2010:36) indicates that there is only a slow progress made in attaining workforce diversity in all industries, and so has made further proposals to the amendment of the EEA to intensify monitoring and enforcement to achieve representivity in the workforce. This will be due in 2011. The two key areas to be amended are:

- Equal pay for work of equal value – which is new to the act.
- Enforcement of AA provisions – simplified provisions of the act to eliminate unnecessary mandatory steps.

Employers have the obligation to display the summary of the provisions of the act in all languages relevant to their workplace, to ensure that employees are conversant with it. Every designated employer is required to complete the EE plan and submit it annually to the DoL, hence it must be in possession of the following documents: the code of good practice, the employment equity act document, the regulation under the employment equity act and the User Guide.

The EE plan is a formal report used by the DoL to measure EEA compliance and implementation. It sets out how the designated employer plans to achieve the employment equity over a period of 1 to 5 years. Before it is drawn up, employers must first consult with the unions and employees to get consensus around it, then analyse their employment policies, practices and procedures to ensure that they support it, as well as their workforce profiles in order to identify shortages.

3.4.1 Benefits of EEA

Modisha (2007:16) views EEA not only as the mechanism for facilitating equitable representation of designated groups in the society, but also as measures that will eventually eradicate deeply held beliefs of discrimination and bring cohesiveness between different cultures. It will result in a workforce representing diverse individual and group values, culture and contributions. This will enable South African companies to adapt to globalised and diverse markets. Therefore, changing the workforce diversity is not merely a temporary superficial or structural issue to comply with the EEA, but once embedded in an organization it affects every part of the organization, and so qualifies to be a business strategy to compete globally and to increase efficiency.

Section 6 of the EEA induces a change on how to view others. Where managers understand the need for this change and adapt their own thinking and behaviour accordingly, the other aspects of employment equity fall into place quite easily. The orientation to managing people ensures that competent members of the designated groups are motivated, developed and retained, thus leading to a diverse workforce with heterogeneous capabilities and experiences. Failure of managers to make this change in thinking patterns will lead to the continuation of discrimination and prejudice, where commotions are unavoidable.

3.4.2 Challenges of EEA

Compliance is the greatest challenge because the CEE report (2009-2010:36) indicates that most companies are lagging far behind the numerical targets. It is followed by the organisational cultural change, which implies transformation of both the management and staff's perceptions and behaviours. This is still unfavourable for Black managers and skilled workers, with discrimination still rife, as shown by the promotions, training and recruitment of White males (appendix B). These have been elaborated on (par 2.4.3). Other challenges not mentioned above include:

- Skills deficit

This is a problem posed by many industries and is inherited from apartheid policies, because the majority of people were deprived of skills (Chalera 2007:109). Due to this, the professional and skilled designated group members are presumed to be lacking in the labour market (par 2.4.3.3), in the necessary numbers for companies to comply with the EEA. This shortage is however questioned by the CEE acting chairperson in her report (2009-2010:iv), as she argues that the output of Black graduates has tripled over the past 10 years, and that

the employer's employment equity reports reflect that the majority of Blacks are professionals. Therefore, their presence in the elite positions should be evident.

In the mining industry their shortage is so pronounced that different mines have employed different competitive strategies, such as training, remuneration and retention bonuses to attract or retain them. *AngloGold Ashanti* gave all professional and skilled workers five-year retention bonuses, while *Anglo Platinum* competed with premium salaries. *AngloGold Ashanti* takes students through bursary schemes but is currently encountering unforeseen problems as students who have finished their studies are either 'poached' by external organisations who buy out the rest of their contracts, or they leave the organisation for opportunities abroad (Nadar, 2008). Such appropriation of skills between different companies is shown in appendix B in terminations and recruitment rates. Nadar (2008) further argues that the mining industry, unlike other softer skills sectors such as banking, takes longer for an individual to be developed to managerial level because, apart from technical qualifications, the candidate also needs vast experience of the mining industry.

Shortage of skills is aggravated by the labour market not getting the required skills from tertiary institutions. This has resulted in unemployment rates increasing amongst those with tertiary qualifications and skills deficit in most industries, hence the concern of the minister of the Department of Higher Education and Training (DoHET), Nzimande. In his Budget speech, he argued for "a diverse and differentiated post school system" providing "diverse learning opportunities for youth and adults" through the "improved alignment of the university, college and SETA system" (HSRC, November 2009:5). This shifting of the skills development from the DoL to the DoE is anticipated to produce competent and competitive people needed by the labour market, due to the improved collaboration between the SETAs, JIPSA and higher education institutions. The mining industry, as explained above, requires specialised skills, only achieved through mining specific qualifications or experience in the mining industry. Therefore for EEA to succeed in this industry, the designated groups must acquire relevant education or training because they lack the relevant experience.

- Legislation

There is a clash of interest between EEA and Mining charter, even though they both strive to acquire a diverse workforce. The EEA has given companies and industries powers to set their own targets for representivity in the workforce, through illegalising quotas. However, the mining industry is abusing these powers by setting unreasonably low standards through the mining charter. For example, women make up 47.6% of the EAP according to the Quarterly Labour Force Survey (Quarter 2, 2010:2) while the mining charter set a target of 10% for

their representation. This is less than four times what is expected by the EEA. Companies must set targets which will reflect the EEA in the end of the term they have chosen (i.e. in the period 1 to 5 years). Hence companies focussing on the mining charter tend to violate the EEA.

- Recession

The economy of RSA is in recession as a result of global trends and has lost many jobs from the labour market. Research by the HSRC (November, 2009) indicated that the GDP growth rate had declined from 5% to 3% since 2008, and it had since been unable to support the key social and developmental goals, which included but were not limited to employment creation and skills development.

The statistics by the Quarterly Labour Force Survey (Quarter 2, 2010:2) indicated an increase to 25.3% in overall unemployment rates across all industries. The Mining industry was greatly affected, even though more job losses were seen in manufacturing, as illustrated in appendix C. It shows that the mining industry is shrinking, therefore facing a challenge to lose workers, more so without skills or education. The majority of designated group members are still unskilled or semi-skilled, despite the implementation of the National Qualifications Framework (NQF) and SETAs, which certify workers according to their skills. These are consequently the people that suffer mostly from unemployment, despite the call from EEA chapter 2, section 15 that retention and development of designated group members must be given preference.

Due to this skills development is no longer seen as a priority by most companies since they are cutting back on training expenditure in order to survive. This is also true of the mining industry. Therefore the EEA's emphasis on acquisition of skills for AA candidates is hampered.

- Economic shifts

Global competition has forced the economy of SA to move away from mineral extraction and manufacturing and to become diversified and globally oriented, implying that it has moved away from mass low level manual skill, to fewer and more skilled labour usage (Nel et al., 2007:359). According to Mboweni (13 October 2006), the economic activities had turned out to be more service-oriented and required a different skills mix than those which had been applicable to primary or even secondary sectors. The use of advanced technology in the mining industry requires fewer and skilled people, who are presently Whites. The implications thereof are that the AA candidates do not qualify with respect to skills

possession or education, however they can be considered for other EEA provisions, such as ability to acquire skills within a short period of time.

3.4.3 EEA and Diversity

Workplace diversity is one of the goals of the EEA, and analysis of the company progress through the EEA reports and reviewing of human resource policies, as well as the surveys to get employees' perceptions, should be regularly performed to reveal the barriers prevalent to achieving EEA goals. As a result it will indicate the progress made in achieving diversity in the workplaces. According to the 2009 annual reports of the goldmine understudy, it meets the requirements of EEA in terms of the equity plans documentation, human resource policies and values, and formation of EEA steering committees, such as the skills development committee, but it has not yet achieved the numerical targets. Hence there is a need for this study, to find out the challenges impeding it in attempts to achieve a representative workforce, and then make recommendations on strategies which can be followed in order to control them, with the aim of eventually eradicating them.

3.5 AFFIRMATIVE ACTION

AA is a very contentious issue as it is viewed differently by different people, each trying to satisfy his or her own personal interests. According to Modisha (2007:16), for political parties such as the Democratic Alliance, Solidarity, Inkatha Freedom Party and Freedom Front Plus, the policies of AA and BEE marginalise Whites and the poor of previously disadvantaged groups, and therefore they need to be revised. They further argue that the AA policies benefit a group of already established Black elite and middle class, which undermines the goal of creating a united society. However, they do not spell out which elements of the legislation needs to be revised.

On the contrary the proponents argue that the AA if properly implemented and regulated in terms of the Act, it will move South African employers' one step closer to the goal of achieving equality in the workplace. It forms an important part in the more general attempt to overcome the legacy of apartheid and to build a better life for all (Deane, 2006:385).

All these variations in peoples' perceptions challenge South African organisations to change the thinking of their employees and managers, who have been conditioned by apartheid over many decades to see people not as individuals but as members of different racial groups.

According to Section 15 of EEA, the key issues addressed by AA are:

3.5.1 Discrimination

Section (6) of EEA clearly prohibits discrimination, but further states it is not unfair discrimination to take AA measures. In order to redress what was wrong a tool must be applied, in this case AA, to set a platform whereby everyone starts at the same place. Currently, White males are ahead of other groups because of the apartheid legacy. It is expected that AA will bring about equality of opportunity for the designated people to first learn about the job and grow in it (Dikane 2006:44).

It is argued that in order to achieve effective equality of opportunity, Blacks have to be afforded preferential support to enable them to attain a higher level of technological and managerial capability, as well as gaining access to economic resources. It must therefore be regarded as a temporary remedy until such time that everybody will be at the same level to compete fairly.

This concept of fair discrimination however tends to threaten those excluded, such that they sometimes contest its validity. Nel et al. (2008:158) cite examples of court cases where it was challenged. Managers are therefore cautioned not to haphazardly, hastily and randomly increase the numbers of designated group members in order to comply with the law, thus overlooking the inherent requirements of the job and the support needed.

3.5.2 Development and Empowerment

AA without training and development would fail and lead to frustration and lowering of standards. According to Deane (2007:387), this could simply improve an elite group of Blacks and women, further entrenching class inequalities. It is clearly stated in the preamble that suitably qualified people must be singled out and trained. Section 20 (3) of EEA point to suitably qualified employees in terms of formal education, prior learning, relevant experience or capacity to acquire within a reasonable time the ability to do the job. Hence managers are urged to follow the latter sincerely.

It is against the law just to employ somebody unqualified in order to have designated group members in elite positions of the payroll to meet requirements of EEA (Gildenhuys, 2008). AA does not legitimize quotas, and quotas are illegal. AA candidates must be fully utilized in order to achieve diversity. Underutilized employees become frustrated and either underperform or resign. According to Dikane (2006), most females accept any job in the mining industry with the hope of getting a suitable job while inside, due to lack of

employment. However, this turns out differently in most cases and they remain underutilised in those positions.

Research by Booysen L (2007:68) indicates the following challenges in the implementation of AA:

- Blacks are perceived as tokens and not fully integrated into companies because of little delegation of real responsibility or decision-making, owing to persistent stereotypes.
- Black managers are not systematically developed and trained, with no effective talent management
- Mentors and role models are lacking
- Organizational culture is dominated by White males who continue to exclude Black recruits
- Consultation and communication around EEA progress is ineffective.

The failure of most AA initiatives is due to the focus of most managers only on training of AA candidates, without changing their management styles to accommodate them and the trainees' thinking to accept change. The Blacks still have some feelings of anger, alienation and even inferiority, produced by excruciating, dehumanizing experiences under apartheid. Those with an inferiority complex tend to have low self-esteem, leading to submissiveness, and are abused by manipulative managers who use them as tokens without considering them seriously. On the contrary, those with anger fail to accommodate or trust their colleagues, consequently becoming hostile and aggressive. Therefore a consensus must be reached by both AA candidates and management in order to get the genuine representivity:

... Unless we are able to change the corporate culture in South Africa in a way that makes it part of the way we do business, the real achievement of the equity and broad-based economic empowerment process will not be encountered (Mandisa Mpahlwa, December, 2006),

If this vision is to be fulfilled, the management style, trainee perceptions and corporate communication must change.

Communication and corporate networking is another obstacle to Black professionals. According to Dikane (2006) Black managers sometimes fail to achieve the same level as their White counterparts because they are denied access to information which the White males get from other White males during social and informal interactions. Black

professionals have a poor network of corporate personnel because there are few Blacks in management positions.

AA would be a futile exercise, if it were only to compensate for the wrongs of the past and fails to deal with the future. The future for most of the researchers entails concurrent change in the thinking of both the Blacks and Whites, as well as giving the Blacks preference through the changed policies of training, recruitment and promotions. These would bring equality which should be sustained throughout all the generations.

In conclusion, it must be understood that Blacks form the majority of this population (about 87.8% of the EAP (see table 1.1), therefore if they are underutilized, the country's economic potential will not be fully realized, since the majority of the population will be ineffective economically. The supply of high level manpower if extended tends to benefit the business by removing the bottleneck to future growth. In the short term, the costs of engaging in AA measures are significant, but in the long term the positive returns for business and the country in terms of improved political and business stability, higher productivity and better availability of high-level manpower will be immeasurable (Deane, 2007:387).

In the mining industry the AA programmes include formation of Adult Basic Education and Training (ABET) centres to provide the employees with basic education, learnerships to advance employees while they are already exposed to the work environment, NQF certification, whereby prior learning is recognized and certified, bursaries to formal universities and technikons; and in-house training courses, which result in multi-skills development, education and promotions (Company Annual report, 2009).

3.6 SKILLS DEVELOPMENT ACT AS AMENDED (Act 31 of 2003)

The Skills Development Act (SDA) was promulgated in 1998 as (Act 97 of 1998) and came into effect in 1999, replacing the Manpower Training Act and the Guidance and Placement Act. It was amended in 2003 to become (Act 31 of 2003).

Its purpose, according to section 2, is broadly to:

- develop the skills of SA's workforce
- use the workplace as an active learning environment and to provide employees with opportunities to acquire new skills
- employ persons who find it difficult to be employed

- improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education.

The employers are expected to submit Annual Training Report (ATRs) and Workplace Skills Plan (WSPs) every year. The ATR informs the SETA about the training which has taken place in the organization in the previous 12 months. It contains the information on the type, cost and delivery method of the training and assess whether the training offered was in line with the training planned. The WSP on the other hand informs the SETA on the training that will be provided in the next 12 months.

There are six insurmountable barriers, namely the class, age, race, gender, disability and HIV/AIDS to the career progress of the designated group, which have been used to frame the National Skills Development Strategy (NSDS) and its targets. It should however be noted that even though these areas are similar to the focal areas of the EEA, there is no mentioning in this act of its link to the EEA. The link is just accepted as the result of similarity in focal areas.

In the mining industry, Recognition of Prior Learning (RPL) is used to utilise workplaces as active learning areas. It is used to provide training and education to people who were deprived of their learning, and is one of the key principles upon which the NQF is based. RPL entails testing a person's ability to do a specific job and awarding him or her either a qualification or credits towards a qualification, based on current knowledge and ability to perform a task. An example is giving a plant attendant who has worked for a long time and whose competency is undoubted an NQF certificate through the Mining Qualification Authority (MQA) testing.

Alternatively, learnerships are used in this industry to assist employees to acquire skills while working. The government introduced them after 1994 to accelerate the acquisition of skills after realising the 'brain-drain' effect. This entails employing a candidate and training him or her while working for a period between 12 and 18 months. It is the popular method amongst the youth who cannot get employment due to lack of skills, and amongst older working people who want to improve their qualifications but cannot afford formal education.

Despite the enactment of this act, skills deficit is still a problem in RSA. In the mining industry the training is done through the mine training centres in collaboration with the (MQA) and the Skills Development Committee (SDC). The MQA is the body responsible for qualifications of technical professionals in the mining industry, such as artisans and miners,

while the SDC is the committee made up of management and union representatives responsible for the skilling of employees.

3.7 MINING CHARTER

The Broad-Based Socio-Economic Empowerment Charter for the mining industry, in short the Mining Charter, is developed in terms of Section 100 of the (MPRDA) Mineral and Petroleum Resource Development (Act 28 of 2002), to set the framework, targets and timetable for effecting the entry of Historically Disadvantaged South Africans (HDSAs). According to this act, an HDSA is any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution (Act 108 of 1996) came into operation.

The Mining Charter was promulgated in 2002 and came into effect in 2004, and is regulated by the Department of Mineral Resource. According to the preamble, its vision is to create a globally competitive mining industry that draws on the human and financial resources of all RSA's people, and offers real benefits to all. The goal of the Charter is to create an industry that will reflect the promise of a non-racial country.

It will be achieved through substantially and meaningfully expanding opportunities for HDSAs to enter the minerals industry, through the following eight pillars:

- Human Resource Development
- Employment Equity
- Migrant Labour
- Housing and living conditions
- Procurement
- Ownership
- Joint Venture
- Beneficiation

The reporting is made annually and is send to the Department of Trade and Industry for monitoring, and to check progress and compliance by companies. The scorecard (Appendix D) is used as a practical framework by the Minister to assess whether a company actually

complied with the targets set by the MPRDA through the Mining Charter (*AngloGold Ashanti Annual Report, 2009:143*).

The mining charter's obligation was to transfer 15% of the mining industry's assets into HDSA's hands by 2010, and increase it to 26% by 2014. As a result a critical mass of black involvement, enough to ensure the self-perpetuation of BBBEE in the mining industry was expected (Woolley, 2005:23). On the contrary, a report by *Business Day* (01 July 2010) showed an achievement of only 9%, with several empowerment deals being scrapped due to funding difficulties.

The mining charter intended to increase the HDSAs in management positions by 40% but according to the same report the companies only achieved a ratio of 30%. This is even lower because White women were included in the definition of HDSA, and this has masked the extent to which the Blacks have attained management positions.

On its quest to measure the progress made on transformation since the Mining Charter was enacted 6 years ago, the South African Mining Development Association commissioned the KIO Advisory services to conduct a survey on 25 biggest JSE listed mining companies (Miningmx, 24 June 2010). The report analysed the information submitted to the DoL and DME and the findings revealed a retarded transformation progress in the mining industry, because the companies surveyed did not meet the targets. These are illustrated by the tables 3.1 and 3.2 (below):

Table 3.1: Black representation benchmarked against BEE codes

Indicator	KIO Result	Compliance Target by 2009
Top Management	17.9%	40%
Senior Management	15.5%	43%
Middle Management	26.9%	63%
Junior Management	32.8%	68%

Source: KIO Advisory Services

Table 3.2: Black women representation versus BEE codes

Indicator	KIO Result	Compliance Target by 2009
Senior Management	4.1%	21.5%
Middle Management	8.5%	31.5%

Source: KIO Advisory Services

These figures show a stark contrast with the significant over-representation of White women in management in the mining industry. Actually the shortfalls in the representation of Black women are alarming. Of the 5.3% EAP White women, 7.4% are senior managers, a massive 14.6% are in middle management and 8.1% are in junior management, compared to the representation shown above of Black women with 40.3% EAP (Miningmx, 24 July 2010).

This shows that the management of the mining industry lies solely in the hands of the White males and females. According to Shabangu, the Mineral Resource Minister, this is unacceptable and the government is determined to redress it through a revised Mining Charter. Fronting and tokenism are also problems in the mining industry, with Blacks being employed either to fill quotas or to get a BBBEE score. Shabangu insisted that “....this is no industry for renting a Black, those who want to rent must go somewhere else” (Shabangu: Miningmx, 24 July 2010).

The new mining charter addresses the following:

- allows black investors to have voting rights and to seek greater access from banks
- gives new definition to HDSA
- still holds onto the 26% ownership by black companies by 2014,
- still sets its own targets which are different from BEE scorecards.

Therefore the mining industry is still exempted from BEE ratings.

Many critics believe that the Mining Charter exempts mining companies from the BEE act, thus contribute to the failure of transformation of this industry. The Mining Charter sets ridiculously low targets (par 3.4.2), and another problem is the lack of capacity in the Department of Minerals and Energy to evaluate the complex funding structures. There has been malicious compliance by many companies, which concluded transactions which they knew would never result in vesting ownership with Blacks (Miningmx, 24 July 2010).

There must be consistency in the excursion of codes, therefore the Mining Charter must be replaced by the BEE act. The BEE codes are clear and are reported to be succeeding in other sectors.

3.8 CONCLUSION

RSA is one of the most unequal societies in the world. Great poverty and great wealth co-exist side by side, as well as illiteracy and profound education achievement as the

consequence of the social-economic history, but according to Nzimande (03 September 2010) it has no place in the future. He suggested that the practices must actively interrogate every opportunity to ensure that many more of those disadvantaged are assisted to accomplish skills and education, resulting in their being accordingly integrated and represented in the workforce.

According to World competitiveness report (2010-2011:3) basic education increases efficiency of each individual worker and ease their ability to adapt to more advanced production processes and techniques, while higher education fuels innovation. Lack of education therefore becomes a constraint on the business development, deeming AA important. AA is a mechanism to accelerate the empowerment of the majority of the workforce who are presently uneducated due to past discrimination. Ultimately the aim is to create a diverse competitive workforce where everybody participates efficiently towards building the economy of the country; therefore companies are urged to comply. It implies giving preferential treatment to those disadvantaged, whereas the EE, prohibits unfair discrimination in the workplaces. These policies tend to be paradoxical but there is a prerogative in the EEA section 6 (2) indicating the grounds where discrimination is justified.

The labour market efficiency ranking of 97, shown by the world competitiveness report (2010-2011:37) points out to the need for ensuring flexibility in human resources practices such as, hiring, firing, training, remuneration, labour relations and equity (gender and race). The mining industry is therefore challenged to utilise its labour force most efficiently by providing it with necessary resources and assistance, in the midst of the recession ensuing and health problems (South Africa's workforce health ranks 127th out of 139 countries).

In this chapter the legal framework established by the government to redress discrimination and accelerate the objectives of EEA was analysed, as well as the mining charter and its scorecard.

Chapter 4 will look into the empirical study to find through the questionnaires the perceptions of the employees of a certain goldmine regarding diversity as the result of EEA application. The negative perceptions will be regarded as the barriers impeding the successful implementation of EEA. Secondary information will be collected from metallurgy department of this same mine and analysed to substantiate the perceptions made by employees.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

The aim of this chapter is to explain the logic behind the research methods and techniques used to collect and extract meaning from data. Data is described as the link between the absolute truth and the researcher's inquiring mind (Leedy & Ormrod, 2005:93).

The research was into the application of EEA and workplace diversity in the South African mining industry, achieved through the establishment of the progress made in diversifying the workforce, the determination of the barriers impeding the progress of EEA, as well as determination of the knowledge and attitudes of the employees in this field. Primary data was collected from questionnaires distributed to the employees of a certain goldmine, residing in the mine complex. Their experiences and perceptions of diversity and EEA revealed the barriers encountered in changing the status-quo. This has been compared to the secondary data collected from the senior metallurgy human resource manager in order to establish the progress made to achieve the numerical targets.

This chapter presents the methods used to collect data, the statistical techniques employed to preset and interpret it, and the limitations encountered.

4.2 RESEARCH DESIGN

The study is designed to find out from a cross-section of the population of a goldmine's employees their knowledge, understanding, attitudes and behaviour about application of EEA and workplace diversity. The literature gave valuable insight in the type of instrument to be used to collect data. The closed ended questionnaire was found to be appropriate. According to Kumar et al. (2005:132), in a closed-ended questionnaire the possible answers are set out in the questionnaire and the respondents then tick the category that best describes the answer. Section A consisted of 12 multiple choice questions, while sections B and C each comprised 20 attitudinal scale questions.

Questions in section A focussed on the biographical and demographical details in order to establish the nature of the sample, from attributes such as gender, age, education, job

grading, years of service and languages known. These can have influence on the attitude and behaviour of the respondents. Section B and C were five likert-type scale or the summated rating scale focussing on the extent of the respondents' attitudes. The latter is appropriate for this research because the strength of the respondents' attitude will reflect their understanding and knowledge or their perceptions about the problem stated, thus indicating the progress made in changing the status-quo and achieving diversity, as well as EEA targets. Perceptions according to literature findings (par 2.2.4) are the people's beliefs as the result of past experiences and interactions.

4.3 POPULATION

The mining industry in RSA employs 305,000 people (Appendix C), ranging from managers, engineers, artisans and miners to financials, health and safety officers and labourers, the latter forming the majority. It employs permanent and contractual employees. It is responsible for the extraction, purification and distribution of minerals, and according to Bendi (2010) it is still predominantly White-controlled, with emphasis on stimulating Black empowerment in the industry. A goldmine in the North-West province was chosen as the target population.

4.4 SAMPLE

According to Leedy et al., (2005:183), a sample of the population is surveyed in order to learn about a larger population; therefore a sample of employees staying in this goldmine complex were investigated in order to gain insight into the mining industry's conduct on EEA application and diversity. Due to the large number of employees, a convenience sampling method was used to select participants. Convenience sampling, also known as accidental sampling, involves selecting haphazardly those cases that are easiest to obtain (Welman, 2005:69). Although this technique of sampling is prone to bias and influences that are beyond control, it is an accepted research methodology, hence its use in this study.

From the senior human resource manager, it was established that there were 345 houses in this complex called 'Quarters'. The residents comprised all types of employees mentioned above, from different occupational levels and departments. It was therefore representative of the goldmine's employee profile.

Questionnaires were posted in envelopes in the residential postal boxes of 160 houses in the complex, and the respondents were given two weeks to complete them. The finished questionnaires were posted in closed envelopes in a box at the gate in the security's office.

4.5 DATA COLLECTION

Based on the sensitivity of the problem to be solved, the respondents tend to hide their true feelings and attitudes and opt to respond according to what is considered to be right or ethical (Kumar et al., 2005). In this study it was anticipated that the respondents might feel uncomfortable in expressing their true attitudes about diversity or EEA, for fear of appearing unethical or stereotyped, hence, the use of secondary data to substantiate the primary data and establish the actual progress made towards the reaching of the target. This is not triangulation however, since triangulation compares and uses 3 or more different methods of collecting data, which are then compared to test each other's accuracy (Welman et al., 2005:194). The layout of the questionnaire was discussed above (par 4.2) under 'research design'.

The response of 54% was received as calculated in (par 1.5.2).

4.6 DATA ANALYSIS

The North West University (Potchefstroom Campus) statistical consultation services were utilised. It used the SAS (SAS Institute Inc. 2003) programme which reflected statistical measures such as frequencies, central tendencies (mean scores), variability (standard deviation), reliability and validity (Cronbach's alpha) and the correlational measurements (phi coefficient).

Due to the limitations discussed below, only the frequencies, mean scores and standard deviations, presented in the form of tables were used in the interpretation of the primary data. Each table was followed by an analysis and interpretation of data.

Secondary data from the Human Resource reports was analysed in the form of tables and graphs.

4.7 LIMITATIONS

This research must be read or referred to with the following limitation borne in mind:

- The size of the sample with regards to the entire population is small therefore it prevents the use of other statistical techniques such as factor analysis. The Cronbach's alpha value used for measuring reliability was found to be outside the accepted specifications of 0 to 1.
- Due to the time limitations, only one cross-sectional study was performed. A longitudinal study would have been more useful to verify the truthfulness of the results.
- A convenient sample was used, which is prone to biasness, therefore could sometimes not be a true representative or reflection of the population.

CHAPTER FIVE

Research results and analysis

5.1 Introduction

The findings of this research are presented below:

5.2 Data Collected

Primary data was collected through the distribution of 160 questionnaires to the people staying in a mine complex belonging to the goldmine mine under study. A total of 87 were returned, comprising a response rate of 54%. The reason for this response was due to the fact that the questionnaire was personally delivered to the set residence. All completed questionnaires were filled in appropriately and were error-free, therefore no questionnaire was rejected.

Secondary data was collected from the senior metallurgy human resource manager's reports.

5.2.1 Primary Data analysis

5.2.1.1 Section A: Biographical / Demographical Details

Table 5.1: Biographical and Demographical details.

ITEM NO	QUESTION	CATEGORY	PERCENTAGE
A1	GENDER		
		Male	68
		Female	32
A2	RACE		
		African	66
		Coloured	9
		Indian	2
		White	21
		Other	2
A3	AGE		
		18 - 29	14
		30 – 39	30
		40 – 49	37
		50 – 59	18
		60 ⁺	1
A4	EDUCATION		
		NQF 1	11
		NQF 2	6

		NQF 3	8
		MATRIC	43
		N1 – N5	14
		N6	14
		Degree	8
		Post Graduate	0
A5	RELIGION		
		Christian	94
		Buddhist	1
		Traditionalist	1
		Jewish	1
		Muslim	
		Other	1
A6	MARITAL STATUS		
		Single	22
		Divorced	9
		Married	66
		Domestic Partner	3
A7	JOB GRADE		
		Group 3	16
		Group 4 – 7	10
		B1 – B7	17
		C Lower	34
		C Upper	15
		D	5
		E	2
A8	DEPARTMENT		
		Shafts	26
		Metallurgy	49
		Business Service	26
A9	DISABILITY		
		Yes	19
		No	81
A10	WORK EXPERIENCE AT PRESENT POST		
		0 – 5	36
		6 – 10	19
		11 – 15	22
		20 ⁺	23
A11	YEARS OF SERVICE		
		0 – 5	22
		6 – 10	23
		11 – 15	14
		16 – 20	14
		21 – 25	14
		26 ⁺	14
A12	LANGUAGE		
		English	81
		Afrikaans	64
		Sesotho	61

		Setswana	54
		IsiXhosa	48
		IsiZulu	43
		Tshivenda	6
		Shangaan	7
		Sepedi	20
		Other	1

Discussions:

A1 Gender

The Majority of the respondents were male, which is in line with literature (2.2.1) that the Mines and Works Act; section II, prohibits females from working underground, thus limiting their representation in the mines.

A2 Race

The majority of respondents were Africans, in line with literature (table 1) that the 73.5% of the EAP are Africans, implying that they form a larger fraction of the workforce.

A3 Age

The bulk of the respondents were between the ages of 40 and 49. This is important because it has an impact on the way the various groups view the concepts of life or behave, i.e. due to their life experiences the younger generations view life differently from the older generations. This is in line with literature (par 2.2.4) that sees a person's belief or response to something based on past experiences or interactions.

A4 Education

Respondents had mostly matriculated and beyond, implying that they were skilled. This could be due to the fact that houses in that area are allocated according to job posting. This contradicts with literature (par 3.6) that states there is skills deficit in the mines.

A5 and A6 Religion and Marital status

Most respondents were married Christians. Christianity is usually associated with fairness and tolerance, since one of its values is "Treat others the way you would like to be treated". Hence most responses are anticipated to favour fairness.

A7 Job Grade

The respondents were mainly skilled. The same reasons and literature references cited in A4 above are applicable here.

A8 Department

The majority of respondents were from the Metallurgy department. This could be due to the fact that the senior human resource manager of metallurgy attached his letter granting permission for the survey to the questionnaires. This is in line with par 4.4, that convenience sampling is prone to biasness.

A9 Disability

The majority of the respondents were not disabled.

A10 Work experience at present post

Most of the respondents had remained in one post for more than five years, implying that career progression is slow.

A11 Years of service

The majority had more than 10 years service. This is in contradiction to literature findings (par 2.4.3.4) that 'job-hopping' is a problem in the mines.

A12 Language proficiency

Most popular languages were English, Afrikaans, Sesotho and Setswana, in that order of popularity. This could be due to the fact that the majority possessed matriculation qualifications and beyond, and that the area where the sample was taken was predominantly Sesotho- and Setswana-speaking (it is in the North West province). Language is a means of communication, therefore if misunderstood it would lead to the carrying of wrong orders or inefficiency. This is in contradiction to literature (par 2.4.3.2) that the abolition of Fanakalo has created communication problems, since the majority are not conversant with English. However, the validity of this result is debatable because the sample consisted mainly of educated people (item A4).

Conclusion

The majority of the respondents were African males aged between 40-49 years. Most were married Christians with matric and above, and could speak all or some of the following languages: English, Afrikaans, Sesotho or Setswana. This implies that they had qualifications. They were mostly working at the Metallurgy department and were skilled (C band upwards). The majority had been in the present post for more than five years, implying that career progression is slow. There were some disabled respondents, implying that the mine did consider people with disability.

Table 5.2: Relationships between attributes**5.2.1: Race and Gender**

	RACE					
GENDER	AFRICAN	COLOURED	INDIAN	WHITE	OTHER	TOTAL
MALE	61	10	2	27	5	100
FEMALE	75	7	4	7	7	100

The majority of the respondents were African males.

Table 5.2.2: Gender and Education

	EDUCATION							
GENDER	NQF 1	NQF 2	NQF 3	MATRIC	N5	N6	DEGREE	TOTAL
MALE	10	1	6	28	8	3	3	59
FEMALE	0	4	1	9	4	4	6	28
TOTAL	10	5	7	37	12	7	9	87

The majority of the females who responded were more qualified than the males, 71% (42 out of 59 males) of the males and 82% (23 out of 28) females had matric and more. This is in line with literature (par 2.3.2) that majority of females joining the mines are qualified.

Table 5.2.3: Race and job grade.

	JOB GRADE							
	GROUP 3	GROUP 4 – 7	B1 – B7 BAND	C LOWER	C UPPER	D BAND	E BAND	TOTAL
AFRICAN	11	6	14	14	8	1	2	56
COLOURED	1	3	0	2	2	0	0	8
INDIAN	0	0	1	1	0	0	0	2
WHITE	0	0	0	12	3	3	0	18
OTHER	2	0	0	0	0	0	0	2
TOTAL	14	9	15	29	13	4	2	86

All the White respondents were employed in skilled and management posts, 45% (25 out of 56) of the Africans and 100% (18 out of 18) of the Whites were in C band upwards. This is in line with literature (appendix B) showing that White males are still holding the top positions in their workplaces.

Table 5.2.4: Gender and job grade

GENDER	JOB GRADE							TOTAL
	GROUP 3	GROUP 4 – 7	B1 – B7	C LOWER	C UPPER	D BAND	E BAND	
MALE	7	9	8	20	10	3	2	59
FEMALE	7	0	7	9	3	1	0	27
TOTAL	14	9	15	29	13	4	2	86

Males occupied better positions than females, 59% (35 out of 59) of the males and 48% (13 out of 27) of the females were from C band upwards. This is in contradiction with literature (par 2.3.2) that the majority of qualified females join the mines with the hope of getting appropriate positions within, due to unemployment.

Conclusion

The majority of the respondents were Black males, followed by Black females, then the White males and White females. The majority of females were more qualified when compared to their male counterparts. However, the majority of the males occupied more management and skilled positions. 100% of the White respondents were in management and skilled positions.

5.2.1.2 Section B: Knowledge and understanding of EEA and diversity values

Table 5.3: Understanding and knowledge of diversity values

	Question	Percentages					Mean Score	Standard deviation
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
	Scale Rating for the mean score	1	2	3	4	5		
B1	Diversity is one of the values of the mine.	28	49	13	5	5	2.08	1.01
B2	I know and understand the meaning of diversity.	38	46	5	12	0	1.91	0.95
B6	Diversity is regarded as a strategic issue (i.e. matter of great concern managed by Senior management).	6	33	29	22	10	2.98	1.10
B11	Diversity in the workplace will increase productivity.	28	36	21	9	6	2.29	1.15
B13	Diversity is primarily about race and gender.	16	33	21	26	4	2.68	1.14
B15	Employees take care not to make statements that reinforce prejudice or bias in the workplace.	16	37	22	22	2	2.57	1.08
B20	Training and development are given to those favored by management.	17	30	12	23	17	2.93	1.40

The above table shows that most of the responses are bending towards agreement with the questions. The questions were positively asked as shown by the mean scores ranging from 1.91 and 2.98, implying that most respondents have an understanding and knowledge of diversity and its values. The mean score of 1.91 implies that the respondents agree with the question or statement, while that of 2.98 suggest that the respondents have neutral feelings about it.

Most respondents were conversant with diversity and its values, and associated it mainly with race and gender. They understood that they should not make statements that reinforced prejudice in the workplace. This is in line with literature findings (par 2.4.3.1) that negative diversity perceptions have resulted in stereotypic actions of discrimination which have impacted badly on productivity.

The results with the mean scores inclining towards 3, like 2.93 and 2.98 reflect a sense of uncertainty on the part of respondents, therefore are a matter of concern. This could be due to the progress made in the choice of personnel legible for training and development (item B20); and management's support for diversity as a strategic matter not being visible enough to the respondents (B6). These findings are in line with literature findings (par 2.3.2) that skills deficit is still one of the problems impeding achievement of diverse workforces, hence the skewed representation of different races at different management positions, as shown in tables 3.1 and 3.2.

Table 5.4: Understanding and knowledge of EEA

Item No.	Question	Frequency					Mean Score	Standard deviation
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
	Scale Rating for the mean score	1	2	3	4	5		
B3	Affirmative Action and Employment Equity apply only to those working for the government.	8	7	16	35	33	3.79	1.22
B4	Affirmative Action, Employment Equity and diversity management are one and the same thing.	10	26	24	28	12	3.05	1.20
B5	Disabled person can only be a burden to our company.	7	8	12	20	53	4.05	1.27
B7	Unions form part of the major committees such as skills development committee, salary negotiation team and employment equity committee.	40	40	9	7	4	1.94	1.05
B8	Employees who tell ethnic jokes at work add to morale and good will and are therefore doing no harm.	11	11	21	34	24	3.49	1.26
B9	Blacks and female applicants should not be hired or promoted if they have lesser qualifications than their White male competitors.	14	20	13	29	24	3.32	1.40
B10	Management treats everyone the same irrespective of their race.	15	20	13	29	24	3.25	1.41
B12	Employees are promoted as a result of (RPL) Recognition of Prior learning, NQF systems, on – job training or formal education.	14	40	20	21	6	2.65	1.14
B14	Asking for sexual favours is a form of sexual harassment.	47	17	2	22	11	2.33	1.52
B16	White males still dominate the management positions.	43	29	6	15	6	2.11	1.28
B17	Employment Equity and Affirmative action are reverse discrimination.	11	5	25	28	32	3.66	1.27
B18	Men are never sexually harassed.	9	6	17	38	30	3.76	1.20
B19	Race determines the capability and performance of an individual.	5	20	14	20	41	3.73	1.31

Table 5.4 (above) indicates that the majority of the respondents understood and knew about EEA and its values. This was reflected by majority of the respondents not agreeing that AA and EEA apply only to those working for the government, disabled people are burdens to the government that men can never be

sexually harassed and that the use of ethnic jokes add morale to the workplace. The latter was previously acknowledged in B15 (respondents acknowledged that employees took care not to make statements that reinforced prejudice in the workplace). Their knowledge was further exhibited in the majority's understanding that unions form part of the major committees and that asking for sexual favours is a form of sexual harassment.

The reason could be attributed to the progress made in changing the organisational culture such that it is inclusive and respect everybody. This result concurs with literature findings (par 2.4.1) that diversity is a process that creates and maintains a positive environment, in which similarities and differences of individuals are acknowledged and utilised.

However, there were areas where ambiguity was shown, regarding the understanding and knowledge of the implications of EEA. That was reflected by the majority of respondents' agreement or being neutral with notions such as equating AA, EEA and diversity management as the same thing, regarding AA and EEA as reverse discrimination, believing that Blacks and females should be hired or promoted irrespective of the presence of White competitors with better qualifications, believing that EEA was primarily about race and gender, and linking one's capability and performance to race. Hence the contradiction with literature findings (par 3.4) that EEA is a mechanism to achieve AA, and that it will result in diverse workforce which represents diverse individual and group values, culture and contributions.

This is further shown by the unfair management practices towards people of different race, gender and disability. About half of the respondents disagreed that management treat everyone the same irrespective of race and majority. This was reflected by White males still dominating the management positions. This is in agreement with literature findings (par 3.5.2) that failure of most AA initiatives is due to managers failing to change their management styles to accommodate the designated group.

The promotions as a result of (RPL) recognition of prior learning, NQF, on-job training or formal education seem to be happening. However their success in diversifying workplaces was doubted because of B20 where respondents were uncertain about the fairness of the choice of candidates for training and development. This is in line with literature findings (par 2.4.3.4) that bad managers can spoil honest efforts made by organisations.

As a conclusion, the results above indicate that the progress made in diversifying the workforce was slow because of the following barriers: racial discrimination, lack of commitment by management, unfair management practices, and insufficient knowledge about EEA and diversity. However positive perceptions were shown through gender, disability, culture and discouragement of verbal discrimination.

5.2.1.3 Section C: Attitudes and Behaviour

Table 5.5: Attitudes and Behaviour

Item No.	Question	Frequency					Mean Score	Standard deviation
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
	Scale Rating for the mean score	1	2	3	4	5		
C2	I believe certain jobs can only be performed by White males.	9	12	4	23	52	3.99	1.36
C3	In my opinion diversity leads to a lowering of standards.	1	9	27	28	35	3.86	1.04
C5	Men don't like to work for women.	3	44	20	23	11	2.96	1.11
C7	In company social functions I often mingle with people of the same race as myself.	17	39	11	28	5	2.65	1.20
C10	White people are more intelligent than Blacks.	8	16	9	19	49	3.85	1.38
C11	People practicing certain religions are unable to work in weekends.	4	38	20	27	11	3.04	1.13
C12	Women simply can't compete at executive levels	4	10	9	40	37	3.96	1.11
C16	Women are too emotional to make good decisions.	5	32	20	35	9	3.11	1.10
C17	At home, I sometimes dread hearing the telephone ring because it might be someone calling about job – related problem.	10	15	13	43	20	3.48	1.24
C20	If I had a choice I would not hesitate to leave this company	28	21	13	21	17	2.78	1.48

The questions above were negatively asked therefore the responses are expected to incline towards the right (the disagree side), as shown by the mean scores ranging from 2.65 to 3.99. This suggests that the majority of respondents are either uncertain or supported the questions asked. The mean score of 3.96 implies that the respondents to some extent disagree with the question, while the mean score of 2.65 suggests that the respondents support the question.

- Racial discrimination (C2, C10)

These responses indicate that Blacks can also perform well in management and skilled job positions; therefore their level of integrity should not be equated to their race. This is in contradiction with item number B19 of the questionnaire that regarded race as the determining factor for capability and performance of an

individual. Also, it is in contradiction with the literature findings (par 3.5.2) that Black people are perceived as tokens and are not fully integrated into companies because of little delegation of real responsibility or decision-making they are given.

- Gender (C5, C12, C16)

The mean scores of 2.96 and 3.11 respectively indicate that the respondents are doubtful about their attitudes towards women in executive positions. This could be due to the 'invisibility' of women in these positions. However the response of 66% respondents' disagreeing to the question that women simply cannot compete at executive levels suggests that the respondents believe that gender does not influence one's capability at executive posts. This is in line with literature findings (Table 3.2) that there is significant over-representation of White women in management in the mining industry. Hence, the proposition that the barrier to attaining diversity is not gender but is race.

- Hostile culture (C7, C20)

The response of 56% agreeing that in company social functions they mingle with people of the same race indicates the existence of negative attitudes amongst different races. These tallies with literature findings (par 3.5.1) that Black managers are denied information which their White counterparts get from the other White males during social or informal interactions.

The above attitudes and behaviour could be the reasons that 50% of the respondents agreed that if they had a choice they would not hesitate to leave their company. This desperate move could be a sign of frustration on the side of the respondents. Literature (par 2.4.3.4) reveals that unsupportive and hostile culture lead to individuals being resented and frustrated, thereby resorting to measures such as job hopping.

- Complaints (C17)

The response thereof was concerning because half of the respondents were frustrated and wanted to leave the company, as shown by C20, and the other problems cited above. Hence their complaints would indicate their frustrations. This is in contradiction with literature findings (par 2.4.3.1) that passive and subtle resistance is shown through complaints and negative attitudes.

- Religion (C11)

The neutral response reflected by the mean score of 3.11 shows that the respondents were not sure as to whether people practising a certain religion were not able to work on weekends. This could be due to the

respondents having not met a problem with anyone resisting to work on weekends due to religious constraints.

Table 5.6: Attitudes and Behaviour

Item No.	Question	Frequency					Mean Score	Standard deviation
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
	Scale Rating for the mean score	1	2	3	4	5		
C1	I enjoy the music at social gatherings	23	51	10	10	6	2.26	1.11
C4	People who deserve promotions usually get them.	10	23	17	33	17	3.24	1.26
C6	I believe that my line manager have the skills to develop the diversity of staff.	11	28	28	23	9	2.90	1.15
C8	I express my disapproval when unhappy with the behavior of a colleague without being personal.	13	50	10	23	4	2.54	1.10
C9	Differences in language amongst employees do not bother me.	18	44	6	23	10	2.64	1.29
C13	Employees support and help each other out, irrespective of gender or race.	12	41	15	26	7	2.73	1.16
C14	Employees are regularly consulted about diversity and its developments.	3	40	26	24	8	2.94	1.02
C15	My line manager is interested in furthering my career within the company	13	27	19	26	15	3.03	1.29
C18	I am willing to learn more than two languages since we have about eleven official languages.	40	40	4	11	5	2.00	1.15
C19	In my opinion, it is not who you know, but what you know and how you perform that gets you promotion and development.	24	44	6	16	10	2.43	1.29

The questions above were positively asked; therefore the responses were expected to lean towards agreement. The mean scores range from 2.00 to 3.24, showing that the majority of respondents agreed or were uncertain about the statements or questions.

- Language (C1, C9, C18)

The majority of the respondents enjoyed music at social gatherings, believed that differences in language amongst employees did not concern them and were willing to learn more than two languages. This could be due to the progress made in creating the organisational culture that encouraged the use of different languages. This contradicts literature findings (par 2.4.3.2) that language can divide teammates or colleagues into groups of similar language where they can communicate freely (fluently). It also contradicts C7, where the majority of respondents agreed that they often mingled with people of the same race as themselves in social gatherings.

- Consultation (C14)

These results showed that the respondents were not convinced as to whether they were consulted or not with diversity and its developments. This contradicts literature findings (par 2.4.4) that communication with management and staff about diversity was advocated.

- Conducive culture (C8, C13)

The culture prevailing in the organisation allowed for diverse differences and support. This was evidenced by the majority of respondents agreeing that they could express their disapproval when unhappy without being personal, and those employees supported and helped each other irrespective of gender or race. This is in line with literature findings (par 2.4) that diversity is the inclusion of everybody who is capable, irrespective of race, gender, religion or age. It improves teamwork (par 2.4.1). This contradicts previous findings (C7) that different races mixed separately at social functions and (C20) that employees wanted to leave the company.

- Management commitment and competences (C6, C15)

The mean scores of 2.90 and 3.04 imply that the skills possessed by line managers to build the diversity of staff and their interest in furthering employees' careers within the company, respectively, were bleak. This is in line with literature (par 2.4.3.4) that managers must support the staff to develop their skills and proficiencies to their full potential.

- Promotions and Development (C4, C19)

The contradiction between C4 and C19 indicates that training and promotions were polarities. Responses were based on individuals' benefit through them. Polarities somehow indicate existence of unfairness. This is in line with literature (tables, 3.1 and 3.2) which indicates that promotions, trainings and recruitments are confined mostly to White males and White females.

Conclusion

The above table indicates that there has been some progress made towards the diversification of the workforce. This is indicated through the paradox that the language proficiency, gender and race were not seen as the barriers in this matter, but that the respondents agreed that they could support each other and could freely express themselves without being judged; while on the other hand racial discrimination and hostile culture were shown in company social gatherings where different races do not mingle with each other, and by half of the respondents being prepared to leave the company, should an opportunity arise.

Lack of commitment by management is shown through the uncertainty that the majority of respondents have about their management's (line managers) consultation on diversity and its development, and their (line managers) support for developing their skills. It is complemented by the unfair practices they displayed in promotions and development.

Table 5.7: Job Grade and Turnover

TURN OVER	JOB GRADE						E
	GROUP 3	GROUP 4 – 7	BAND B1 – B7	C LOWER	C UPPER	D	
STRONGLY AGREE	5	2	9	10	1	0	0
AGREE	0	2	5	10	2	0	1
NEUTRAL	2	1	4	1	5	0	0
DISAGREE	5	1	0	11	1	2	0
STRONGLY DISAGREE	1	4	1	4	5	2	0

The majority of respondents in C lower grade (Skilled technical) agreed that if they had an option they would not hesitate to leave their company.

5.2.2 Secondary Data

Secondary data was collected from the records of the Metallurgy Senior human resource manager to establish the progress made in attaining the numerical targets.

For the following tables and figures: A – Africans

C – Coloureds

I – Indians

W – White

F – Foreign Nationals

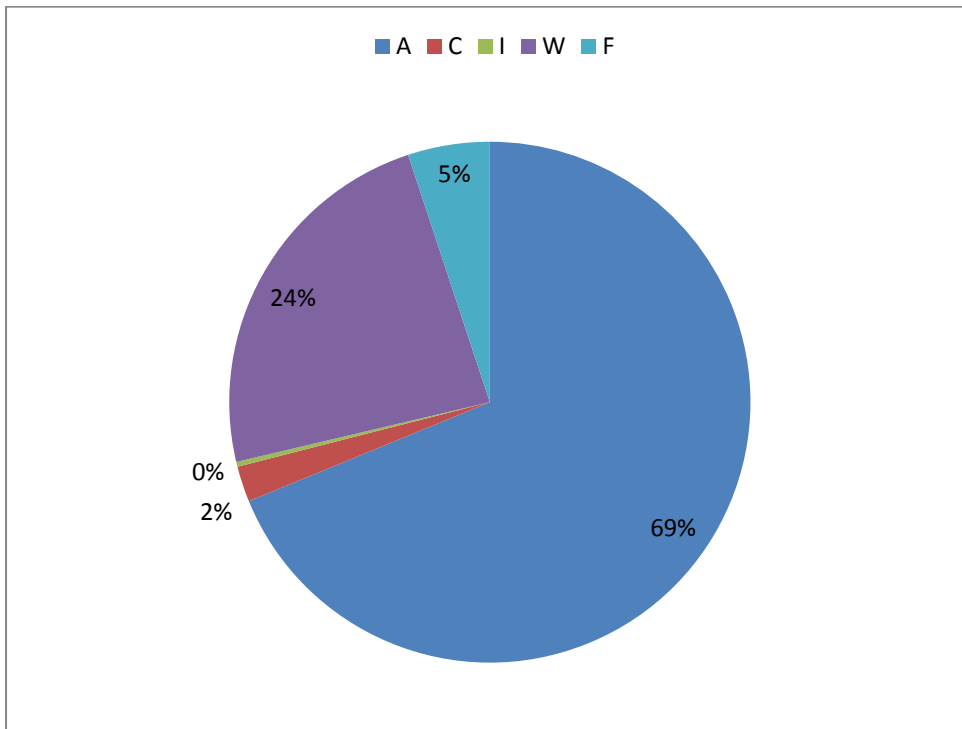


Figure 5.1: Workforce Distribution by Race

The above pie chart indicates the breakdown of the workforce according to race, in order to make a comparison of the representation between different races. It reflects that the Black employees are in majority. According to table 1.1 the EAP for Black and White is 87.8% and 12.2% respectively. Therefore this result shows that the mine lacked behind by 16.8% for Black representation, while it was over by 11.8% for Whites when compared with the national EAP. This could be due to the escalating unemployment as the result of recession; hence companies try to protect skill as far as possible. As a result Blacks became the victims of retrenchments as majority of them were either unskilled or semi skilled as shown in table 5.8 below.

Table 5.8: Workforce Profile 2010

Occupational Levels	Male (M)				Female (F)				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Unskilled and defined decision making	399	14		25	104	4			42	1	589
Semi-skilled and discretionary decision making	491	7		41	107	6	1	16	51	1	721
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	204	10		270	3	2		39	5		564
Professionally qualified and experienced specialists and mid-management	18	1	2	43	6			12	1		85
Senior management	2			9				1			12
Top management											
TOTAL PERMANENT	1114	32	2	388	250	12	4	68	99	2	1971
Temporary employees	1			10	2			3			16
GRAND TOTAL	1115	32	2	398	252	12	4	71	99	2	1987

Source: goldmine metallurgy department records (2010)

The results above implies that the White males were over-represented in skilled and management positions and is in line with the empirical research findings (table 5.4, item B16).

The females were under-represented as compared to their male counterparts. This is in contradiction with the empirical findings (table 55, C12) that respondents had no problems with female performance, even in management positions. White women were favoured for skilled and management positions. This is in line with empirical findings (table, 5.6) that race, not gender is a barrier.

Table 5.9: Workforce profile 2009

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Unskilled and defined decision making	246	8	0	22	79	2	0	1	23	2	383
Semi-skilled and discretionary decision making	408	6	0	30	82	5	0	16	46	0	593
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	153	6	0	218	34	1	1	31	3	0	447
Professionally qualified and experienced specialists and mid-management	19	1	2	48	11	0	3	12	1	0	97
Senior management				9				1			10
Top management											
TOTAL PERMANENT											
Temporary employees											
GRAND TOTAL	826	21	2	327	206	8	4	61	73	2	1 530

Source: The goldmine metallurgy department records (2009)

There was a small progress made in accommodating the African males and females in skilled and management positions when comparing the workforce profile for 2010 and 2009. This is in line with empirical research (table 5.4, B19) that there is overrepresentation of White males in management positions.

Table 5.10: Workforce profile for people with disability in 2010

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Unskilled and defined decision making	3				2				2		7
Semi-skilled and discretionary decision making	1										1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1			3							4
Professionally qualified and experienced specialists and mid-management				2	1						
Senior management											
Top management											
TOTAL PERMANENT	5			3	3				2		15
Temporary employees											
GRAND TOTAL	5			5	3				2		15

Source: goldmine metallurgy department records (2010)

The employees with disability formed an insignificant portion of the workforce.

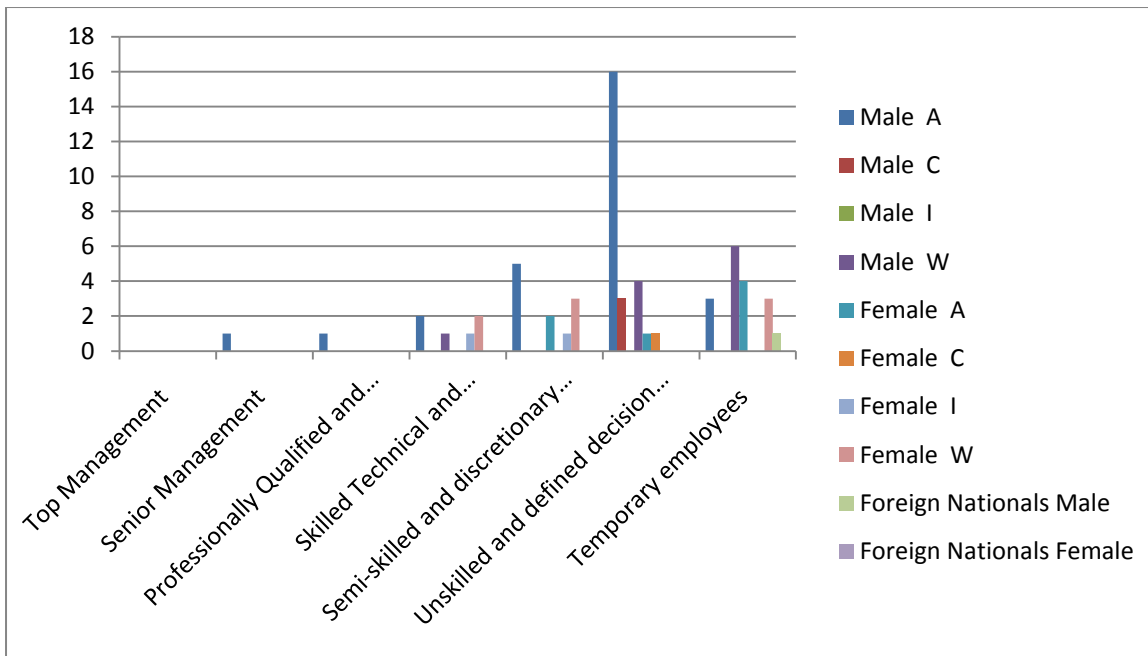


Figure 5.2: Recruitments

The above indicates that the majority of recruitments were African males in all job categories, but mostly in unskilled job categories. The White males and females were mostly recruited for temporary posts and skilled technical.

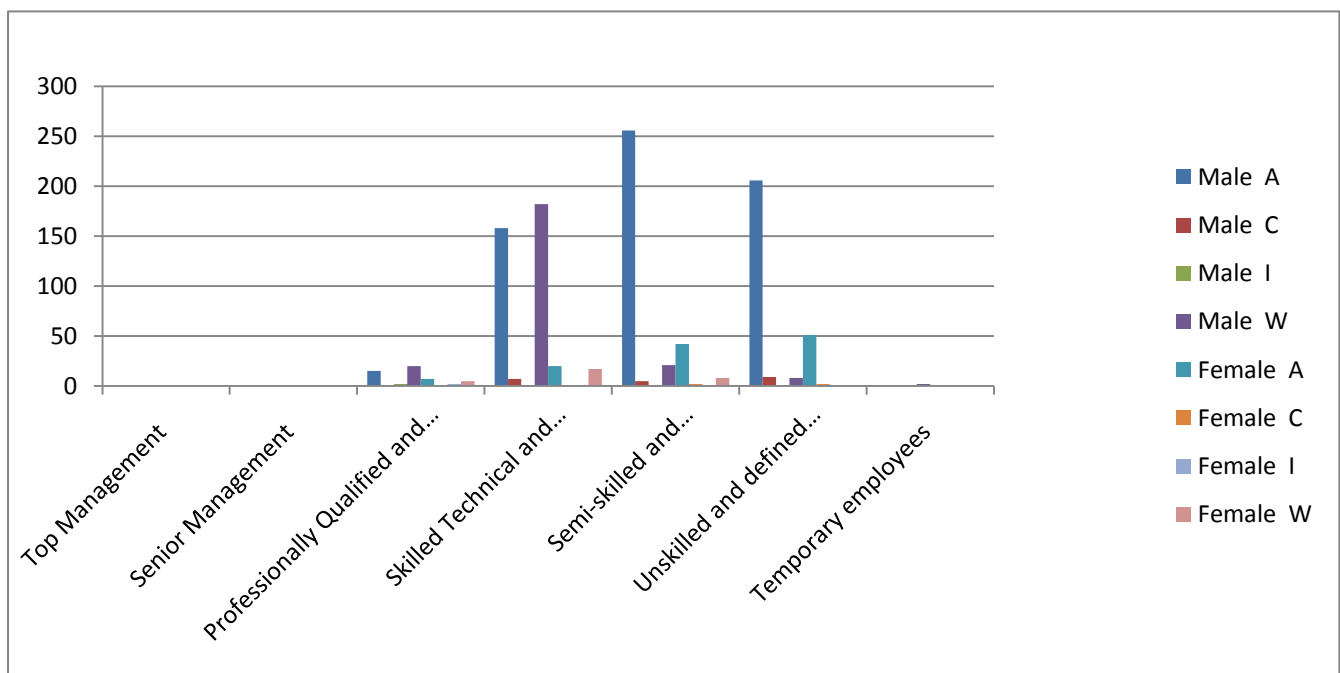


Figure 5.3: Skills Development

The chart shows that the majority of African males were undergoing skills development, especially in the unskilled, semi-skilled and skilled technical categories. This is due to the fact that the majority of African males who join the mines lack matric. However, this contradicts with the empirical research findings (table, 5.1) that the majority of respondents had matric. The White males were developed mostly for skilled technical category.

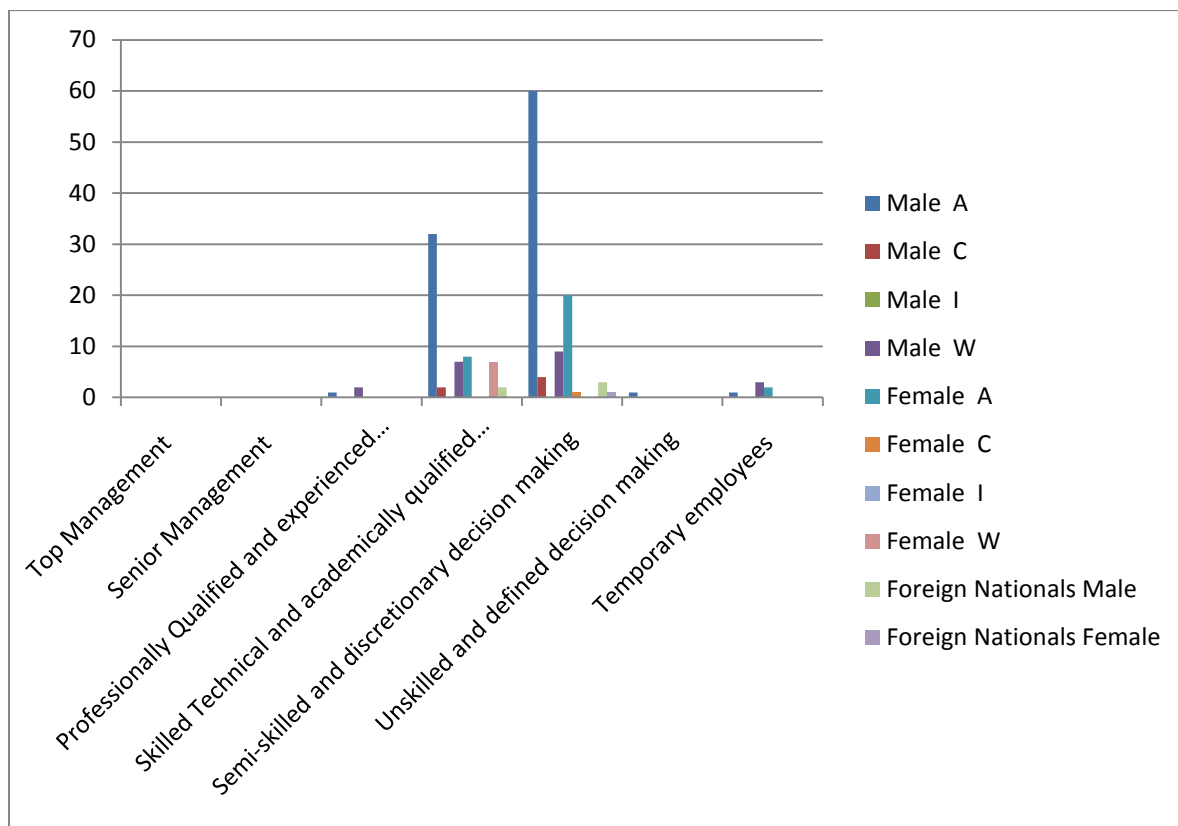


Figure 5.4: Promotions

The majority of the promotions were in semi-skilled and skilled technical for African males. The African females were considered in semi-skilled positions. Only the White males were promoted to professionally qualified category.

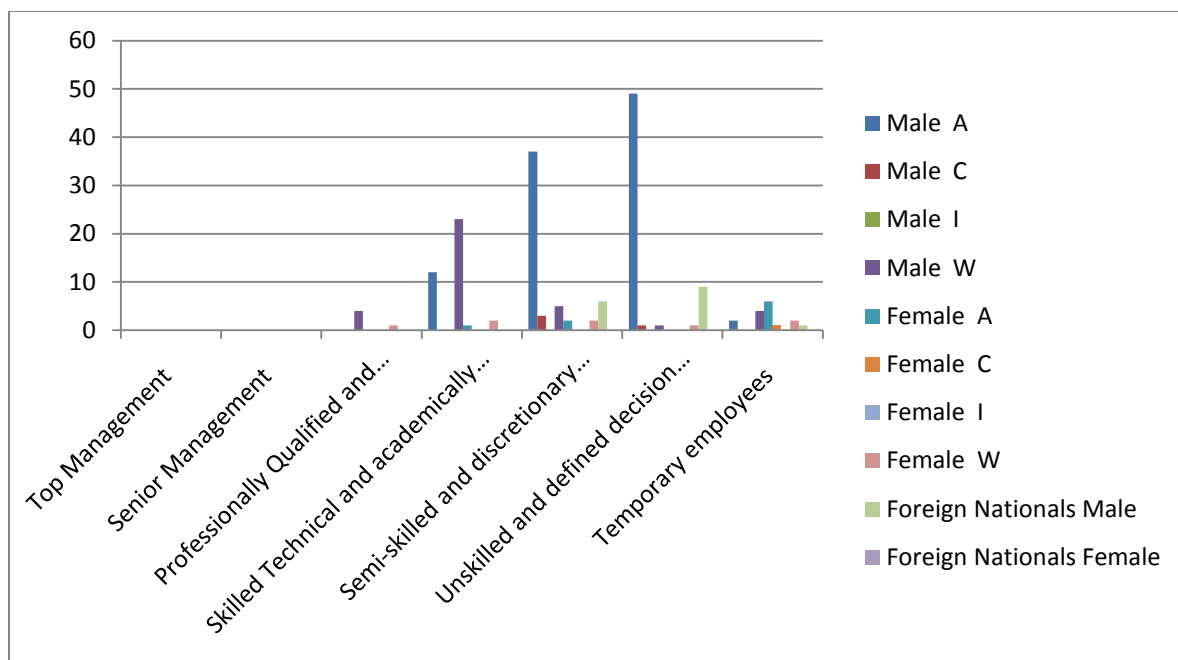


Figure 5.5: Terminations

The majority of terminations were made by African males in the unskilled and semi-skilled categories. This might be due to the increased retrenchments and retirements because majority of employees in these categories are unskilled (table 5.8) and are aged. The skilled Technical males, both African and White disengaged in considerate numbers. This might be due to other reasons than the ones cited above because the findings of (table 5.7.1) indicated that the respondents in that category had intentions of disengaging from the company.

5.3 CONCLUSION

The secondary data indicates that the workforce consisted mainly of Africans, both males and females. The majority of White males and females are found in skilled and management positions. The females and disabled are under-represented in the work force. The comparison between 2009 and 2010 workforce profiles show that the process of accommodating Black males and females is slow.

This is also reflected on the following employee movements within the organisation. The recruitments favour Black males but are mostly made at unskilled category. The skills development is done on the Black males only up to skilled level while the White males despite their being more in skilled category, are still being developed there. Only Whites, both males and females are promoted to professionally qualified

category, while the African females are promoted to semi-skilled category, and African males to semi-skilled and skilled category. In a nutshell this implies that more Whites are still promoted and developed in skilled and management categories while Blacks reach a glass ceiling at skilled category, with their majority being recruited and developed at lower levels.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

EEA is part of the legislation promulgated to eradicate discrimination and encourage workplace diversity. Its application in the mining industry has been assessed by this report, through the analysis of a number of objectives which led to the following findings and recommendations:

6.2 RECOMMENDATIONS

6.2.1 The establishment of the progress made in the mining industry.

Workplace diversity is one of the objectives of EEA, therefore it is not separated from the act in the recommendations. Diversity, according to Petkova (2006:1), should be examined not par-excellence but as reflected in the people's minds and reflected in their attitudes and perceptions. Hence the progress in this study was measured against two dimensions, the conformance to the numerical targets and the application of strategies and policies for compliance as reflected in the knowledge and perceptions of employees.

The progress made in achieving the numerical targets in diversifying the workforce was analysed through the secondary data collected from the human resource manager, and it revealed that it is slow especially in the D band upwards, i.e. from professionally qualified and experienced specialists and mid-management to top management. The progress in the C band, which comprises skilled technical and academically qualified workers, junior management, supervisors, foremen and supervisors, is better, while that of B1-B7, the semi-skilled and discretionary decision-making is significant. The females are recruited at a slower pace, even though the promotions and development of White females is substantial. The incorporation of people with disability is negligible.

The progress made in regards to the development of strategies and policies for compliance is evident through the availability of the proper documentation and committees steering the implementation of the set legislation. However, it should be noted that the presence of documented strategies does not mean their proper execution, therefore the primary data

was collected from the questionnaires to evaluate the progress through the employees' perceptions and knowledge.

The following must be considered to improve the progress of diversifying the workforce:

- Workforce profiles and management commitment:
 - Improve representation of the designated group in D band upwards through the internal and external recruitment, as well as promotions.
 - Give support through extensive induction programmes and mentorship, to build competency and avoid tokenism and underperformance.
 - Make efforts to assist qualified females, blacks and disabled persons to advance within the organisation.
 - Most managers are experts in their fields of studies but do not have management training, therefore it is crucial to improve their management skills through interventions such as building self esteem, anger management, report writing skills, performance management, labour relations and corporate governance so that they can focus on diversity through another perspective (i.e. fairness).
 - Be alert for changes in EEA as the result of amendments and try to comply, but if not conversant with any part seek legal advice or clarification through the seniors.
 - Monitor and ensure that the line managers and human resource managers advocate the strategies set by top management to transform the organisation effectively because good strategies without proper executions are useless.
 - Create awareness through road shows.
 - Join employment equity forums with companies in the other business sectors to learn how they improved their progress in diversity measures.
- Recruitment and Selection
 - The target should be the designated group, therefore the employment equity numerical goals should be considered prior to the start of any recruitment.
 - Recruitment should consider the internal and external designated group before both the internal and external non-designated groups. Since the workforces are already skewed giving preference to all internal employees will only perpetuate the existing imbalance of workforces.
 - Contingency plan or the talent management plan must be in place to ensure that within the mines these groups are readily available and prepared for the potential

job gaps. These could be achieved through learnerships and career progression plans, including acting in those positions to gain experience, formal training and RPL systems.

- Train managers, supervisors, human resource managers and union representatives, who carry accountability for recruitment and selections, to promote their understanding of procedures in this regard, as well as the actual interviewing skills.
 - Explain in detail the recruitment process and policy of the mine to both employees and aspirant employees, through union representative, mine websites and human resource offices. A sample of CVs and interview questions should be available on the mine websites for aspirant employees to get a feel of what is expected.
- Diversity Climate
 - Develop a comprehensive programme on enforcing a culture of diversity that contains all the issues underpinning the diversity. The programmes should include interventions such as team-building, road shows to create awareness and deploying experts such as keystone consultants to motivate and workshop staff on diversity matters.
 - Make achieving diversity part of each line manager's performance agreement in order to tie his/her bonus to diversity, hence increase his/her commitment. Line managers play an integral part in the implementation of EEA, therefore they should be assessed for ability to create inclusive organisational cultures.
 - Monitor the satisfaction of employees through the reported cases on issues impacting diversity, such as racism, sexism, favouritism and complaints. Set inquiries conducted by experts to find out what are the prevailing conceptions and misconceptions about diversity.
 - Punish adversely the culprits of discrimination perpetuation and give incentives to those who comply.
 - Incorporate progressive management styles such as quality management, appreciative inquiry management, change management and use of balanced scorecards. Every employee thus becomes accountable in one or more committees, such as health and safety committee, quality circles and environmental committee.

- Human resource development and management practices
 - Integrate performance management system with workforce skills programme, and career progression management.
 - Introduce specific staff retention strategies into the human resource practices and strategies such as short term retention bonus.
 - Monitor the termination profiles to determine the reasons that employees disengage, i.e. resignations, dismissals due to misconduct and the type of misconduct, retirements, retrenchments or death, and calculate the rate thereof.
 - Set exit interviews to get the feelings of the disengaging employees.
 - Monitor the rate of skills development, promotions and recruitment of designated group at different departments and categories to check progress made thereby base future targets on areas with discrepancies.
 - Be alert of practices that perpetuate discrimination because they are illegal, therefore discontinue their use. Illegal practices include the basing of recruitment, training and promotions on personal preferences, condoning or ignoring employees who discriminate, perpetuating unequal pay practices and failure to advance the designated group.
 - Create specific women forums to deal with female-specific problems.
 - Use the available community resources, such as creating awareness of job-opportunities and careers within the mining industry in the local high schools, offering bursaries to members of the community for studies relevant to the mining industry and offering learnerships, ABET and NQF to the local community to prepare them for career prospects in the mines.

- Management of HIV/AIDS
 - Continue with workshops on HIV/AIDS pandemic.
 - Embark on road shows to create awareness at least twice a year.
 - Advocate voluntary testing, counselling sessions and use of ARVs.
 - Provide support programmes to those affected and infected to live healthily with HIV/AIDS.

6.2.2 The most prevalent perceptions of employees in the mining industry.

The respondents believed that they had knowledge and understanding of diversity and its values. They were aware that diversity in the workplace will increase productivity; however, they associated it mainly with race and gender. Their perceptions regarding religion, training and management's commitment were neutral. On the other hand, EEA and its values were

understood by the majority of respondents, even though there were areas where ambiguity was shown. Positive perceptions were shown regarding gender, disability, culture and avoidance of verbal discrimination.

The negative perceptions form barriers to the process of diversifying the workplaces through the implementation of EEA. They are expressed through attitudes and behaviours. The respondents attribute the following as the main barriers: racial discrimination, lack of commitment by management, unfair management practices, hostile culture, employee turnover and insufficient knowledge about EEA and diversity

Perceptions are known to be linked to performance and culture (par, 2.4.3.), therefore the management should embark on the following strategies to influence the employee perceptions positively and to get their full corporation and commitment:

- Be transparent about matters concerning employees directly and try to encompass their contributions as much as possible in the resolutions. In this case communicate to them in several meetings about the diversification of the workforce through EEA implementation.
- Management should show their support and commitment to EEA and diversity.
- Train the management and staff on diversity and EEA, and their implications on the business, employee and customer.
- Establish workplace committees and forums such as health and safety, entertainment, condolence, skills development, employment equity, quality circles and may more, to expose employees to leadership and decision making, as well as interaction amongst each other.
- Ensure that the committees are effective by committing top managers to have meetings with them at least once a month to report on their progress.
- Institute training and education by setting up ABET centres, training centres, study aids for staff and their children, graduate recruitment programmes and learnerships programmes.
- Create awareness about the availability of the mentoring and career development programmes.
- Ensure that all policies and strategies reflect fairness by aligning them with EEA and diversity.
- Workforce must reflect diversity as stipulated in the Mining Charter.

6.3 CONCLUSION

Diversity is one of the results of globalisation, therefore it must be carefully administered to utilise it optimally. It is permanent, therefore industries such as mining must take a stance to learn about it to deploy it correctly. In SA the government attempts to recognise it through anti-discriminatory laws, resulting in support through the legislature, in the form of CEE monitoring and updating of the acts, as well as the code of good practice.

In order to achieve diversity and implement EEA correctly, the country must undergo a paradigm shift with regard to distribution of resources and interaction of people. Poverty and unemployment should not force people to take whatever job position they are offered, or positions and job opportunities should not be allocated according to social relationships or good political connections. The latter has been a base for failure of many EEA and BBBEE initiatives, since the wrong candidates are given positions. There is much capability in the South African diverse population which needs to be utilised correctly.

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APPENDIX A: THE QUESTIONNAIRE

QUESTIONNAIRE FOR THE ANALYSIS OF THE FACTORS AFFECTING THE ACHIEVEMENT OF WORKPLACE DIVERSITY, REQUIRED BY THE EMPLOYMENT EQUITY (ACT NO. 55 OF 1998)

INSTRUCTIONS

- Please think about your experiences in this company before completing the questionnaire.
- Please read the instructions or introductory notes carefully.
- Please answer all questions as objectively and honestly as possible.
- All information will be treated as **STRICTLY CONFIDENTIAL** and as **OBJECTIVELY** as possible.
- The responses will be used for research only.

SECTION A: BIOGRAPHICAL / DEMOGRAPHICAL DETAILS

Kindly answer all the questions by marking with an X on the appropriate box

A1	GENDER:		
	Male	1	
	Female	2	

A2	RACE:		
	African	1	
	Coloured	2	
	Indian	3	
	White	4	
	Other (please specify)		
		5	

A3	AGE:		
	18 – 29	1	
	30 – 39	2	
	40 – 49	3	
	50 – 59	4	
	60 ⁺	5	

A4	EDUCATION:		
	ABET 1 to 3 or NQF 1 or Primary education up to grade 9	1	
	ABET 4 or NQF 2 or High School Education to grade 10	2	
	NQF 3 or grade 11	3	
	Matriculation or NQF 4	4	
	NQF 5 or college diploma or N1 to N5	5	
	N6 or Technikon diploma	6	
	NQF 6 or degree	7	
	NQF 7 and above or post- graduate qualifications	8	

A5	RELIGION:		
	Christian	1	
	Buddhist	2	
	Traditionalist	3	
	Jewish	4	
	Muslim	5	
	Other (Specify)	6	

A6	MARITAL STATUS:		
	Single	1	
	Divorced	2	
	Married	3	
	Domestic Partner	4	

A7	JOB GRADE:		
	Group 3	1	
	Group 4 – 7	2	
	B1 – B7 Band	3	
	C Lower Band	4	
	C Upper Band	5	
	D Band	6	
	E Band	7	

A8	DEPARTMENT:		
	Shafts	1	
	Metallurgy	2	
	Business Service	3	

A9	DISABILITY: (Person with disability refers to a person who have a long term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in employment)		
	Yes	1	
	No	2	

A10	WORK EXPERIENCE AT PRESENT POST:		
	0 – 5	1	
	6 – 10	2	
	11 – 15	3	
	20 ⁺		

A11	YEARS OF SERVICE IN THIS MINE:		
	0 – 5	1	
	6 – 10	2	
	11 – 15	3	
	16 – 20	4	
	21 – 25	5	
	26 ⁺	6	

A12	LANGUAGES THAT YOU CAN SPEAK : (Please tick more than one if applicable)		
	English	1	
	Afrikaans	2	
	Sesotho	3	
	Setswana	4	
	IsiXhosa	5	
	IsiZulu	6	
	TshiVenda	7	
	Shangaan	8	
	Sepedi	9	
	Other (Specify)		
		10	
		11	
		12	

**SECTION B: KNOWLEDGE AND UNDERSTANDING OF EMPLOYMENT EQUITY
ACT AND DIVERSITY VALUES.**

**Throughout the following sections black refers to Africans, Coloureds and Indians.
To what extent do you agree with the following statements?**

Please rate the following on a scale of 1 to 5 where 1 is STRONGLY AGREE, 3 is NEUTRAL and 5 is STRONGLY DISAGREE.

Mark the applicable block with a cross (X) and ANSWER ALL QUESTIONS

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
B1	Diversity is one of the values of the mine.	1	2	3	4	5
B2	I know and understand the meaning of diversity	1	2	3	4	5
B3	Affirmative Action and Employment Equity apply only to those working for the government.	1	2	3	4	5
B4	Affirmative Action, Employment Equity and diversity management are one and the same thing.	1	2	3	4	5
B5	Disabled person can only be a burden to our company.	1	2	3	4	5
B6	Diversity is regarded as a strategic issue (i.e. matter of great concern managed by Senior management).	1	2	3	4	5
B7	Unions form part of the major committees such as skills development committee, salary negotiation team and employment equity committee.	1	2	3	4	5
B8	Employees who tell ethnic jokes at work add to morale and good will and are therefore doing no harm.	1	2	3	4	5
B9	Blacks and female applicants should not be hired or promoted if they have lesser qualifications than their white male competitors.	1	2	3	4	5
B10	Management treats everyone the same irrespective of their race.	1	2	3	4	5

[illegible]

SECTION C: ATTITUDES AND BEHAVIOUR

To what extent do you agree with the following statements?

Please rate the following on a scale of 1 to 5 where 1 is **STRONGLY AGREE**, 3 is **NEUTRAL** and 5 is **STRONGLY DISAGREE**.

Mark the applicable block with a cross (X) and **ANSWER ALL QUESTIONS**

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
C1	I enjoy the music at social gatherings	1	2	3	4	5
C2	I believe certain jobs can only be performed by white males.	1	2	3	4	5
C3	In my opinion diversity leads to a lowering of standards.	1	2	3	4	5
C4	People who deserve promotions usually get them.	1	2	3	4	5
C5	Men don't like to work for women	1	2	3	4	5
C6	I believe that my line manager have the skills to develop the diversity of staff.	1	2	3	4	5
C7	In company social functions I often mingle with people of the same race as myself.	1	2	3	4	5
C8	I express my disapproval when unhappy with the behaviour of a colleague without being personal.	1	2	3	4	5
C9	Differences in language amongst employees do not bother me.	1	2	3	4	5
C10	White people are more intelligent than blacks.	1	2	3	4	5
C11	People practicing certain religions are unable to work in weekends.	1	2	3	4	5
C12	Women simply can't compete at executive levels	1	2	3	4	5
C13	Employees support and help each other out, irrespective of gender or race	1	2	3	4	5
C14	Employees are regularly consulted about diversity and its developments.	1	2	3	4	5
C15	My line manager is interested in furthering my career within the company	1	2	3	4	5
C16	Women are too emotional to make good decisions.	1	2	3	4	5
C17	At home, I sometimes dread hearing the telephone ring because it might be someone calling about job – related problem.	1	2	3	4	5
C18	I am willing to learn more than two languages since we have about eleven official languages	1	2	3	4	5
C19	In my opinion, it is not who you know, but what you know and how you perform that gets you promotion and development.	1	2	3	4	5
C20	If I had a choice I would not hesitate to leave this company	1	2	3	4	5
COMMENTS:						

THANK YOU FOR YOUR SUPPORT

Appendix B: Analysis of workforce movements:

Table B1: Workforce profiles and workforce movements at the Top management level

Occupational levels	Male				Female				Foreign National		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Workforce profile for all employers	2 433	635	954	9 356	1 041	229	226	1 598	607	75	17 154
	14.2%	3.7%	5.6%	54.5%	6.1%	1.3%	1.3%	9.3%	3.5%	0.4%	100.0%
Recruitment for all employers	257	59	84	559	116	34	28	138	76	8	1 359
	18.9%	4.3%	6.2%	41.1%	8.5%	2.5%	2.1%	10.2%	5.6%	0.6%	100.0%
Promotion for all employers	244	62	87	492	63	37	26	141	26	7	1 185
	20.6%	5.2%	7.3%	41.5%	5.3%	3.1%	2.2%	11.9%	2.2%	0.6%	100.0%
Termination for all employers	264	77	117	919	100	31	23	176	79	7	1 793
	14.7%	4.3%	6.5%	51.3%	5.6%	1.7%	1.3%	9.8%	4.4%	0.4%	100.0%

Even though Whites have always dominated at this level, their recruitment and promotion rates continue to be much higher than the other groups. The direct opposite could be said for females particularly African and Coloured females. The observation is that White males were mainly terminated at this level; however the data reflects that they are the most mobile group, i.e. they are terminated from one employer and the most recruited at the next employer. This is evident in the recruitment and promotions profile of previous years.

(Source: CEE report 2009-2010:26)

Table B2: Workforce profiles and workforce movements at the Senior management level

Occupational levels	Male				Female				Foreign National		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Workforce profile for all employers	8 225	2 615	4 035	28 234	3 954	1 278	1511	9 521	1 307	290	60 970
	13.5%	4.3%	6.6%	46.3%	6.5%	2.1%	2.5%	15.6%	2.1%	0.5%	100.0%
Recruitment for all employers	1 055	284	374	2 764	585	135	175	902	222	42	6 538
	16.1%	4.3%	5.7%	42.3%	8.9%	2.1%	2.7%	13.8%	3.4%	0.6%	100.0%
Promotion for all employers	1 242	394	492	2 508	664	203	261	1 136	100	28	7 028
	17.7%	5.6%	7.0%	35.7%	9.4%	2.9%	3.7%	16.2%	1.4%	0.4%	100.0%
Termination for all employers	1 022	339	483	40 27	511	189	151	1 273	241	46	8 282
	12.3%	4.1%	5.8%	48.6%	6.2%	2.3%	1.8%	15.4%	2.9%	0.6%	100.0%

The high recruitment and promotion rate of Whites at this level is no different when compared to the Top management level. More could be done to recruit and promote females at this level, especially African and Coloured females. Termination levels of Whites as compared to other races are once again high, which may be indicative of available job opportunities.

(Source: CEE report 2009-2010:26)

Table B3: Workforce profiles and workforce movements at the skilled level

Occupational levels	Male				Female				Foreign National		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Workforce profile for all employers	30 7758	62 700	37 964	157 344	25 1256	56 846	29 945	132 110	9 716	2 795	1 048 434
	29.4%	6.0%	3.6%	15.0%	24.0%	5.4%	2.9%	12.6%	0.9%	0.3%	100.0%
Recruitment for all employers	37 269	8 091	50 27	24 513	28 772	7 140	4 287	17 190	2 284	597	135 170
	27.6%	6.0%	3.7%	18.1%	21.3%	5.3%	3.2%	12.7%	1.7%	0.4%	100.0%
Promotion for all employers	34 122	7 047	2 958	10 352	22 550	5 833	2 556	9 303	528	127	9 5376
	35.8%	7.4%	3.1%	10.9%	23.6%	6.1%	2.7%	9.8%	0.6%	0.1%	100.0%
Termination for all employers	39 538	9 937	5 711	28 362	24 508	8 188	4287	21 971	2 402	515	145 419
	27.2%	6.8%	3.9%	19.5%	16.9%	5.6%	2.9%	15.1%	1.7%	0.4%	100.0%

Recruitment and promotions at this level are encouraging and are generally prone to equitable representation for all groups. However, more could be done for Africans.

(Source: CEE report 2009-2010:27)

Appendix C: Employment by industry

	Apr–Jun 2009	Jan–Mar 2010	Apr–Jun 2010	Qtr-to-qtr change	Year-on- year change	Qtr-to- qtr change	Year-on- year change
	Thousand					Per cent	
Total	13 369	12 803	12 742	-61	-627	-0,5	-4,7
Agriculture	710	650	618	-32	-92	-4,9	-13,0
Mining	319	296	305	9	-14	3,0	-4,4
Manufacturing	1 873	1 709	1 656	-53	-217	-3,1	-11,6
Utilities	93	70	93	23	0	32,9	0,0
Construction	1 117	1 021	1 006	-15	-111	-1,5	-9,9
Trade	2 962	2 825	2 839	14	-123	0,5	-4,2
Transport	727	767	734	-33	7	-4,3	1,0
Finance	1 710	1 633	1 670	37	-40	2,3	-2,3
Community and social services	2 664	2 657	2 659	2	-5	0,1	-0,2
Private households	1 194	1 169	1 155	-14	-39	-1,2	-3,3

Source: Quarterly Labour Force Survey (Quarter 2, 2010:viii).

ANNEXURE D: Scorecard for the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry

NOTES	DESCRIPTION	5 YEAR TARGET			10 YEAR TARGET
1	Human Resource Development				
	• Has the company offered every employee the opportunity to be functionally literate and numerate by the year 2005 and are employees being trained?	Yes	No		
	• Has the company implemented career paths for HDSA employees including skills development plans?	Yes	No		
	• Has the company developed systems through which empowerment groups can be mentored?	Yes	No		
2	Employment Equity				
	• Has the company published its employment equity plan and reported on its annual progress in meeting that plan?	Yes	No		
	• Has the company established a plan to achieve a target for HDSA participation in management of 40% within five years and is implementing the plan?				
	• Has the company identified a talent pool and is it fast tracking it?	Yes	No		
	• Has the company established a plan to achieve the target for women participation in mining of 10% within the five years and is implementing the plan?				
3	Migrant Labour				
	• Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour?	Yes	No		
4	Mine community and rural development.				
	• Has the company co-operated in the formulation of integrated development plans and is the company co-operating with government in the implementation of these plans for communities where mining takes place and for major labour sending areas? Has there been effort on the side of the company to engage the local mine community and major labour sending area communities? (Companies will be required to cite a pattern of consultation, indicate money expenditures and show a plan).	Yes	No		
5	Housing and Living Conditions				
	• For company provided housing has the mine, in consultation with stakeholders established measures for improving the standard of housing, including the upgrading of the hostels, conversion of hostels to family units and promoted home ownership options for mine employees? Companies will be required to indicate what they have done to improve housing and show a plan to progress the issue over time and is implementing the plan?	Yes	No		
	• For company provided nutrition has the mine established measures for improving the nutrition of mine employees? Companies will be required to indicate what they have done to improve nutrition and show a plan to progress the issue over time and is implementing the plan?	Yes	No		
6	Procurement				
	• Has the mining company given HDSA's preferred supplier status?	Yes	No		
	• Has the mining company identified current level of procurement from HDSA companies in terms of capital goods, consumables and services?	Yes	No		
	• Has the mining company indicated a commitment to a progression of procurement from HDSA companies over a 3 – 5 year time frame in terms of capital goods, consumables and services and to what extent has the commitment been implemented?	Yes	No		
7	Ownership & Joint Ventures				
	• Has the mining company achieved HDSA participation in terms of ownership for equity or attributable units of production of 15 percent in HDSA hands within 5-years and 26 percent in 10-years?			15%	26%
8	Beneficiation				
	• Has the mining company identified its current level of beneficiation?	Yes	No		
	• Has the mining company established its base line level of beneficiation and indicated the extent that this will have to be grown in order to qualify for an offset?	Yes	No		
9	Reporting				
	• Has the company reported on an annual basis its progress towards achieving its commitments in its annual report?	Yes	No		