172

MANAGEMENT

24-2-75 - 31-12-80

& '81

Woolies to train Blacks for management

AN ambitious training scheme for non-White personnel initiated by Woolworths, the national department store chain, means that Black staff members may reach management level in five years' time.

The far-reaching proposals are understood to include the possibility that a number of stores could eventually be managed and run entirely by Blacks.

Woolworths training policy is under the direction of Personnel Director Mr Robby Stern, well known as an advocate of wider opportunities for Black workers and as a supporter of the policy of recognising Black trade unions

Mr Stern was this week reluctant to comment on the details of Woolworths' plans for their Black staff

'We do not want to put a definite time-table to these plans until we are sure that the opportunities do exist Obviously we want to avoid causing disappointment (The timing of such a programme would also depend on the reaction of the public, Mr Stern said

The Woolworths personnel chief insists that the company's policy is to make no distinction between staff members on the basis of race

'We would not create jobs for Black staff members just because they were Black — that would be patronising. But we are looking for opportunities for our Black workers where we felt they would be the best men for the job,' he said

Mr Stern said that there were already a number of Coloured staff members in supervisory positions within the company, but that opportunities for African workers were more heavily curtailed by law.

'We have to stay within the law. But given those limits, we are definitely thinking in terms of a rapid advancement for Black staff within the next few years,' Mr Stern said.

(1) Management
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(3) 173

MANAGEMENT

UNDERSTANDING YOUR WHITE BOSS

FM 21/3/75 (Management)

Have you read up on your Black employees? If you've been making the effort, chances are you've come across publications on topics like "Understanding your Bantu Worker", "How to motivate your Bantu workers", "Domestic Workers" etc

How good are they?

The personnel manager of a large industrial company tells the *FM* that the tendency in many of these books is to treat African workers as "interesting but rather primitive museum specimens"!

He says it's about time someone wrote a book entitled *Understanding Your White Boss — a guide for Africans* which could be handed out in factories Suggested excerpts.

Ethnic origins: The ethnic origins of your White boss are complex in the extreme You should not be surprised to find his behaviour tinged with Dutch stubbornness, French excitability, British superiority, and Prussian arrogance

It is the ethnic complexity of the White man that makes it impossible for government to provide separate Homelands for the descendants of emigrants from Holland, France, Britain, and Germany

You will have noticed, on the other hand, that the government has no difficulty in determining the national group to which the offspring of a half-Venda, half-Tswana mother and a Zulu father should belong

Beliefs: Central to your White boss's beliefs is the importance of race. He stands for *wit baasskap* or, if he happens to be English-speaking, White leadership. Don't let the difference in terminology confuse you The two are indistinguishable

His perceptions of other race groups are clear and unambiguous Indians are dishonest, Coloureds unreliable, and Africans primitive

These perceptions are just a quaint eccentricity and should not be taken seriously. It is nevertheless unwise to do anything that shakes his faith in these stereotypes as this may cause him to develop feelings of ambivalence or even psychological disturbance in extreme cases

Customs: His customs must be thoroughly understood The fact that he addresses you as "Jim" is merely evidence of his friendly and informal approach Do not take umbrage if he addresses you as "Boy", as this is simply a contraction of the affable "Old Boy" of English origin

Motivation His perceptions of what motivates you require some explanation It may seem strange that he does not raise your pay for work well done This is because he has incontrovertible evidence that as your income increases you spend more on drink and luxuries and less on food for your children

He also knows that, in your eyes, cattle are the only real wealth, but unfortunately he can't pay you in cattle

Leisure: So much for your boss at work Fully to understand him, however, you have to know something about his leisure pursuits

These are dominating his wife and children, drinking brandy and watching rugby He has a touching belief in the invincibility of Springbok teams and shrugs off the Lions' tour as some strange quirk of fate

An endearing thing about him is his fierce partisanship, but cries of "Kill those Pommies" should not be taken literally

Just a contraction of the Poms' affable "Old Boy"



Foundation in Cape to boost management

STAR 12/5/75

Own Correspondent

PAARL — The Stellenbosch Farmers' Winery and the University of Stellenbosch have announced a joint foundation of nearly R250 000 to stimulate management training and development at all levels of society.

All costs in connection with the foundation will be borne by SFW.

The SFW Foundation, as it will be known, provides for two programmes. One is a training and development programme for lecturers in the business and economic sciences at universities. The other is a programme to stimulate entrepreneurship among all racial groups in business.

Professor H. P. Muller, of the graduate school of business of the University of Stellenbosch, has been appointed programme director. Both programmes will be presented under his guidance in conjunction with staff of the graduate school, other universities and lecturers from abroad.

SUPPORT

The foundation is a direct result of the support given by SFW to the graduate school for the past six years, and its own programme of bringing lecturers from overseas to three non-White universities. It was felt that the time had come to consolidate and extend the various programmes and to put them on a permanent footing to derive maximum benefit.

Owing to the close liason between the company and the graduate school of business at Stellenbosch, it was decided to link the programme administratively to the graduate school. For this purpose a new chair has been established at the school.

Another reason for the establishment of the foundation is the belief of SFW that training and development can answer many of the problems being experienced today.

The programme will be rare because only one similar programme exists — the international [illegible] programme of [illegible] in the United States.

Seven Black specialists quit

RDM 15/5/75

CAPE TOWN — The entire Black staff of a division of the National Institute for Personnel research, all specialists in labour motivation and problems of staff morale and absenteeism, resigned last year when they found better jobs elsewhere.

The seven, all men with bachelor or honours degrees, left the industrial ethnology division of Personnel Research because so many jobs in this field had been created in industry, according to the latest report of the Council for Scientific and Industrial Research (CSIR).

Their work entailed interviewing Black subjects in studies of: attitude and morale, absenteeism, labour turnover and motivation. The staff had stayed in the same jobs for many years, but with the recent changes in commerce and industry, there were now many openings for Blacks in the personnel management field, said the CSIR.

(T) 334
2 MANAGEMENT

SA EXECUTIVE PAY TOPS IN BUYING POWER

STAR 26/5/75

The Star Bureau

LONDON — Strip salaries down to the hard shell of actual buying power and the South African executive emerges better off than overseas counterparts in a whole string of the bigger industrial nations of the world, according to a new survey released here.

The survey compares executive salaries in Britain, seven other European countries, Australia, New Zealand, the United States, Canada, Brazil, Singapore — and South Africa

And a final league table of top management salaries constructed by a British research group shows that while South African gross pay is relatively low, it improves when tax is taken into account and leads the list in buying power

This is the conclusion of Employment Conditions Abroad, which surveyed executive salaries for the Confederation of British Industry

Although detailed results of the survey are confidential, an ECA spokesman said South Africa was in the lower part of the table in terms of gross salaries, on a par with Australia and New Zealand

But even at this stage South African pay was 40 percent ahead of the UK. A Briton earning R10 000 a year would be R4 000 poorer than his South African counterpart, who would be on about R14 000 in a similar seat

After tax the difference grew to about 60 percent The British executive would receive about R6 500 in net salary, while the South African in a parallel post would take home about R10 400 In terms of both net and gross salary Britain was bottom of the list, said the ECA spokesman. Britain improved somewhat after cost of living was estimated, he added

South Africa was the only country of the 16 with a lower cost of living than Britain.

"The companies which paid for our establishment and which supplied the information for the survey are obviously interested mainly in comparisons of gross salaries, since they regard cost of living and tax levels as internal matters for the countries concerned," said the spokesman.

"But for the executive looking for the best place to sell his skills, take-home pay and its buying power are the most important factors, and here South Africa is on top"

The CBI has used the figures in its evidence to the Royal Commission on the distribution of income and wealth

MANAGEMENT

Letter to: The Editor
From: Denis Keenan-Smith
Group
Personnel Consultant

Subject: Towards Improved Industrial Relations

This is an outline of some of the ingredients which I believe are essential for a successful industrial relations programme that will reduce an organisation's vulnerability in this complex and contentious area I have submitted these notes following your invitation, in the January and March issues of **People & Profits,** to contribute to a 'correspondence think-tank'

The policy

As a prerequisite to a design or the implementation of any programme on Industrial Relations, an organisation should agree on, and record in writing, its **policy** in regard to

- internal and external labour relations, including reference to organised labour, both registered trade unions and unrecognised Black trade unions
- industrial relations in its broad context
- remuneration, fringe benefits and general conditions of employment

These policy statements are considered essential, since they indicate the direction to follow, and the objectives being aimed at They will determine the formulation of 'ideal' industrial relations practices and procedures Personnel practices do not always conform to the stated policy or ideal, but one should not be discouraged by this

The development of an acceptable personnel policy is a difficult task, especially when one considers the question of Black trade unions which are legal and which exist in reality, but are not officially recognised

The external scene

On an irregular basis, an organisation may interact with several external bodies, and the maintenance of contact and a cordial working relationship is obviously important An organisation can be judged by the way it co-operates with fellow organisations in Employer Associations, organised labour (both registered and unrecognised trade unions), Industrial Councils, the Department of Labour and Wage Determination Boards This interaction may be in a formal setting or in informal groups

The process of joint consultation is generally considered to be important, but in this sphere, it is crucial For this reason, a programme aimed at maintaining meaningful dialogue should be worked out, to strengthen lines of communication and maintain contact with key officials in outside agencies

At the same time, the search must continue for a mechanism which will permit more adequate collective bargaining for **all** employees whose jobs are 'scheduled' in terms of Industrial Agreements, and strenuous efforts must be made to promote orderly change through the right channels

The internal scene

If the establishment of external dialogue and joint consultation is important, it is even more so within the organisation where **management** can make a substantial contribution The often neglected question of internal communications between the employee body and management must be speedily resolved

Expressed differently, it is pointless formulating even near-perfect industrial relations procedures and programmes without employee involvement, understanding and acceptance, and management commitment

An industrial relations programme will naturally affect all employees However, because the majority of employees in most organisations in South Africa are Black, special consideration must be given to this vital element in the total work force At the same time, we must not lose sight of the White, Coloured and Asian employees A balanced approach is clearly necessary and the needs of all employees must be catered for

An organisation's image or reputation, both among its employees and in the eyes of the public, is often based on the way it treats its employees While this 'treatment' at most times rests on such material factors as salaries, wages and fringe benefits, it can and does go further into such psychological areas as career and job advancement opportunities, greater involvement in the job itself, 'corporate pride' and feelings of job security, well-being and belonging

Failure in internal industrial relations is readily seen in the various forms of employee unrest Indeed mounting trade union membership within an organisation may reflect the employees' desire to find an external remedy to their problems **and** management's failure to provide the solutions from within

An essential requirement in modern labour management is the creation of an awareness and sensitivity of employee aspirations, fears, needs, mood, attitudes and 'temperature' All too frequently one encounters emotionally-loaded terminology which almost suggests a formula

Power and Demands plus Conflict and Confrontation = Dispute, Deadlock and Strike

Through the process of **Joint Consultation**, it is necessary to translate these terms into **Negotiation** and **Reconciliation.**

But to do this effectively, every organisation must be alive to its areas of vulnerability

The programme

It is always tempting to grasp at the first apparent area of weakness in an organisation's internal industrial relations arena, in the hope that one has found a total solution A classic example is the almost universal preoccupation since the 1973 Natal strikes, with the question of the Poverty Datum Line and a 'respectable' minimum wage for unskilled general workers This has been widely regarded as a hedge against further employee dissatisfaction and attendent unrest

The attention this question has received is well-deserved but it has tended to lead to the neglect of other essential ingredients, which **collectively** favour a fruitful industrial relations programme consisting of

Project 1: **A unified and continuous job evaluation ladder** from unskilled general worker to senior management

Project 2: **A structured salary/wage scale** that provides for a respectable minimum income for the lowest wage earner, that eliminates the depressed lower end of the remuneration curve, which is a common feature of so many existing systems, and that recognises income differentials on the basis of job content alone

Project 3: **Comparable remuneration for comparable results achieved** within a given job grade, irrespective of race or sex (not quite the same as 'rate-for-the-job'), thus ensuring a just and equitable financial return for services

Project 4: **Uniform fringe benefits,** perhaps differentiated according to job status (grade), but otherwise identical for all employees

Project 5. **General and physical conditions of employment,** such as hours of work and annual leave, and the work-place environment, to be uniform for all employees or differentiated according to nature of occupation, rather than according to race or sex

Project 6 **Removal or reduction of discriminatory practices** based on race or sex

Project 7: **Career and job advancement opportunities** with attendant training not only to improve current performance, but aimed at closing the skills on 'job gap' This is especially pertinent at the lower skilled levels

Project 8. **Improved communication** between employees and management, involving joint consultation, problem-solving, negotiation and decision-taking These lines of communication, and committees, need not necessarily be confined to Black employees The objective is the provision of some form of **employee representation** through Staff Associations, Employee Councils or the two-tier system of Works **and** Liaison Committees To make these internal channels of communication and interaction effective, skills training should be provided, for both management and employee representatives in negotiating and interpersonal relationships, in the form of behaviour frames of reference, for use in graded case-study and role-playing exercises

Project 9: **Increasing participative management,** leading towards productivity improvement, natural team formation and team building Employee participation in work-oriented problem location and solution, will stem from improving supervisory and man-management techniques and the eventual recognition of employees as 'people' and not simply as 'personnel'

Project 10: **Improved manpower utilisation** including the upgrading of employees, as circumstances permit, to the highest level of activity that they are capable of performing adequately, and at the same time redistributing work for performance at the lowest level at which it can be satisfactorily executed Such a programme should reduce the incidence of frustration

Project 11. **A manpower audit** aimed at uncovering serious anomalies which militate against the effective use of the organisation's human resources

Project 12. **Talent identification systems** that embody an evaluation of promotional potential and that ensure that, wherever possible, vacancies are filled from within the organisation

This, and similar programmes, are not guaranteed safeguards against labour unrest, because there are additional factors which affect employee stability in South Africa at this time However, the suggested twelve project programme, combined with an acceptable external relationship and clearly-stated policies, is likely to lead to a sound industrial relations situation within a company □

About the author

Denis Keenan-Smith joined South African Breweries Limited as Group Personnel Consultant, with a special interest in Industrial Relations, in January 1975 After spending 20 years in the personnel function of A.E. & C.I. he joined S.A. Philips in 1969 as Group Personnel Manager and took part in several Industrial Councils, Employer Associations and Industrial Agreement negotiations for the metal industry.



New step to aid Blacks

STAR 11/6/75

Labour Reporter

The Institute of Personnel Management has launched a countrywide drive to win Black members.

"The race question in the working environment has become a prime area of concern to our profession, and to commerce and industry at large," Mr Dave Jackson, executive director of IPM, said in Johannesburg.

"Hundreds of Blacks have joined our profession, and our members want to share their experience and offer them the benefits of a common professional institute."

DECISIONS

In view of this decision, IPM has taken steps to ensure that the interests of its Black members are not overlooked by.

- Appointing a Black vice president in charge of Black personnel development to its executive committee and its council.
- Encouraging its 13 branches to take active steps to involve their Black members in branch activities.
- Ensuring that all seminars and conventions are held at multiracial venues.

"At present, Black graduates in many companies have little opportunity to do the work they have been trained for. Some trained personnel officers are doing the work of clerks," Mr Jackson said.

Improving supervision

STAR 13/6/75

Labour Reporter

An ambitious programme to raise the standard of supervisory management throughout South Africa has been launched by the South African Institute of Supervisory Management.

"Most management experts agree that the supervisor plays a key role in industry," says Mr Charles Wilson, SAISM's national chairman

"We want to ensure that supervisors have the training and educational facilities to meet present demands for optimum labour utilisation and increased productivity."

SAISM has won the assistance of the Institute of Personnel Management which has expressed "particular concern about the calibre of the first and second-line supervisor in South African industry."

"If we are to improve productivity, and ensure labour peace in the future, it is vital that people occupying these positions receive adequate training on the function they have to fulfil," says IPM's executive director, Mr Dave Jackson.

With this in mind, IPM is helping SAISM to develop a range of services, including evening courses, regular meetings, panel discussions and literature

"With a potential membership of tens of thousands of supervisors, a heavy organisational burden falls on our modest number of existing members — 300," says Mr Wilson.

MANAGEMENT

SAKE-RAPPORT 23/6/75

Kursus vir swartes by SBL

UNISA se Skool vir Bedryfsleiding begin vanjaar in Augustus met 'n bestuursprogram vir klein ondernemings, aangebied aan swart sakemanne Die program duur vyftien maande en is die eerste in sy soort in Suidelike Afrika

Die program word bestuur deur mnr Ben Mokoatle van die SBL (op die foto regs) Hy sê die kursus is ontwikkel om swart sakemanne te help met struikelblokke soos die gebrek aan kennis en kapitaal

„Die doelwit is om deelnemers beter in staat te stel om hul ondernemings doeltreffend te bestuur en te ontwikkel Onderwerpe wat behandel word, is bemarking, finansiële bestuur, personeelbestuur, handelsreg, persoonlike finansies, kommunikasie, produksiebestuur en kantoorprosedures"

Die kursus vir swart sakemanne word net soos die ander SBL-kursusse op 'n grondslag van studiegroepe aangebied Dit laat kursusgangers toe om hul loopbane te volg terwyl 'n voltydse leersituasie behou word

Vir die eerste jaar word net 35 studente uit die swart stedelike gebiede van Transvaal toegelaat

● Intussen word verneem dat mnr Mokoatle genooi is om 'n internasionale konferensie oor entrepeneurskap en ekonomiese ontwikkeling in Cincinatti in Amerika toe te spreek. Die kongres is gereël deur 'n klompie Amerikaanse ekonomiese organisasies



MANAGEMENT

Railmen to seek bigger labour role

STAR 27/6/75

Labour Reporter

The 80 000-strong Federal Consultative Council of railway unions has taken two big steps to play a more dynamic role in the "rapidly changing South African situation"

At its half-yearly meeting in Johannesburg yesterday, the FCC decided unanimously to

Apply for membership of the South African Foundation

Recommend to its seven unions to seek membership of the Institute of Personnel Management

DELIGHTED

The FCC's secretary, Mr J R Benade, said his organisation associated itself with the aims of the South African Foundation and wanted to play its part to promote international understanding of South Africa from the labour point of view. The FCC also favoured a realistic and active participation in labour relations in South Africa

Mr Dave Jackon, executive director of the IPM, said he was delighted with the FCC's recommendation His institute offered an ideal forum for dialogue in a non-political, professional atmosphere

TALKS CALL

The railway unions also announced that they have asked for talks with the Prime Minister to make "strong" representations regarding Iscor's running of the Sishen/Saldanha railway line

The FCC's fears regarding the "wide and serious implications" of that line being run by an authority other than the railways had not been allayed, Mr Benade said

Survey on salaries

Natal Mercury 20/8/75

MANAGEMENT

Science Correspondent

A JOB and salary survey carried out among cost and management accountants and students in South Africa has been described as one of the most detailed studies ever attempted in this country.

It reveals the cost and management man as mature, well-travelled and probably engaged in administrative and financial activities.

Almost all the respondents — 62 percent replied to a posted questionnaire — had bank accounts, about two-thirds used credit cards and half invested on the Johannesburg Stock Exchange.

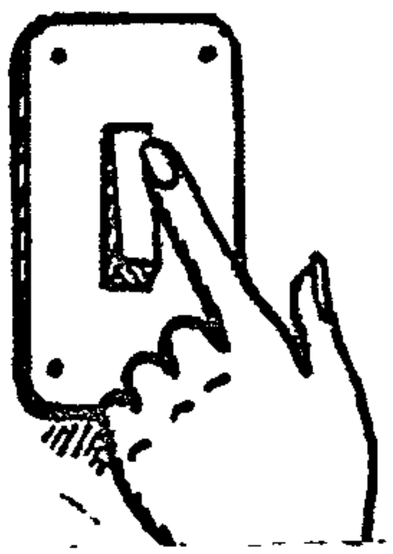
In addition they enjoyed about four weeks leave each year and owned nearly two cars

Associate members of the institute earned an average R17.453 a year; fellows R21.094; students with entrance qualifications only R7.704.

As well as Institute of Cost and Management Accountants (ICMA) qualifications, two thirds of those who answered the questionnaire held other qualifications, the most common being bachelor degrees, chartered secretary and chartered accountants.

The survey was conducted by Dr Frank Streek, an ICMA man and a member of the South African Market Research Association.

'ONO-MISER



the filter for the minimum number of hours a day. The average filter pump uses approximately one cent's worth of electricity per hour and if you leave the filter running all the time it can mount up over a month.

● Heating — It is preferable to choose a heater with a thermostat to maintain a comfortable level without waste. The amount of

ken for a ride'

9/9/75

He contends that APROSA represents roughly two-thirds of all employment offices in South Africa and says it has an adequate code of ethics

"There may be a very small number of firms which may need pulling up. But by and large employment agencies are doing a good job of work and rendering a vital service," Mr Sewitz said.

Eliminate

Simple inquiries by clients — without which no transaction should ever take place — would eliminate most so-called grievances. Clients should ascertain beforehand from agencies what fees were likely to be charged

"Most agencies will not charge their full fee, or any fee, if a recruit proves unsatisfactory within a few days of engagement. Certainly no applicant should be sent out without first having been interviewed. This point is stressed in APROSA's code of ethics," Mr Sewitz said.

He disagreed with Mr Jackson's view that three distinctive kinds of service are being rendered. There was no basic difference between personnel consultants, selection consultants and placement agencies, Mr Sewitz said.

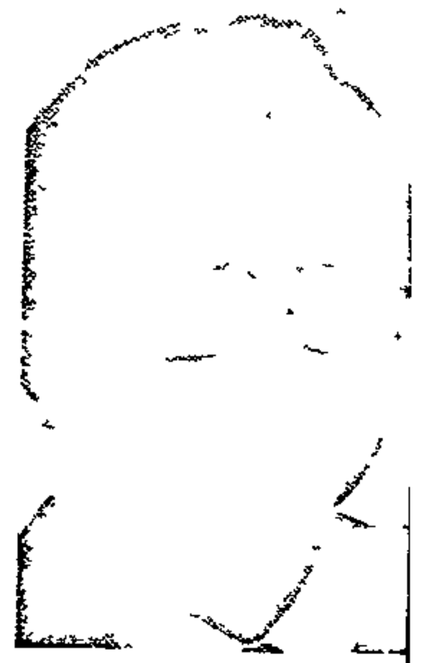
"These designations are used indiscriminately for the same kind of service," he said.

Mr Sewitz admitted that:

● Fees can vary greatly from one agency to another, although the service rendered may be of a similar nature.

● APROSA has not received a single complaint about any of its members since its inception more than 10 years ago. Nor has it had occasion to invoke its disciplinary measures against a member.

● There is no ready means for dissatisfied clients to learn of APROSA's existence, although the association was listed in the Yellow Pages directory in the past. A "regretful"



Dave Jackson . . . "we know of unethical conduct."

omission kept it out of the last issue, he said

Mr Sewitz made it clear that APROSA is prepared to consider complaints at any time. The association can be reached by telephoning 23 0006 (Johannesburg).

Here is the most potent weapon

STAR 8/9/75



Next to wage and price restraint, productivity is widely regarded as the most potent weapon against inflation

Reports by Siegfried Hannig, Labour Reporter

"The more successful we are in increasing productivity, the less we have to tighten our belts," says Mr Robert Kraft, economist and assistant general secretary of the Trade Union Council of South Africa

The Star asked Mr Kraft whether South African workers are sufficiently productive.

"No," he replied. "But give us the tools and we'll do the job"

He pointed out that there is more to productivity than hard work.

Action

- Productivity starts with education, training and retraining.
- Maximum utilisation of all talent — regardless of race or colour — is an essential element of productivity
- Management holds the key to productivity

"Improved education, training and utilisation of all workers are major elements of the collective programme of action against inflation adopted by the Government, organised industry and labour," Mr Kraft said

"But the most immediate increase in productivity can be brought about by management action

It is management's job to see to the efficient running of its company, to prevent mechanical breakdowns and bottlenecks and to see that the worker's skill matches the requirements of his job.

"If employers don't know how to increase output they would do well to approach the National Productivity Institute," Mr Kraft said.



Senator Anna Scheepers — combat Monday absenteeism with an incentive bonus.



Mr Robert Kraft — give us the tools and we'll do the job.

Workers and trade unions regarded management action as urgent in view of the wage-eroding inflation rate The labour movement was fully committed to co-operating with employers in this regard, he said

Senator Anna Scheepers, president of the Garment Workers' Union of South Africa, said

"My union, for one, is continually urging workers to play their part and to observe their responsibilities"

borne by the workers, she said

"The college has a waiting list of many hundreds of workers keen to improve their talents in their own time, after a full day's work

"Yet some employers discourage rather than promote college attendance from which they stand to benefit at least as much as the workers"

Senator Scheepers concluded "Good management can achieve high productivity with average workers, but bad management will have a low output with the best workers"

Mr Jimmy Zurich, president of the Artisan Staff Association, agrees that the answer to higher productivity lies primarily with the employer

"South African industry does not need task masters or slave drivers, but leaders," he said in his presidential address at his union's conference earlier this year

He pointed out that a factor almost never considered in the productivity context is the key role of the supervisor

It was time for employers to examine promotion procedures to ensure that motivated leaders were put into supervisory posts

Motivate

Uninspired supervisors could not motivate workers and threw cold water on new ideas for fear of having to implement them

"Industry cannot afford supervisors and executives who yell their heads off higher production

(1) 150 ✗
(2) 249 ✗
(3) Management
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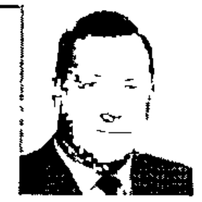
The Middle East peace agreement has left unresolved the root cause of the Middle East

The V.P.S. Consulting Team



DES FRONEMAN
Managing Director and
Principal Consultant

At Port Elizabeth



ERNOLD WILLS
Director/Senior Personnel Consultant
(Consulting and Training Services)



NEVILLE MILES
Alt Director/Personnel Consultant
(Staff Selection Services)



SHARON SNOWDEN
Personnel Consultant
(Female Staff Appointments)



PETER DURHAM
Director/Senior Personnel Consultant
(Staff Selection Services)



GREY MBAU
Alt Director/Personnel Consultant
(Black Consulting Services)

At East London



KIT MILLS
Personnel Consultant
(Female Staff Appointments)



D. A FRONEMAN (temp)
Senior Personnel Consultant
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At Cape Town



JOAN BRUCE
Personnel Consultant
(Female Staff Appointments)

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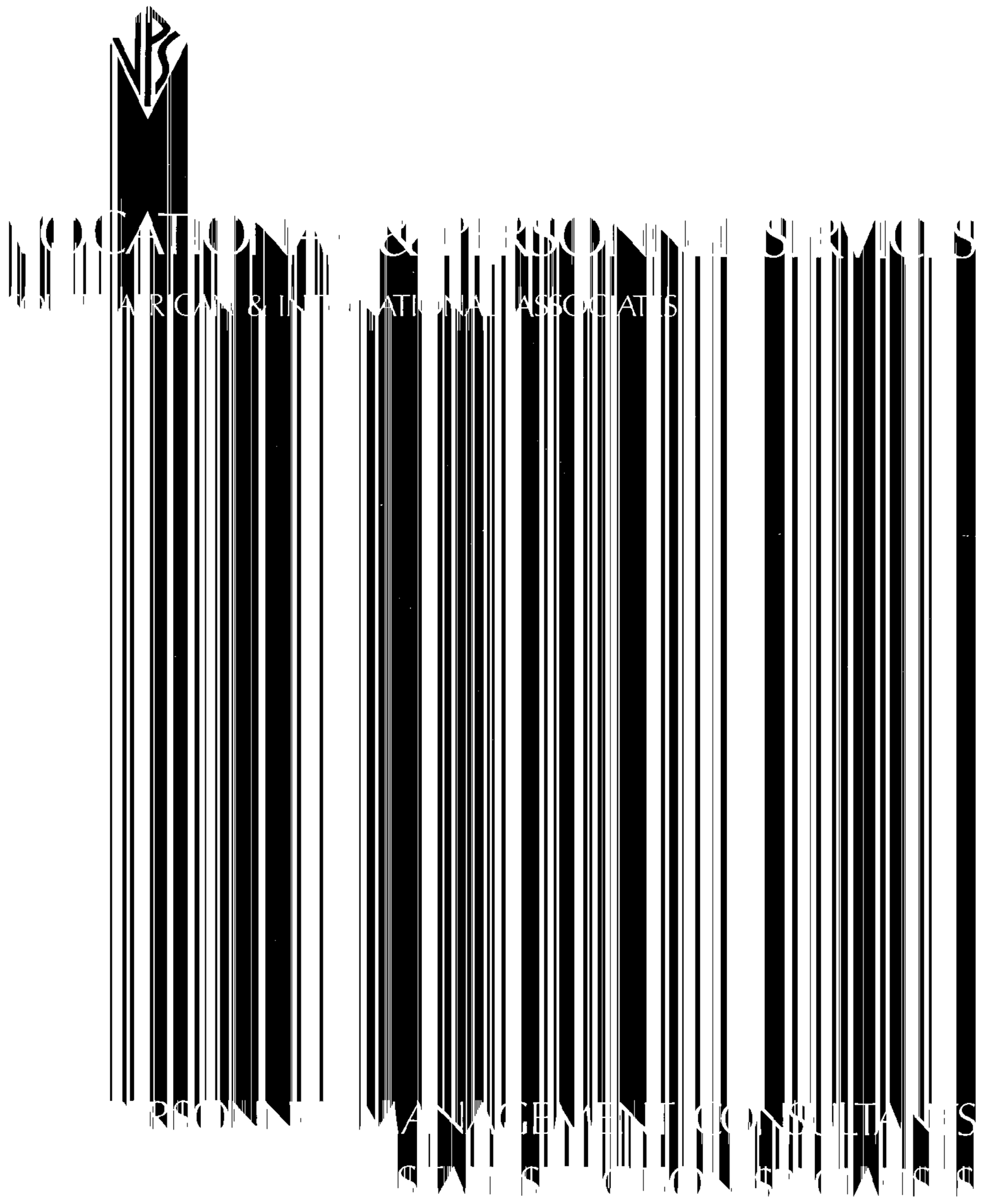
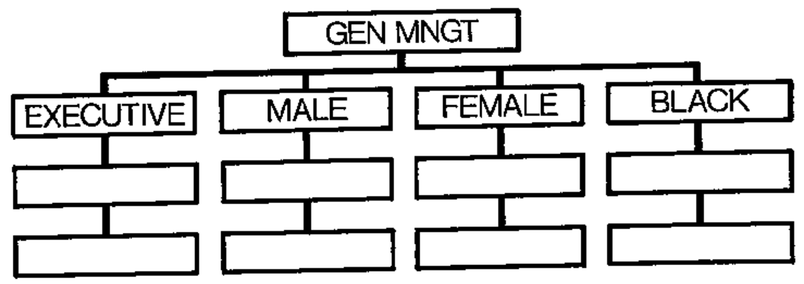


VPS OBJECTIVES:

To assist client employers with the location and appointment of top calibre staff at all levels and in any field of operation.

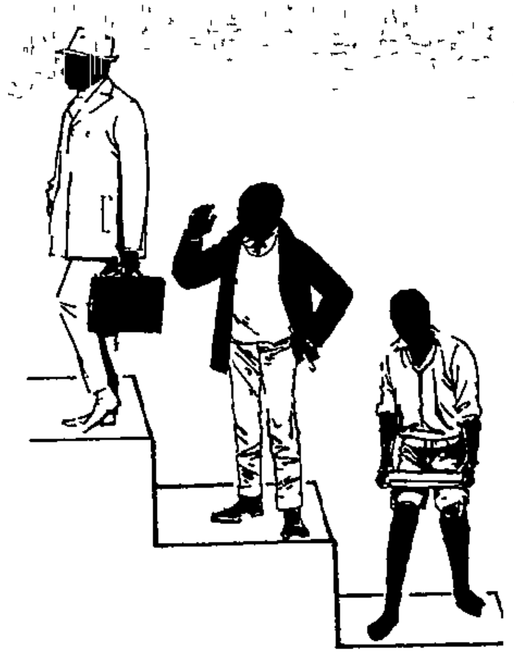
Our professional recruiting and assessment techniques are guaranteed to find men and women of potential for staff vacancies at managerial and operative level.





EFFECTIVE STAFF SELECTION

Interviews and tests ensure that appointments are based on the evaluation of a number of areas such as intellectual ability, personality and temperament, existing job skills, personal motivation, potential for development and past training and experience



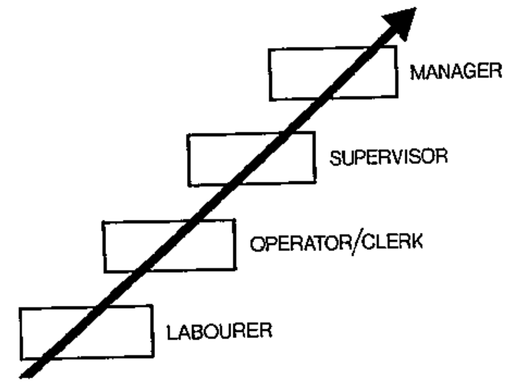
To assist employers to identify the hidden talents and resources of non-white employees and to plan for full utilisation of non-whites where this is advantageous

ESSENTIAL ELEMENTS

Our services give detailed consideration to the following in relation to the development of non-whites:

* Installation of effective liaison/communication committees
* Non-white desire to develop and advance.
* White acceptance of non-white advancement
* Intelligence ratings of rising non-whites
* Special abilities of promotable non-whites
* Cultural background of the firm and the individuals.

PLANNING FOR NON-WHITE ADVANCEMENT



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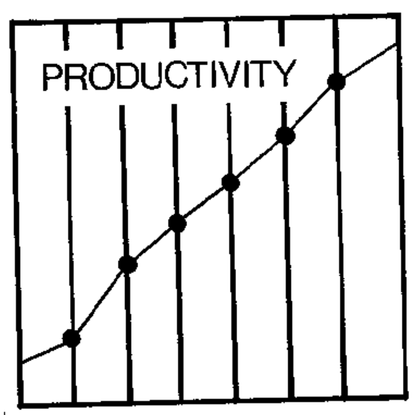

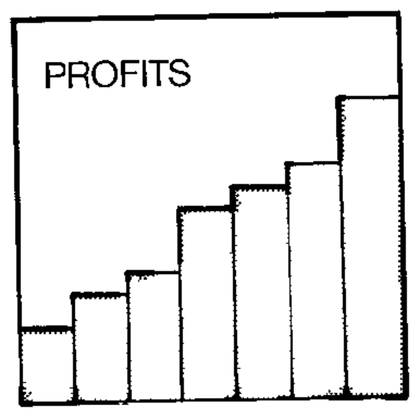

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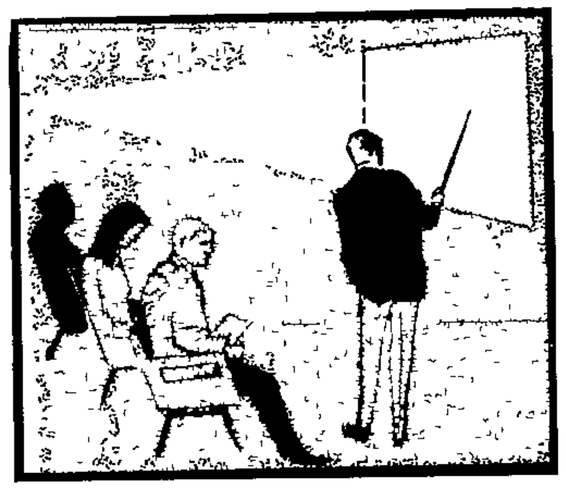

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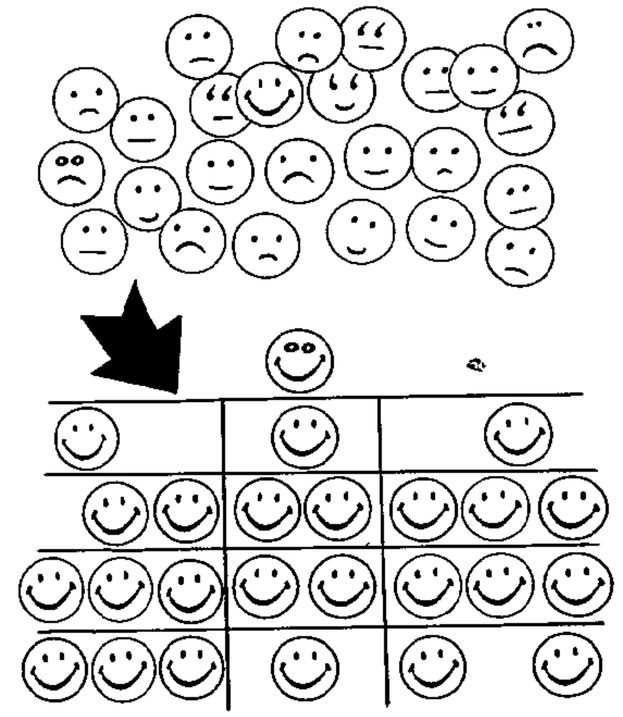

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The enclosed brochure provides a very broad outline of our services, and it will be a pleasure to forward further specific particulars upon request.

Yours sincerely,

D.A. FRONEMAN
MANAGING DIRECTOR

24th September 1975.

Circulated by I.P.M. (Western Cape Branch)

PEOPLE & PROFITS, October 1975

Job restructuring has for many years — even before Black advancement became an important issue in South Africa — been applied by various companies as a means of improving productivity. In most of these cases, the people closest to the problem were not consulted about the implementation of the project. In my opinion, it is the supervisor who should have the responsibility of restructuring the jobs which come under his control.

Job restructuring is, of necessity, also a managerial responsibility, but only in the sense that management must 'carry the can' for any problems that might arise.

Management's role

Prior to restructuring jobs, management must make quite sure that the organisation is in a position to undertake this activity By management, I mean the managing director and general manager, as well as the appropriate departmental manager, in whose department the restructuring will take place They must have evidence that certain jobs can be broken up into similar components and that the plant and responsibility for the equipment can be allocated to one particular individual who has several Black assistants They must also be fully convinced that higher productivity will result from these changes

However, the restructuring of positions within an organisation can and will be successful only if the **supervisors** who are directly affected by the operation are involved from the start These key employees are often overlooked at the planning stage, but I believe that management, with the assistance of the personnel specialist, is required to consider their feelings, ideas and background

With the new status given him by management, the supervisor finds himself faced with

- a multi-racial/cultural problem
- changes in the nature of his own position

The cultural problem

The effective supervisor must ensure that the cultural differences in his work force blend harmoniously to achieve the objective of higher productivity It requires a highly impartial manager to achieve this when the colour, creed and beliefs of his work force differ considerably However, the South African supervisor realises that he can remain effective only **if he is able to handle his total work force** — both Black and White For the first time, he finds himself in a position where, if he wants his job done, he is forced to accept the Non-White as somebody who has to be taken cognisance of

Leading anthropologists believe that, without a basic understanding of the Black man's culture, industry — and by industry we can only mean the White people running industry — will find it extremely difficult, if not impossible, to increase productivity

I would agree with this statement in the comfort of my lounge, but as a business executive I fail to see how a reasonable economic growth pattern can be maintained if every member of a specific tribe or race were allowed to participate in cultural practices pertaining to his particular social group

If I, as a businessman, am to give the Black man an opportunity in industry and commerce, I want to feel free to do it under the conditions that the economy dictates I am not suggesting that we should not show respect for the cultural beliefs of the Black people, but in industry and commerce we simply cannot tolerate restrictive social practices

In other words, the supervisor can maintain his effectiveness only if he accepts the fact that he and his team have a **common goal to achieve,** irrespective of racial and cultural differences He must accept that the creation of a new in-company cultural climate is necessary, where everyone will

- obey the same rules, rules that everyone has assisted in creating
- strive towards the same objectives
- enjoy the rate for the job
- participate in the running of the department/business

THE NEW ORGANISATIONAL CULTURE

The migrant labour system operating in South Africa today denigrates the Black man's sense of belonging

Tens of thousands of Black males who have come to work in the cities, live on a single basis in hostels throughout South Africa A large proportion of them are shift workers, staying miles away from their firms and in touch with their homelands only once or twice a year Their 'new' life has become the factory floor or office After work, they are encouraged to play football or cricket, or participate in cycling They are in close reach of hostels where hundreds of people in the White-orientated society are encouraging them to adopt the White man's way of life, and at work, they are taught that time is money

Since all aspects of the Black man's culture are subject to change, it is logical to accept him as a member of the 'new organisational culture' Further, it has been proved over and over again that group dynamics play an important role in productivity This fact makes it incumbent on organisations to create a feeling of belonging among their Black employees if they are to obtain the highest possible productivity Dorwin Cartwright says

"The behaviour, attitudes, beliefs and values of the individual are all firmly grounded in the groups to which he belongs How aggressive or co-operative a person is, how much self-respect and self-confidence he has, how energetic or productive his work is, what he aspires to, what he believes to be true and good, whom he loves or hates and what beliefs and prejudices he holds — all these characteristics are highly determined by the individual's group memberships In a real sense, they are properties of groups and of the relationships between people Whether they change or resist change will, therefore, be greatly influenced by the nature of these groups"

Politicians and businessmen agree that the only way South Africa will maintain her stability is by urging all groups to participate actively in achieving the ideal of a reasonably high economic growth rate It is extremely important to accept the fact that, throughout the world, cultural norms are provided by the economically dominant majority

The supervisor's own position

The supervisor may ask himself "What will happen to me, as the supervisor, if I introduce change and if I become instrumental in the restructuring of the work environment?"

If **your** supervisor asks these questions, it can only mean one thing he was not involved in the initial planning of the structure of his department or organisation Peter Drucker explains the situation so aptly when he says

"The first and, in many ways, the main reason for the reluctance of managers to face up to the problem of making the worker achieve is a confusion of power with authority in managerial minds Managers resist an abdication of authority, the demand for worker responsibility, whether on the part of the manual worker on the shop floor or of the knowledgeable professional They see their authority undermined by 'giving up power' "

Change can be brought about **only** if the change agent believes that he has a very real say in the design of the systematic change model The model at conception, will, of necessity, be the brainchild of management with the assistance of the behavioural expert, but the **supervisor** must be made to accept the responsibility from inception for its effectiveness Only if the design of his own position becomes **his** responsibility, will he accept the role of the change agent

For this reason, it is imperative that goals are set before the change model is designed The change agent's — supervisor's — objectives determine his own standing in the organisation They also give him the security he needs if he is to perform effectively Under no circumstances must his own position be placed in jeopardy **Total security** are the operative words

Until this position is achieved in the organisation, job restructuring is doomed to failure

The change model should take into account all the operations and ideals of the change agent, since his total commitment is required throughout the plan He should be taught that evaluation and revaluation is the answer The model and its maintenance, which represent an overall plan of what is envisaged, always remains the responsibility of the change agent, the personnel manager, as a behavioural scientist, will only ensure that the techniques to keep the ship afloat are passed on to the captain

Blake & Mouton make the following observation in this regard

"Those responsible for leadership design explicit models of what **should be** in contrast to what **is** Those whose actions will be affected by systematic developrnent study, evaluate and criticise the model of change to recommend alterations of it, based upon their own comprehension and insights In this way, additional dimensions of human behaviour and experience, which are absent in either evolutionary or revolutionary techniques, are brought into the dynamics of change Most important among them is that intellectual and emotional tensions are created among **all** who are responsible for planning and implementation These are ten sions that stimulate change They rest upon understanding, insight, commitment and conviction as to the soundness and rightness of shifting what **is** to what **should be** The changes that result bring forth endorsement rather than resentment"

On a more practical level, management should discuss the financial position of the specific department or organisation with the supervisor, as a means of showing its trust in him as an operating agent It should involve him in managerial discussions by asking him to attend meetings concerning the running of the department In other words, he should have total participation and not only be used to "do the dirty work"

The restructuring of jobs

THE AVAILABILITY OF MANPOWER

The restructuring of positions within an organisation brings about a definite change, especially if the emphasis is placed on the involvement and advancement of Black personnel, since this forces management to take a hard look at the availability of manpower

If we want to be honest, we have to admit that the restructuring of positions in South Africa in the past ten years was not something which had previously been specifically planned for The prosperity of this country has pushed us into considering people other than Whites for the so-called 'White' jobs The acute shortage of manpower has thus brought about some re-thinking on the part of top management

First of all, management has been forced to examine the job content of jobs throughout the organisation During this process, quite a number of positions where people were previously retained for sentimental or benevolent reasons — may have been identified as not requiring manning at all In other words, the restructuring of jobs has brought about the reorganisation of the total company structure

The often effective way to restructure the organisation is to involve the supervisors concerned — because they are closer than anybody else to all facets of the problem within their departments

Once the total organisation has been restructured — and obviously there are going to be positions where the status quo will be retained — it becomes necessary to make sure that all positions and lines of communication are clearly defined (through **job descriptions, job analysis),** and that an effective reporting system is established Then it remains only to fill positions with carefully selected incumbents Again, it is most important to involve the supervisor in the selection of his particular section's employees

THE CHANGE IN THE CULTURAL ENVIRONMENT

When the restructuring of an organisation takes place, a new culture is introduced, a culture which may destroy the organisation or may lead it to success In my experience, success can be achieved through this cultural change, only if the change has been through a process of evaluation and all strategies have been carefully planned by management

Initially, after restructuring, an artificial phase is entered, where people believe that the change which has been brought about is a **final** one It is not a bad idea to allow the more junior personnel to believe this, so long as top management remains aware that further changes may be necessary in view of the fact that the company is going through an extremely delicate stage in the development of its programme

Further, it is imperative that management maintains communication with the workers Here again, the supervisor's role cannot be over-emphasised Frequent discussion groups may overcome or highlight any breakdown in communication at this stage Sound communication is particularly necessary, since management, from time to time, will have to inform employees of further developments within the new culture

When introducing change, it is imperative to ensure that a new 'language' is introduced for the specific organisation, a language which everybody will comprehend and which will promote communication New concepts and terminology should be conveyed to the employees

On the training side, management must ensure that the newly-appointed members of staff are trained for their positions, that the training is followed through and that any adjustments to the training programmes be regarded as a top priority

It is important that management meets frequently on matters related to the new organisational behaviour It is at this stage in the development of the programme that it cannot afford to miss any 'cultural deviation', since powerful individuals or groups may wish to re-direct the anticipated plan into a direction to suit themselves In other words, power politics may at this time impose itself upon the carefully planned objectives of management

REPORTING SYSTEM

The introduction of a reporting system goes hand-in-hand with the restructuring of the organisation

If the organisation already has an effective reporting system, the new concepts simply have to be incorporated On the other hand, if no system exists, management's ideals may be jeopardised, owing to lack of communication To name a few examples, if the financial director finds it extremely difficult to obtain information that he needs in order to make decisions on the financial position of the business, or if the engineer finds that an enthusiastic, newly-appointed supervisor is adopting certain procedures which will have a definite 'back-lash' on maintenance, the new culture can easily be destroyed

Effect on the organisation

The restructuring of jobs at supervisory and below supervisory level brings further changes in the organisation culture Once an organisation decides to introduce a 'colour free' programme, it automatically follows that a change in the attitudes of the people at the interface has to take place It is a sine qua non that businesses run by a family or by natural leaders almost without exception encourage conservatism and are usually resistant to change For this reason, I stress that a model for job restructuring at a supervisory level and below must, of necessity, alter the entire organisational structure Top management is forced, through industrial and economic revaluation, to change its own thinking

I believe that revolution — but **systematically-controlled revolution** — in industry is required to shake South African management out of its complacency Restructuring — or what I would rather call participation programmes — throughout industry will bring cultural organisational change, which is going to have far reaching effects on our **entire** culture

As discussed, the restructuring of jobs inevitably leads to restructuring of the organisation and, of course, it follows that a change in the organisational climate will be experienced My own experience has been as follows

As Blacks are upgraded, and more responsible work is allocated to the supervisor, a new system of control must be introduced When this takes place, the 'old timers' in the organisation suddenly find that their relationship with the 'Boss' changes Years of service as a qualification towards promotion is no longer the critical criterion The informal 'open-door' policy that for years proved to be the correct way of running the business is now replaced by an orderly and structured reporting system All these alterations — essential to exercising the necessary control — upset the people who created the old culture of the organisation

They now find that a new culture with its own norms and values has to be managed and, if they are part of the management team, they find it increasingly difficult to handle the situation The restructuring of jobs places further demands on the organisational structure of the business and a restructuring of departments takes place Once this kind of reshuffling takes place in an organisation, senior management will become aware of its lack of communication and planning, if this was not catered for prior to the introduction of the change If by now, the company's pay structure is not extremely advanced, serious problems in attracting effective personnel may be experienced

I would like to express my concern about the haphazard restructuring of jobs, especially at the interface level, throughout South African organisations I am not convinced that we, in this country, have carefully considered the restructuring of jobs at this level, when we introduce technical and other applaudable training schemes for Blacks If the restructuring of jobs at the interface can change the organisational culture of the business, in the way I have described, I find it difficult, if not impossible, to believe that it is not going to bring about a dramatic change in the **social structure** of South Africa

The most dangerous thing we can do in South Africa today is to allow restructuring to take a natural course. It is incumbent on all of us in managerial positions to ensure that restructuring towards change is planned **and** introduced in organisations throughout the country The restructuring of jobs, as discussed, brings about a restructuring of behaviour which, in turn, leads to a new culture These changes will take time to materialise, but unless specific goals are set and achievements recognised, the economically-healthy culture that we all desire will never come about

Increased productivity

How do we know that the restructuring will result in an increase in productivity?

In the first place, clear **objectives** must be set The supervisor himself must do this, with as little dictation as possible from his boss The incumbent must be allowed to enrich his new position to the full

After position analysis and job design, the incumbent must be given the opportunity of **evaluating** his own position This carries the implication, that, if management requires the supervisor to play such an important role, it must ensure that he sees himself as important enough to negotiate his worth to the organisation

Once he knows where he stands with the company and has his responsibilities clearly defined, the third logical step is regularly to bring him in touch with his colleagues who are going through the same experience **Group-get-together** sessions should be arranged, perhaps once a month, so that problems and experiences can be discussed informally The personnel man, who must ensure that these meetings take place regularly, should avoid chairing them himself, and should not push his own thoughts to the extent where natural unravelling of ideas from the line man is stifled The line managers must, of course, be encouraged to get together more informally, yet clans with definite viewpoints must be discouraged

From these get togethers, natural teams will develop Their attitudes will reflect the 'new' culture that management had envisaged when it planned the change From the team discussions, specific obstacles will materialise, e g management's resistance to the pace at which the change takes place, irregular follow up by certain sections, etc These problems, however small, must be followed up and solved

Whatever method management introduces to ensure that the restructuring of positions has the effect of increasing productivity, I maintain that there is only one worthwhile way of making sure that this increase is kept up and improved, and that is by giving the **supervisor** that specific responsibility He is the person closest to the problem, he understands his men, he has contributed towards what is

About the author

Unlike the many academics who are today involved in the human sciences and particularly in the personnel function, Gert van Heerden started his career on the factory floor Initially involved in production at Cullinan Refractories, he progressed to the position of Production Planner and subsequently took on the responsibility for Departmental and Customer Relations

While studying for his Bachelor's degree at the University of Pretoria, he was given the responsibility for in-plant activities covering Non-White employees, where his principal duties were recruitment, selection, induction, training and development and salary administration

On receiving his degree, he was appointed to the position of African Affairs Manager, which extended his activities through the Cullinan Group Subsequently, as Manpower Development Manager, the maximum utilisation of the Group's manpower resources became his major task

After 18 years with the Cullinan Group, van Heerden joined the Tiger Oats Group of Companies, where he now holds the position of Group Personnel Manager In this article, adapted from his presentation at the IPM's 1975 national convention, 'The Training Challenge', he discusses supervisory involvement in job restructuring and productivity improvement



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by David Beattie of Reader's Digest.

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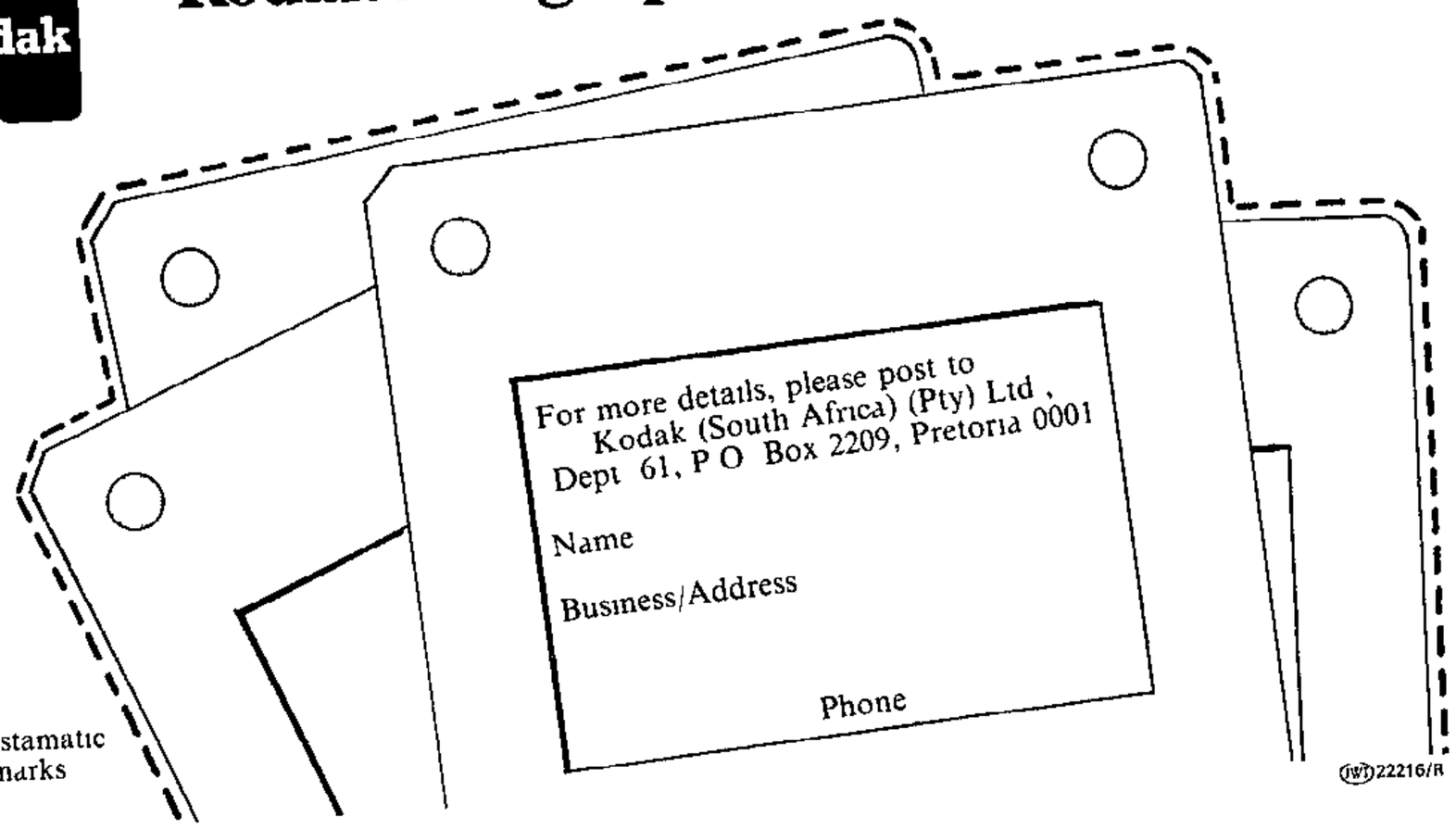

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happening and therefore he has the best means of ensuring that productivity will improve

It is inconceivable that the many statements on productivity improvement made by highly responsible business leaders represent only lip service to the ideal The men at the top are trying to get things done The problem is How do you get down the line the concept of productivity? At the top, we have the feeling that we need to do more in our organisation, while the people at factory production levels — the men who are actually doing the job — are complaining, **not** that they are over-stretched, or carrying too much responsibility Their general complaint is that they are **underutilised**

The role of the personnel manager

The role of the professional personnel expert in 1975 in South Africa has become so critical that it cannot be overemphasised First of all, it is important to realise that the personnel manager **can** and **must** only play the role of the personnel manager He **cannot** be effective if he tries, as so many do, because of their 'political' standing in the organisation, to 'assist' the line man to do his job

Many personnel managers believe that, because of their academic background, they should behave in the presence of their 'incompetent' supervisor, as the guide, the planner and worst of all, as the line manager The personnel specialist has a specific role to play in the organisation which must **never** be allowed to dominate the situation He can never take over the role of the line manager unless he makes his desire known to management and accepts a line position

His job is to assist the line men in the introduction of behavioural concepts and systems to maintain their new way of life But first of all, he must convert them to the new philosophy — if he cannot, it will be catastrophic To convince only the managing director in the business and then expect him to sell the philosophy to his subordinates, is disastrous The personnel manager may, by all means, convince the managing director **first**, but he must not abdicate his other responsibilities

Before the South African personnel manager can play any role in South Africa's changing work environment, he must, of course, himself accept this new philosophy We are dealing with a totally new way of life Personnel managers have never before been asked to assist in such a tremendous task And yet too many are still guilty of 'contaminating' the organisation with ideas that may have been highly practical many years ago, but are not applicable to the present economic situation

Many of us 'contaminated' our organisation when we introduced selection methods Of course, we appointed a psychologist, we introduced performance appraisal, we even ran classes for the proletariat, because we had management's approval But as long as these items have not become a tool in the hands of the **supervisor,** as long as we are unable to involve the 'culprits' who will continue to sabotage our efforts, as long as these tools remain personnel gimmicks, we will get nowhere

Of course, it is very easy for me to write like this What is the remedy? Roeber says

"The needs and demands of individual workers are changing, and the requirements of society are changing And as the rate of change increases, the effects are being felt (although hardly yet recognised for what they are), inside organisations whose managers have hitherto been able to ignore such factors Companies will have to learn to pay close attention to the directions of social change and to anticipate its effects, if they are not going to be overwhelmed by it as surely as companies have been overwhelmed by the more expected changes in their markets of technology in the past "

Action summary

Restructuring does not just happen — there are definite action steps to be followed

1 The restructuring of jobs has to be **planned**
2 Management **must** approve the plan
3 We need what I like to call **'gatekeepers'** — supervisors in the organisation who are ready to accept the responsibility that accompanies the new philosophy The selection of these men is the most important action in the total plan If they are not carefully chosen, the project will fold
4 The gatekeepers must **participate in the development of the plan.**
5 The next step is to involve every member of the staff concerned with the plan in attending **get togethers**, first in categories of seniority and later in mixed groups In this way, a process of unfreezing the attitudes of senior management is started If senior managment keeps a frozen attitude towards the concept of organisational restructuring, the gatekeeper is not going to achieve results In company get togethers where the same theme is repeated, the senior personnel who are against the change will soon show up and they can be converted by their colleagues
6 This period of orientation takes place over a long period of time and **no meaningful results can be expected within the first 18 months/2 years.**
7 The restructuring programme **must be goal oriented**, for this reason, it requires an effective gatekeeper(supervisor) Ineffective and undynamic people must stay out of the game because if the initial planning is not followed up by action, a second attempt will be met with serious opposition
8 The last step is to put the plan into action and **watch it very, very carefully**

If this plan folds up, the personnel manager should immediately take the blame I am not contradicting myself here Who do you think gets the blame if a play's production is poor? (Even though he does not get the praise if the play is a good one)

Notwithstanding the personnel manager's key role, it must be remembered that the supervisor is always the most important person in any organisation The supervisor and his Black colleagues are not only inseparable but they are the very people who make or break your organisation, control your cost and, indeed, decide whether you go up or down the survival ladder

Taking this into account, are we still prepared to leave African performance in the hands of the unskilled supervisor **— the person with very little knowledge about the staff side of his job,** with only a negative concept of leadership, who is anything but methodical in his day-to-day approach, who has little appreciation for safety, and very little sympathy for job relations? It is in this field that Black productivity and advancement succeeds or fails, and nobody is closer to the problem than the supervisor himself

Many views of African abilities and productivity have been expressed in the past, but two interesting questions can still be asked Firstly, can a Black be as productive as his (White) counterpart in Europe, and secondly, is it true that the productivity of the Black, or any other person for that matter, is determined by the productivity of his supervisor?

I am convinced that a Black can be as productive as his European counterpart, provided that the supervision he receives is of the same quality as that in Europe Why does Group A perform so much better than Group B? What is the difference? Is it a sense of security that makes them tick? Is it the nature of the work they are doing? In my experience, over and over again, the most important single factor is the person **in charge** of the group! The so-called problems of the Black, his productivity and his advancement are caused mainly by poor supervision Unfortunately, I believe that our supervisors are presently inferior to their counterparts in Europe or in the U S A

If this assumption is correct, is it not realistic to say that we are creating — on top of external uncontrollable rules and restrictions — problems of **greater magnitude** by allowing unskilled and untrained people to deal with the single most

(continued on page 28)

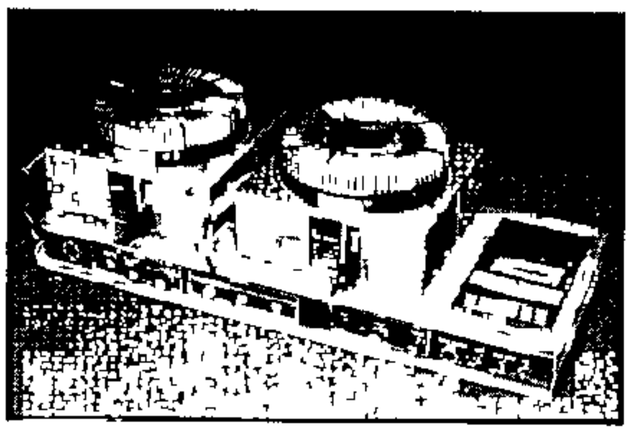
Newslines

AUDIO VISUAL EQUIPMENT

Audio visual presentation unit

A streamlined and portable audio-visual package is being marketed in this country by Tim Atkinson Sound Services

The Electrosonic Model ES3601 Presentation Unit uses synchronised slides and tape to present training, promotional and other programmes prepared to meet individual needs



An inaudable pulse on a compact cassette tape drives two slide projectors in sequence, thus eliminating the distracting 'black spot' between individual slides Instead, slow or fast 'dissolves' between one slide and another, lead the viewer through the programme in a logical and smooth manner

The operation of the system is simple There are no complicated wires or controls, the operator simply has to plug in the projectors, start the built in cassette recorder, and the show runs automatically

A main feature of the system is it compactability Everything needed packs into two easily-handled suitcases The lid of one is the loudspeaker There is nothing else to carry and nothing else to buy The price of the complete package is R2 185,86

The distributors provide a complete back-up service through country-wide audio visual centres which cater for equipment, servicing and programme production

Attaché-case Super 8 sound projector

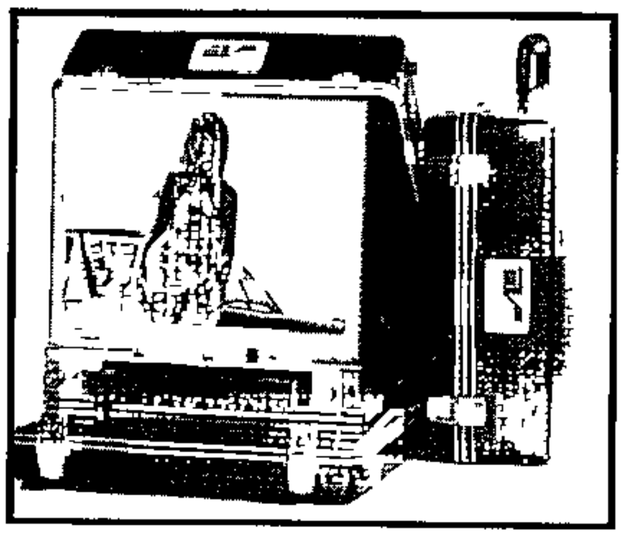
Fairchild Audiovisual Equipment offers its 70-07 business machine as the projector for the man on the go Designed to look like an attaché-case, it weighs only 17 lbs and fits under an aeroplane seat

The 70-07 combines the convenience of being easily portable with the versatility of converting from rear screen to front projection within a few seconds This makes it ideal for small groups or large audiences Its large rear screen of 8¼" x 11¼" gives clear daylight vision

All films are cassette-loaded, thus avoiding the inconvenience of threading and rewinding associated with reel-to-reel systems, and virtually eliminating the problems of breakages and jumping

The cassette is carried in place ready to show, and the unit itself can be set up in seconds Simple accessible front controls make it easy to operate, and special purpose modifications, such as freeze-frame action,are available

This compact Super 8 sound projector is ideally suited to training and educational programmes, public relations, advertising and point of sale The sole distributors in this country are Audiovisual South Africa (Pty) Ltd



Sound movie cameras

Kodak has introduced two new amateur movie cameras containing a sophisticated sound recording system accompanied by two types of mag netic pre-striped film, which enables moviemakers to record sound and movement simultaneously

Exact synchronisation, particularly when people talk, has always been a problem for the amateur as he has had to record the sound separately and then add it to the film With the new Kodak Ektasound 130 and 140 movie cameras, however, he has a single compact unit which records sound on film as he takes his pictures

The sound recording system in both Ektasound cameras includes an amplifier with automatic gain control This allows the cameras to adjust automatically for existing sound, in much the same way as they adjust for existing light

Recommended retail prices are Ektasound 130 camera, R228, Ektasound 140 camera with zoom lens, R339 Kodak Ektachrome 160 sound film is R5,60 (mailer R1,60) and Kodachrome II sound film is R5,95 (processing included) The movie-making case should retail for R30 and 15m of sound film leader costs R2,90

TWO-WAY RADIOS

Solid state two-way radio

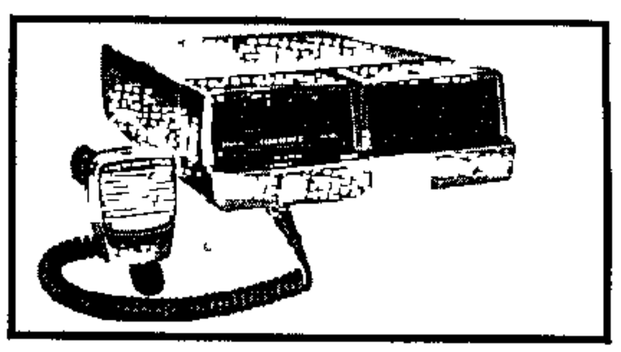
A rugged, medium-price, solid state two way radio is now being marketed in Southern Africa by the Communications Division of Multisource (Pty) Ltd

Known as the Transcom II, this mobile two-way radio is the latest in compact FM design in the professional two-way field

Standard features include Johnson-backed solid state circuitry, and a front-mounted acoustically correct speaker chamber This gives considerable clarity and has enough power to be heard even over the noise of off-road vehicles The unit has a sensitive receiver that receives messages on the prescribed channel only Its compact toughness and efficiency make the Transcom II useful to companies that wish to communicate with particular vehicles in their fleet — on the site or on the road

The price of the Transcom II varies from R850 to R950, depending on its frequency band

Multisource — a company affiliated to the country's largest Common Carrier network — Radio Paging (Pty) Ltd , provides a full back-up service from all main centres for these new units



COMPANY KEY MAN

(continued from page 11)

costly item in our business?

We must face one important fact — Black labour is relatively plentiful, but the employment of 'quality labour' depends entirely on the skill of the company in selecting and developing its people Properly-selected Black labour can be only as good as the supervisor in charge of it — **he** is the man who can either retard or promote the development of the Black □

Management

Star 29/10/75.

'Drop job curbs'

Staff Reporter

BLOEMFONTEIN — South Africa would face grave trouble in its labour force unless the White officials and supervisors who dealt with Blacks were carefully selected and competent people, a personnel expert warned here today.

Mr J D van Heerden, group personnel manager for a large South African firm, addressed this warning to about 200 senior Bantu Administration officials from all over Southern Africa

At the same time he called for a dropping of all job reservation

"It is alarming to notice we are still prepared to leave Bantu performance in the hands of the unskilled, a person who was unable to make the grade in any other walk of life," Mr van Heerden told the annual conference of the Institute of Administrators of Non-European Affairs

"The utilisation of Bantu labour depends to a large extent on the first impressions the Bantu has of the White man

"In this context the officials behind counters (ie in Bantu Administration Boards and Bantu Affairs Commissioners' offices) are not only responsible for these first impressions but they are also responsible for maintaining the Whites' attitudes towards Bantu for as long as the Bantu is working in that area."

PROJECTED

Mr Van Heerden added that the many hours and millions of rand spent promoting relationships between Whites and Blacks will mean very little unless the 1-million Whites in daily contact with 5,6-million Blacks at work level have the correct approach.

"The White image, what the White thinks and aspires to is projected not through the mass media but by those officials working in Bantu Administration departments and to supervisors in charge of manufacturing or commercial activities," he continued.

"If they elect to use Bantu as machines with operating buttons or if they regard them as a mere tool for convenience there will be problems throughout the country which will have far reaching effects on the total labour scene."

He was certain that all job opportunities should be opened up to Blacks.

"I would like to see the Bantu share the responsibility of making this country more economically viable than it is at present.

"It is important that effective channels of communication be set up to decrease the opportunities for misunderstanding between Bantu and Whites," he said.

Urgent need for personnel men

Sunday Times (B.T.) 26/10/75 (Management)

A RECENT COUNT disclosed a shortage of 8 000 personnel officers in Southern Africa. Membership of the Institute of Personnel Management is about 2 000, and the estimated need is for 10 000.

Wits Graduate School of Business Administration hopes to alleviate the shortage with its higher diploma in personnel management, which was launched at the beginning of this year.

The need for professionalism in this field is growing rapidly — it is now becoming acute — and the field will offer increasing opportunities for suitably-trained people

Next month, the Graduate School of Business Administration will be releasing its first batch of 38 higher diploma graduands in personnel management.

The one-year, full-time course uses diverse teaching methods

Students are given basic training in management accounting, marketing management, financial management, economic and legal environment and other general management disciplines. They are given a thorough grounding in organisational behaviour; industrial relations and personnel management.

Use more Blacks — expert

Star 19/11/75

& management

Labour Reporter

An expert on Black labour has called for better utilisation of Black supervisors as an answer to many labour problems.

"Good industrial relations are practised on the job—not in the committee room," said Mr R K Hanafey, head of the Black labour unit of the Steel and Engineering Industries Federation.

He spoke to the Institute of Supervisory Management at an airport hotel near Johannesburg last night.

The task of forging good industrial relations appeared almost overwhelming, considering the different living conditions of Black society and the language barrier, he said.

PROBLEMS

The language and culture problems would be minimised through Black supervisors. Such a move would also identify the Black supervisor as a member of the management team, thus presenting an image of integrated management - employee interests.

Mr Hanafey emphasised the selection and training of Black supervisors. The tragedy was that many lacked leadership and supervisory ability as a result of faulty promotion from the ranks.

Failure of industrial relations was attributable mainly to bad communication and poor human relations, Mr Hanafey said. He stressed the importance of supervisory management in this regard.

Blacks and Whites in efficiency agency

Sun Times (BT) 2/4/73

PROBABLY the first management consultancy in South Africa to specialise in efficiency, productivity and assimilation of problems in areas of commerce and industry where Blacks and Whites work together has opened in Cape Town.

Vic Maharaj, managing director of V. Maharaj Associates, says the anti-inflation manifesto demands improved productivity from all population groups.

"The manifesto raises the question that if Blacks are to receive more skilled training, does the environment provide for their entry into the economy?" says Mr Maharaj, an MBA graduate of the University of Cape Town.

"At the moment it doesn't, and this is where we come in. We are working on an interface to create change. . which will satisfy the aspiration levels of Blacks, on the one hand, and rationalise this change for Whites on the other."

The sharp cultural differences in South Africa's multi-racial work force make the task of forging good labour relations extremely difficult. It is not possible to overcome these difficulties in a few short years. This is a long term task. But, in the words of Reginald Hanafey, head of the Bantu Labour Unit of the Steel and Engineering Industries Federation of South Africa, "Management must take stock of the position in order to identify what can be done in the short and medium terms and start immediate training in the areas that demand special attention, such as joint consultation and communication. Supervisory management in particular must be given training in these areas."

Labour Relations

Management

-the responsibility of Management

Hanafey recently told the South African Institute of Supervisory Management that the supervisor plays a critical role because, "he is the interface between top management and the work force For this reason, it is important to view the supervisor s role from two angles — as the higher levels of management see it and as his working group sees it

"The supervisor has the responsibility of carrying out senior management's policies procedures and directives He has to get things done through the employees in his charge At the same time, his subordinates see him as the part of the management team that really counts Their productivity, efficiency and attitude to the organisation depends on his own competence as a manager In order to achieve this competence, it is **not enough** for him to have basic job knowledge and qualifications, and an understanding of the tasks assigned him and the objectives of his own department "

According to Hanafey, a supervisor should **also know** how his company is structured, what its overall policies and procedures are, the functions of other departments what communication systems are in operation, the provisions of basic industrial legislation applicable in his field of operation and the contribution which his own department makes to the organisation as a whole He must understand his own place in the organisation structure and the position he occupies in the chain of command what responsibilities and authority he has and to whom he is accountable A good supervisor will have the qualities of leadership inherent in achieving company objectives on the one hand and building a team and developing individuals on the other Good human relations, as a means of getting things done through people, play a vital role in his job

In the last thirty years, industry and commerce have been hard pressed to meet the demands for trained manpower in the skilled and semi-skilled categories and the Black man has begun to emerge as a candidate for higher categories of work This has brought about a closer relationship between more and more Blacks and shopfloor management "But," says Hanafey, "it is doubtful whether this area of management has been able to match its growing responsibilities in the field of industrial relations with a corresponding increase in its knowledge and understanding of the Black worker

'Not only are there cultural differences between the races, but the Black society itself cannot be classified as one homogeneous cultural group Within their ranks strong tribal affiliations still remain Add to this the language barrier in all its complexity, and the laws controlling the movement and employment of Black workers, and the need to establish good industrial relations becomes even more critical "

Joint consultation

Communication is a key factor in industrial relations Joint consultation between management and worker representatives aims to bring about mutual understanding and satisfaction in respect of management's policies and directives and their impact on employees Through trade union membership White, Coloured and Asian workers have an established platform for consultation and negotiation with employer interests on a national or regional basis in industries operating under the industrial council system Alternative provisions have been made for consultation between Black workers and employers through the Bantu Labour Relations Regulation Amendment Act No 70 of 1973 and its proposed amendments

The **whole** of the management team needs a greater knowledge and appreciation of this and other legislation concerning the Black worker — both within the company and outside Particular attention should be paid to the legislation which controls the Black man's movements, residence, employment and social benefits Employers' organisations can give considerable information on this and government departments and agencies can also be of assistance

Once the necessary information has been passed on to supervisory and other levels of management, it is management's responsibility to keep abreast of legislative change and update the rest of its management team This will ensure

that the supervisor is able to fulfil his role effectively

The Bantu Labour Relations Regulation Amendment Act is, of course, a key factor in the field of management and Black employee relations But, says Hanafey, "The Act will not do the job for you Management should on its own initiative gear itself to the requirements of the Act and organise and train its people accordingly"

Provision has been made in the Act for joint consultation between Black workers and employers through the operation of liaison and works committees Liaison committees are established jointly by an employer and his Black employees while a works committee may be established solely on the initiative of the Black employees and can meet without the participation of any employer interests

Matters discussed by the committees generally affect the needs of the work force as a whole on the one hand and the requirements of management on the other

Perhaps the most vital factors in ensuring that the committee system works properly are

- proper establishment of committees
- training of management, workers and, in particular, committee members in industrial relations and the part that the committee system can play in promoting good management/employee relations.

"It is top management's responsibility to ensure that these factors receive close attention on an ongoing basis, says Hanafey

Where the committee system is not used effectively, relations between employer and employee will deteriorate The quality of work will drop and there will be low productivity In addition, discipline will be poor, there will be low morale, increased absenteeism, poor time keeping, high labour turnover and less loyalty If this happens, the liaison committee's purpose and function will be discredited along with management's integrity and there will be little chance of re-establishing it along the right lines Workers will then opt for the establishment of their own works committee and the opportunity for harmonious and democratic dialogue at plant level will be lost (See box for case studies of problems arising from the ineffective use of the committee system)

The liaison committee is a good platform for employee/employer dialogue provided that its establishment has common acclaim, its constitution is objective, its members are trained to play their role effectively and the spoken word is clearly understood by all who attend meetings However, according to Hanafey, "Many committees preoccupy themselves with matters of a trivial nature, mainly because of an inappropriate constitution, the lack of training of both management and workers and the language problem There is a great need for the Black man's language to be used at meetings and this calls for an **effective** interpreter There have been many cases of labour unrest when, after analysis, it was found that although management dutifully communicated certain facts to its Black workers through an interpreter, they understood something quite different from what management had intended to convey"

In order to bring about a greater understanding of matters discussed among Black committee members they must receive instruction in company structure, business acumen, industrial legislation as it affects the Black worker committee procedure and the different roles of line and committee communication

Hanafey reports that, "In companies who have embarked upon such training, the results are most gratifying It is noticable that, in cases where requests cannot be met the situation has been acceptable because the parties have been able to appreciate the logic of the decision It's the old story – keep people in the dark and your motives and actions will not gain the acceptance they may deserve The goal should be the attainment of mutual confidence and this can only be achieved through an enlightened approach"

Line communication

Line communication is intended to flow up and down the chain of command for the purpose of getting the job done in a disciplined and predictable way on a day to-day basis It depends for its effectiveness on sound structuring of the organisation and clear cut policy and procedure statements

No matter how good the network of communication appears to be on the surface, many weak points will be highlighted through a faulty organisational structure that results in an illogical chain of command or through lack of understanding by the work force of the procedure and purpose of line communication Ineffective shopfloor management is responsible for many problems because of the language barrier, poor literacy, lack of understanding of cultural differences or faulty human relations

Hanafey stresses "There are many pitfalls to good line communication The way to avoid these is by good management selection and training So often the supervisor is promoted merely because he is a good operator and without any regard to his eligibility for management or his preparation for it A 'rule of thumb' approach and the consequent inefficiencies and confrontations that will follow is to be expected from those who are placed in this position Senior management needs to remind itself constantly of the duty it has of developing its supervisory management effectively instead of throwing it into the 'deep end' and hoping with [illegible]

Training

Training in industrial relations must start at the induction stage In Hanafey's words "Management must ensure that the content of induction training programmes includes those aspects of industrial relations which are relevant to the responsibilities of different job levels

"In the case of supervisory management, a sound knowledge of applicable industrial legislation is a prerequisite The supervisor must also have an understanding of the cultural differences of the various race groups in addition to the necessary job knowledge, company knowledge and leadership ability"

The supervisor usually finds little difficulty in identifying problem areas concerned with physical production These factors are tangible and observable, and he focuses most of his attention on this area of responsibility The intangibles which include human relations worker motivation and development, generally receive far less attention Hanafey says, "This condition persists to a certain degree even in the case of well-selected and trained supervisors, particularly in respect of the management of Black workers, owing to the lack of emphasis placed on industrial relations in many training programmes

"Good industrial relations must be practised on the job — not only in the committee room When a consultative committee is preoccupied with petty complaints from the shopfloor, it is a sure sign that industrial relations on the job are poor If this pattern continues, it is also a sign that management is ineffective in taking corrective action"

Induction training programmes for the new Black employee should not merely include such basic necessities as telling him what the pay arrangements are and how the canteen facilities apply They should also include

- total in company orientation in respect of organisation and communication systems rules and regulations, fringe benefit schemes
- orientation of the worker in the business environment
- orientation of the worker in the social environment, particularly in respect of Black migrant workers while they are temporary residents in the urban areas
- giving workers a basic understanding of legislative procedures applicable to them
- instruction in cultural awareness in respect of all race groups

"Without proper induction and orientation, the workers will often misinterpret the motives of management and conflict will result There is no substitute for controlled, disciplined and objective training if good employee/employer relations are to be generated," states Hanafey

The induction training of the other race groups should be structured along similar lines In the case of induction train-

Committee Case Studies

Employee unrest often results from deteriorating industrial relations caused by a 'blocked' committee system
According to Seifsa's Reginald Hanafey, the reasons for failure fall into two main areas bad communication and poor human relations

Case 1

Liaison committee meetings had become routine and mundane The level of participation of elected Black representatives was very low A request was made for consultation to identify in what way the function of the committee could be improved Some of the Black members made the following statement

"A certain manager is always in the chair at our meetings He is not a particularly senior manager but he chairs the meetings in a bureaucratic way by stifling discussion and ruling certain suggestions and complaints as out of order As a result, matters we are asked to raise by the work force are not even discussed and the workers are losing confidence in us We are being accused by our colleagues of being a bunch of company stooges

It is evident that a high degree of frustration existed among the Blacks concerned As senior management had stood aloof from the business of the committee the Blacks regarded the system merely as a mechanism for neutralising their representations Senior management could have avoided the situation if a chairman with the right type of experience and capabilities had been appointed in the first place and the committee system had been backed by the effective training of all concerned

Some weakness in the company's line communication was also exposed because certain matters which were being blocked at committee level, on the grounds that they should be dealt with by the line supervisors concerned, were not receiving attention in this quarter either

Correcting the problems involved restructuring the company's communication and industrial relations training programmes

Case 2

In assessing the reasons why elected members of a certain liaison committee 'seemed to have lost interest', even though they were encouraged at meetings to raise matters for discussion and also to ask for special meetings to be called, the following statement was made by Black members

"We are often accused by our supervisors of wasting production time by attending meetings which in their opinion serve no good purpose We are branded as trouble makers if we persist in our efforts to represent matters on behalf of our people and victimisation often results '

Legislation provides for the protection of committee members against victimisation But if members are victimised, this can be disguised and is sometimes not easy to prove Consequently Blacks feel that it is not worth pressing for recognition These circumstances have, on occasion, been responsible for illegal strike action

Supervisory management must see the committee system as a necessary contribution to the preservation of good industrial relations on the shopfloor and thus as a help to the company's operations and not a hindrance Proper training and development of the supervisor in the field of industrial relations would ensure his co operation

Top management has the continuing responsibility of ensuring that its managers supervisors and employees all understand the communication function and in particular, the purpose and function of committees

Case 3

The following statement was made by an elected member of a lisison committee

Although the conditions of service for Black workers in my company are good the chairman of our committee disregards discussion on our living conditions in the township and the poor bus and other services New migrant workers particularly are disillusioned as these inadequacies and difficulties are not mentioned at the time of their recruitment Although we have tried to make the point, the chairman fails to understand that these matters vitally affect the company s work situation and result in poor time keeping absenteeism and low productivity '

After further discussion it was found that the complaint was mainly in respect of abnormal working hours such as overtime and shift work The transport system was inadequate and Blacks feared for their safety in making their way to the hostel which was located more than a mile from the bus terminus Their only recourse was to hire taxis at very high after hour tariffs

The supervisor is frequently more aware of these problems than senior management and he should make every effort to help resolve them by seeing that they receive attention in the right quarter He should refer the matter to the personnel officer or manager concerned and keep track of what action is being taken At the same time he must keep the Black supervisor in the picture In these circumstances, the matter need not have been referred to the liaison committee but if it were the supervisor's interest and efforts would have been recorded

Case 4

Another typical statement heard from an elected liaison committee member

"As elected members on the committee we do not have an effective means of reporting back to those we represent We are not allowed to do this during working hours To do it effectively outside the company, or outside working hours, is impractical Feedback to and from the work force is consequently not good and the committee's image, and the part we play, suffers"

This is a very real problem Most companies who have recognised it arrange for regular meetings between the elected committee members, senior Black supervisors, the White supervisor and a few nominees from the workers for each department, on specified days during working hours Communication then flows both ways If there is nothing to report or discuss the meeting adjourns immediately One advantage of this system of joint consultation is that it makes line supervisors a part of the liaison function At the same time, it gives them the opportunity to filter out matters which fall strictly within the scope of line authority Where this happens, care must be taken to record the matter that has been raised and give it the necessary attention This process of consultation serves to strengthen the communication system in an organisation by directing questions, requests and complaints through the correct channel, and more important, it enhances management's image

ing for the more senior levels of personnel the programme should be in a great deal more depth

Post induction training should re-emphasise appropriate aspects of industrial and human relations which were outlined at the induction stage Changes in operating conditions should also be communicated at this stage

Black supervisors

A great deal can be achieved by supervisors in promoting good relations among their Black work force, even without specialist training, by working effectively through **Black supervisors** who have leadership and supervisory ability According to Hanafey, many Blacks occupying these positions in the manufacturing industry lack these qualities by virtue of faulty promotion from the ranks 'In many instances of labour unrest when their authority is put to the test they are found wanting' he says 'They are often viewed by their subordinates as the puppets of White management who have been put there merely as an unnecessary extension of the communication function Whenever there is something important to say or someone has to be reprimanded or sacked the White supervisors deal with the situation themselves'

"The answer to a great many of our problems in the field of industrial relations lies in the effective use of the Black supervisor Consider the advantages of the effective management of Blacks by **properly selected and trained** Black supervisors The problems of language and cultural appreciation would be minimised The Black supervisor would be identified as an essential member of the company's management team and this would present an image of integrated management/employee interests surely a sound basis for good relations

"I appeal to all White supervisors to make better use of Black supervisors Delegate more responsibility to them, and, where good supervisory ability is confirmed raise their level of authority accordingly Encourage regular consultation with them by arranging regular meetings rather than relying on spasmodic contact only when problems arise Brief your Black supervisors accurately when you have something important to communicate and take care that your brief is clearly understood Monitor the resulting action to assess the effectiveness of the communication process Don't directly countermand the instructions they have given the work force, except of course in a real emergency Get the Black supervisors to countermand their own instructions Steer questions, requests and complaints from the workers through their own supervisors and see to it that the replies are channelled back through them Encourage Black supervisors to get into the habit of communicating instructions to their whole team whenever possible and not to a chosen few thereafter relying on the efficiency of the grapevine'

'These points offer a remedy that you, the manager, have the **power** to apply provided that you have the **will** and the **conviction** to do so The time for action is **now!**

According to Hanafey top management has the responsibility and the power to expose pitfalls in the field of industrial relations and to provide sound company organisation, administration and control He says, "It requires commitment to ensure that good industrial relations within the organisation is promoted and maintained The process of good management in the training, development and motivation of the employees is, of course, costly But how much greater is the cost of low productivity, labour turnover absenteeism and lost time through labour unrest which could result from poor industrial relations?

Companies invest a great deal of money in the physical maintenance of plant and equipment Why not invest an equal amount in the maintenance of the work force to ensure the efficiency of its labour input?

"If management demonstrates the ability to maintain objective and meaningful dialogue with its workers, it can have confidence in the fact that a broad base has been established for maintaining good industrial relations This, in itself, is a worthwhile investment for the future' □

(1) Management
(2) Educ Unisa

Blacks get personnel course at Unisa

2/4/76 RDM

Staff Reporter

THE UNIVERSITY of South Africa (Unisa) is to introduce a personnel management programme for Black personnel officers from the end of the month, the director of the School of Business Leadership at Unisa, Professor G Marais, said yesterday

The one-year part-time programme is the first of its kind offered by a South African business school, said Prof Marais

"We regard the development of personnel officers as extremely important in the promotion of productivity and industrial relations in South Africa today," Prof Marais said

The school has two lecturers, Mr B L Mokoatle and Mr W Motsepe

"I have full confidence that this new programme will be of interest and of value to managers concerned with the development of their firms' overall personnel function" Prof Marais said

A brochure on the programme says junior and senior management positions in various sectors of the South African economy were the "exclusive enclave" of White management but says there is today a growing demand for the training and inclusion of Blacks in various levels of management

Till now, the brochure claims, training of Black personnel officers was relatively limited Training given was inadequate, superficial or sporadic

STAR 21/7/77

Blacks to discuss ban with Botha

Black businessmen are expected to make a stand against the ban on black managers in businesses in white areas when they meet the Minister of Bantu Administration, Mr M C Botha, next month

Mr Simon Kutumela, a leading member of the National African Federated Chamber of Commerce (Nafcoc), said today he expected the issue to be raised when his organisation met Mr Botha

He deplored the announcement this week that the ban on black managers in white areas would remain

"It just does not make sense," he said "It is a retrogressive step. What is said by our Minister of Foreign Affairs overseas seems to differ from what is said here by the Minister of Bantu Administration"

Blacks were being prevented from fully taking part in the economy in white areas, yet white businessmen could take advantage of markets in black areas by opening border industries, he said

A labour leader today called for Group Areas Act rulings against black managers and executives to be included in the terms of reference of the commission of inquiry appointed to review "all labour legislation"

Mr Ronnie Webb, secretary of the Motor Industry Combined Workers, Union, and senior vice-president of Tucsa, said it was imperative that all legislation with a bearing on employment should be investigated by the commission.

He described the Group Areas Act ruling against black managers and executives in white areas as "the most superfluous of all job reservation legislation"

The mouthpiece of the National Party, Die Transvaler, criticised the Botha decision today — and even urged a much wider review of policy towards urban blacks.

● Botha black ban angers trade and industry. — Page 21.

GOVERNMENT IS HEADING FOR SERIOUS CONTROVERSY

STAR 21/7/77

Botha black ban angers trade and industry

Tom Duff

The State may be heading for one of its most serious controversies involving a pressure group bent on changing an important aspect of Government policy The issue at stake is the rights of blacks employed in businesses in white areas. The pressure group involved is commerce and industry

Businessmen have voiced concern over the announcement this week by the Minister of Bantu Administration, Mr M C Botha, that a ban will remain on black managers working in white areas.

There are powerful opposing forces at work On the one hand there is the long-stated Government attitude of limiting opportunities to blacks in white areas, insisting that only in homeland areas can they have unlimited opportunities Coupled with this the impression is that the National Party does not want to be seen making changes — especially those which may seem fundamental to its followers And after all allowing black executives to have jurisdiction over white workers is an emotive issue

PHILOSOPHY

On the other hand there is a philosophy which has been gaining support in commerce and industry, especially since the violent unrest of last year English and Afrikaans businessmen have stressed the importance of making urban blacks supporters of the capitalist system An obvious prerequisite for this is that blacks should have equal employment opportunities in urban areas

It was in this spirit that they established the Urban Foundation, now paying much needed attention to the problems of urban blacks

PERMITS

Now the Government has given a flat no to something which is needed to draw blacks into greater participation in the capitalist system Many businessmen — as well as a big section of the Afrikaans Press — are concerned

"Nobody expected the Government to change the law (the Group Areas Act) which prohibits blacks from becoming managers in white areas," says a lawyer who has made a study of this legislation

He points out that all the Government had to do was to grant permits to employers, allowing them to appoint blacks as executives Changes could then have been ushered in quietly, with a minimum of fuss

But, he says, very seldom has the Government issued such permits Only when it is absolutely impossible to find a white for a particular post will the authorities allow the appointment of a black. As a result, the few permits which have been granted have been for jobs in rural areas where whites are reluctant to work

Commenting on Mr Botha's reiteration of the ban, he says "This seems to pour cold water on hopes that the Government is moving away from discrimination It also makes nonsense of the hopes behind the Urban Foundation"

Commerce and industry is saying the same kind of thing, but in much less forceful terms Plans are being made to make representations to the Government

This is asituatio nriddled with anomalies some experts say that although it is not possible to appoint a black as a shop manager, it is theoretically possible to appoint a black as a regional manager, providing certain conditions are met. They say it is also possible to get around the law by appointing a black a manager, but calling him an assistant manager

The greatest irony is that there are many blacks who already hold management positions illegally — hundreds in the Johannesburg area alone, according to one estimate Their employers have simply not applied for permits, knowing that their applications will be refused.

EXPLOSIVE

Employers need these black executives. A spokesman for a company which was recently refused permission to have black managers in its 80 black-custom stores said "It is critical to our business that we have black managers"

The stage is now set for some interesting negotiations between the Government and commerce and industry

The issue is potentially explosive but, so far businessmen seem to be choosing their words carefully to avoid an open clash What could complicate the issue, however, could be stepped-up enforcement of the Group Areas Act by Government inspectors.

3. Racial Prejudice

Telephone Conversation

The price seemed reasonable, location
Indifferent The l
Off premises No
But self-confess
'I hate a wasted
Silence. Silence
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Cigarette-holder
'HOW DARK?'.
I IGHT
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Of rancid breath
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Hard on the mouth

4. The Voice o

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Enough, gentlemen. C

'DON'T KNOW WHAT THAT IS.' 'Like brunette.'
ISN'T IT?' 'Not altogether.
unette, but madam, you should see
'alm of my hand, soles of my feet
onde. Friction, caused –
– by sitting down, has turned
black – One moment madam!' – sensing
ig on the thunderclap
'Madam,' I pleaded, 'wouldn't you

OYINKA (NIGERIA)

Blacks in 'illegal' charge of whites

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What could be answer to training problems

(172)

EAST LONDON — Messrs Wayne Munro (Johnson & Johnson), and Peter Mackie (BEB) felt there was a need for a programme for the overall development of management in the East London area, so they have come up with a plan to develop the practical aspects of management in the area on a self-help basis

And if local businessmen take an active part, opportunities not previously available in East London and the surrounding area will be there for the taking

The objectives of the plan are

1 to provide an awareness of what is needed by the individual and by businesses for better management performance

This will be available through a one-day seminar to be conducted by Prof Andre van der Merwe, of Stellenbosch University's Graduate School of Business Anyone who has attended one of his seminars or courses will know that he is one of South Africa's most stimulating and practical leaders in the field of business management

2 to decide on objectives, content and frequency of future courses for the development of fields of knowledge

These will be arrived at after Prof Van der Merwe's seminar, and with his advice and assistance It is envisaged that these will be held regularly over a period of time, and it is expected that they will develop in more detail all the fields of knowledge managers need for good business performance

In addition to the seminars and courses, the sponsors feel there is a benefit to be obtained from managers' association with one another in fields of common interest

The programme is aimed at ALL business managers and executives who have a desire to improve their own, and so their firms' performances, particularly those in small businesses who have not had much exposure to the formal techniques of management, but who are, themselves, practical managers.

The first seminar will be held in East London tomorrow attended by 40 invited delegates. It is expected that consensus will be reached at the end of the day on the need for, and the form of future programmes, and businessmen will be kept informed of developments

— BUSINESS EDITOR

SUNDAY TIMES, Busines

Powerful few ru

RULES IN THE BOARDROOM

A United States Senate boardroom power in bi CREAMER examines the

BOARDROOM power in South Africa lies in the hands of a select few — and it is likely to stay that way for some time, despite being potentially unhealthy and open to abuse.

This is so, according to academics and mercantile lawyers, because interlocking directorships are, by and large, a by-product of South Africa's highly concentrated economy, which is dominated by a handful of big groups.

Direct interlocking occurs when two companies have a common director, and indirect interlocking when two companies each have a director on the board of a third company And in South Africa both forms can be found in scores of boardrooms

A recent study showed that 43 men share the 180 boardroom seats in 45 of the country's largest JSE-listed companies and 10 of its biggest banks and insurance companies

These 43 men have in their hands enormous economic and financial power, with a say in directing some R17-billion industrial and mining assets and about R19-billion bank and insurance money

In the United States a Senate committee has recommended that interlocking directorships of all companies with assets of more than a billion dollars be prohibited

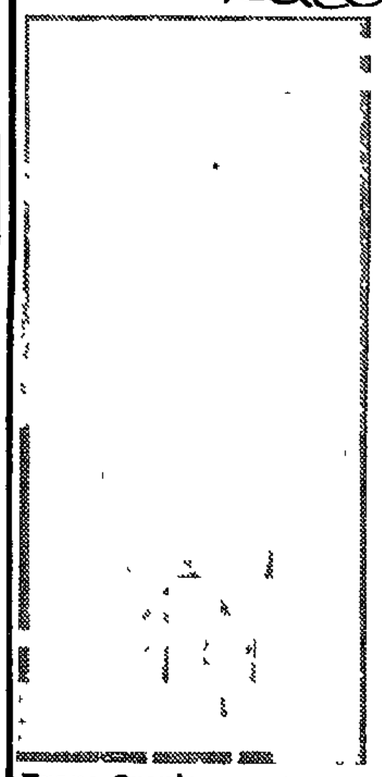
The Senate committee's study found an extraordinary pattern of concentration among directorships of America's 130 largest corporations

Most South African business academics are resigned, however, to the fact that South Africa is going to have to live with its cross-directorship patterns for some time

Few foresee recommendations from government similar to those in the United States Some fear that it could be risky to the economy to attempt suddenly to change the present set up

Unisa's Professor Georg Marais said "The maze of interlocking directorships is potentially unhealthy, but the problem is that you have head office men from big groups on the boards of dozens of smaller companies in which the group has an interest

"This can obviously have



Frans Cronje . . . competition not restricted.

Times, August 6, 1978.

172

le the boardrooms

[illegible] has recommended steps to curtail [illegible] corporations this week, MARTIN [illegible] interlocking directorships in South Africa.

egative effects and can lace restrictions on on free competition But on the whole many of the country's op directors cherish their reputations and would carefully avoid stepping out of line"

Professor John Simpson of UCT's Graduate School of Business said "The many instances of interlocking directorships is the result of the concentration of economic power in South Africa Although the situation is open to abuse, I have found that the country's directors are quick to recuse themselves at the slightest hint of a conflict of interests arising"

The interlocking directorships had one advantage in that it gave an opportunity for individual directors to acquire a great deal of expertise which made them very useful he said

Wits business economist Roger Gidlow said "There is an obvious danger that the interests of different companies may clash with decisions by one not being in the interests of another"

But Dr Frans Cronje, who sits on the boards of several listed companies, and is chairman of the vast Nedsual and SA Breweries groups, did not believe that interlocking directorships were necessarily unhealthy

"In my experience it has not led to competition being restricted in any way And if it did, the Government could reintroduce overseas competition by lifting tariff protection," he said

To break the phenomenon of interlocking directorships in South Afica, one would first have to dilute the high concentration of economic power in South Africa, centred largely on groups like Anglo, Old Mutual and Sanlam, academics felt

A recent study showed close interlinking, particularly, between SA industry and the SA banking and financial institutions The 43 directors examined sat on the boards of lenders the one moment and on the boards of borrowers the next

A top mercantile lawyer believes the Maintenance and Promotion of Competitions Bill, now in the legislative pipeline, could open the way for investigations into interlocking directorship situations

But the Bill as it stands would merely have enabling rather than prohibition powers

The Bill's proposed Competitions Board would enable probes to be undertaken into restrictive practices under which interlocking directorships, in his opinion, could fall

"But the US approach is rather different from ours With our small economy we have to be extremely careful whereas they can afford to make mistakes," he said

The US Senate committee recommended, too, that some corporate board meetings be open to the public and called for the Anti-Trust Act to be amended to prohibit all types of interlocking directorships between potential competitors and between a company and its customers, suppliers and sources of credit and capital

The study found that the patterns of director interrelations implied an overwhelming potential for anti-trust abuse and possible abuse that could affect prices, supply and competition, and have an impact on the shape and direction of the US economy



Georg Marais ... "potentially unhealthy."

Bad m…
Depth of ignora… among some c… bosses is shatt…

By JOHN SPIRA

THE ASSETS of estates sequestrated and companies liquidated in South Africa during the past three years had a value of more than R450-million. This is the guesstimate advanced by Clive Lansdown, managing director of Syfrets Trustees.

If, says Mr Lansdown, the figure of R450-million is related to the small dividend which is paid out to concurrent creditors, it is evident that "the amount written off as bad debts during this period must be astronomical"

He feels strongly that the major reason for the high rate of business failures is bad management

According to Mr Lansdown, the managers of companies which have landed up in financial difficulties will always find a multitude of reasons and excuses as to why the company got into the difficulties it did.

Bad luck

They included bad luck, economic conditions; political problems, fuel shortages, ill health, creditors, and particularly banks being difficult

"The reasons go on and on, but I have yet to hear any manager admitting what is usually the true cause of his company's demise — that the company was badly managed," said Mr Lansdown

It is specifically through lack of cash flow management that most companies get into hot water

"Practical experience has made it very clear how important it is to properly manage a company's cash flow, particularly when economic conditions are tough," added Mr Lansdown

"Over the past few years we have been faced with a spate of large, often public, companies which have gone into liquidation

"These companies were usually well run by well trained and highly qualified managers, directors and staff I do not think it can be said that these people were either crooked or stupid

"In addition, a lot of companies operated extremely sophisticated management systems, often on a computer which enabled them to get regular reports on the current position of their operations

"Despite these facts, however, many previously blue-chip companies quoted on the stock exchange found themselves in serious difficulties"

Mr Lansdown quotes an example of bad management drawn from his past experience

"A company manufacturing agricultural implements (and in particular a tractor-drawn combine) decided to rebuild its factory and import new machinery

The result was the most beautiful modern factory with beautiful flow lines But only one problem arose and that was with regard to its main product, the tractor-drawn combines

"Let us say that the South African market for sales of this product at that stage was 100 units a year," explained Mr Lansdown

…nagers going for bust

172 S Times 7/10/79

…e …npany …ing

"The factory was designed and equipped to manufacture 300 of these units a year, which the directors merrily achieved for a period.

"The result was that even though the factory was large enough and the offices big enough for the staff, the storage space was insufficient for the number of units which had been manufactured but could not be sold. The creditors became less than happy with the situation

Stupidity

"The company was eventually placed under judicial management and in one way or another managed to get out of its difficulties

"But a good, sound company was nearly put out of business as a result of sheer stupidity on the part of the directors "

Bad management aside, Mr Lansdown cites plain dishonesty as another symptom of business failure Here's how to make some easy money

"The first step is to purchase or open a business — I would suggest a small supermarket or soft goods operation The next step is to meet your monthly commitments for the first few months on a fairly regular basis and thereby obtain a good credit rating from your suppliers

"The following step is to increase the volume of your purchases drastically and reduce your stock to cash as quickly as possible

"Even if it is necessary for you to sell below cost price, this is still acceptable This cash will naturally be disposed of to various bank accounts in the names of relatives or others or even fictitious bank accounts, but it must be done carefully enough to ensure that these are virtually untraceable

"We now come to two very important aspects of this exercise Firstly you must ensure that by the time your company goes into liquidation, there are either no assets or there are sufficiently few assets not to cover the costs of liquidation and to ensure a contribution by creditors

"In addition, you must make sure that no books of account are kept and that most of your invoices and other records are missing If you can arrange for the alleged books and records to be stolen out of your motor car, so much the better

"The company of which you are a director will then, after a number of months, be liquidated at the instance of your creditors and a liquidator will be appointed

"The liquidator will investigate the matter and advise creditors that it appears from information available that they will be liable for a contribution should they prove claims

"The liquidator will also advise the creditors involved that, on the face of it, considerable assets have gone missing but that to trace these missing assets, it will be necessary for accountants to be employed to endeavour to reconstruct books and accounts

"Following this, it would possibly be necessary for an inquiry to be held to examine you and others to try to establish the whereabouts of the missing assets

"The liquidator will also tell creditors that the costs in this connection will probably be between R5 000 and R10 000 and that if no assets are recovered, they will have to contribute this amount



Three months

"The reaction of the creditors will be that they have already lost sufficient money in this exercise and that they are not prepared to throw good money after bad

"If your liquidator is conscientious, he will then report you for not having kept proper books and records and it is possible that in due course you will be prosecuted in this connection

"Naturally, out of the proceeds which you have salted away, you will ensure that you are defended by senior counsel and in the unlikely event of your being found guilty, the standard sentence will be three months suspended for three years

"I can assure you that I have seen this happen in practice on numerous occasions

"It is my feeling that the commercial law and the enforcement of that law in this country is such that it encourages this type of action by professional insolvents

"In addition to the leniency of the law (even though our commercial police are extremely good at their job) the police appear to be hopelessly overloaded and, in addition, the prosecutors and magistrates who usually try these matters have little knowledge of commercial law or commerce and the losses which are suffered by creditors as a result of the actions of unscrupulous persons and directors of companies

"If you are caught shoplifting, it is possible that you will get a reasonably severe sentence but the fact that you have not kept proper books and records (which could be a cover up for you getting away with hundreds of thousands of rands) will probably result in a sentence of three months suspended

"Such a sentence is no deterrent whatsoever to unscrupulous people In fact, it almost encourages them to follow this course

"A third cause of insolvency is stupidity on behalf of the person or the director most concerned

"Although this appears to have diminished in the last few years, it was very prevalent previously when every second bricklayer, mechanic or other person who was able to get his hands on a few thousand rands set up his own company as a builder, garage owner or whatever

"Immediately the company was started, this person changed from being a tradesman or a clerk to a director of companies, which entitled him to a well furnished office (including a bar), a wardrobe full of smart suits and a Jaguar Executive or big Mercedes

Viability

"In the main, these people have little or no idea of how to run a company, or to judge the viability or profitability of the company They regard cash in the till as profit and available to spend

"It is staggering to discover the depth of the ignorance of these people regarding the very basics of operating and running a business

"I recently came across an example of this type of operation when I was appointed liquidator of a contracting business operating in a small town along the coast

"This company, during the 15 months prior to the liquidation, had a turnover well above R5-million When we started investigations, it was discovered that the cash books and certain minor subsidiary books were being kept by various junior employees and that once a year the auditors from Cape Town would visit the company, write up the remainder of the books, do the necessary posting and prepare a profit and loss account and balance sheet

"It was patently obvious that the directors of this company had no conception of whether they were operating at a profit or a loss They were also unable to tender properly on new contracts as they did not have any costing or information systems available

Unprofitable

"Resulting from this, the company was tendering on a completely unprofitable basis and when tenders were accepted, the directors were unable to control the costs

"This resulted in the company requiring the services of a liquidator The directors were shattered when the books were written up and revealed a loss of R800 000

"In their ignorance, they were firmly convinced that they had been operating at a profit and that the only reason they had been liquidated was that their bankers had unfairly and unjustly withdrawn their overdraft facilities

"I believe that even though management has become more scientific in South Africa in the past few years, it still leaves a great deal to be desired — particularly with regard to management control systems — and that there is a great need for some form of education along these lines, especially for our smaller business man

"If it was possible to get over to them the necessity and advantages of operating proper managerial control systems, far fewer businesses would get into difficulty "

From jail to top business post

172/~~339~~ 14/10/79

A MAN held in solitary confinement by the Security Branch for four months has landed a top post with one of the country's biggest companies.

By WYNTER MURDOCH

He is Mr Lekgau Mathabathe, 54, a member of the Soweto Committee of 10 who has been appointed national sales manager of the milling division of the giant Premier Milling group

Mr Mathabathe, a former teacher — he was headmaster of the Morris Isaacson High school in Soweto for 11 years, and before that taught at the school and at Orlando High — was held by the police at the time of the Soweto riots in 1976

He was detained in solitary confinement for four months, and then released

"I still don't know why I was put inside, but it served to help me make my decision to leave the teaching profession

'I was fed up with the system anyway, and probably would have left, but being locked up was the final straw I knew I could never go back

In 1977, with Dr Nthato Motlana and other concerned Soweto leaders, he helped form the Committee of 10 — of which he is deputy chairman — and again fell foul of the Security Branch

'I was detained for nine months It was a bit of an up-and-down period for me

Despite that it has been a rapid climb to the top for the quietly spoken former headmaster, who three years ago was more used to dealing with schoolchildren than big businessmen

Now he has a staff running into hundreds working under him, and is immediate boss to nearly 30 white regional sales managers

"There is no friction between us I don't think my colleagues resent my position On the contrary, I think they enjoy having me around

"Everyone is very helpful and considerate We work well together

"When I got out of jail I was offered a job with the Premier Milling group, taking charge of its black travel division It was

'Boss' to 30 white salesmen

my task to try and develop the black travel market

'I found the work tremendously exciting, though the transitional period from the relatively staid job of teaching to the hustle and bustle of competitive business was a little difficult

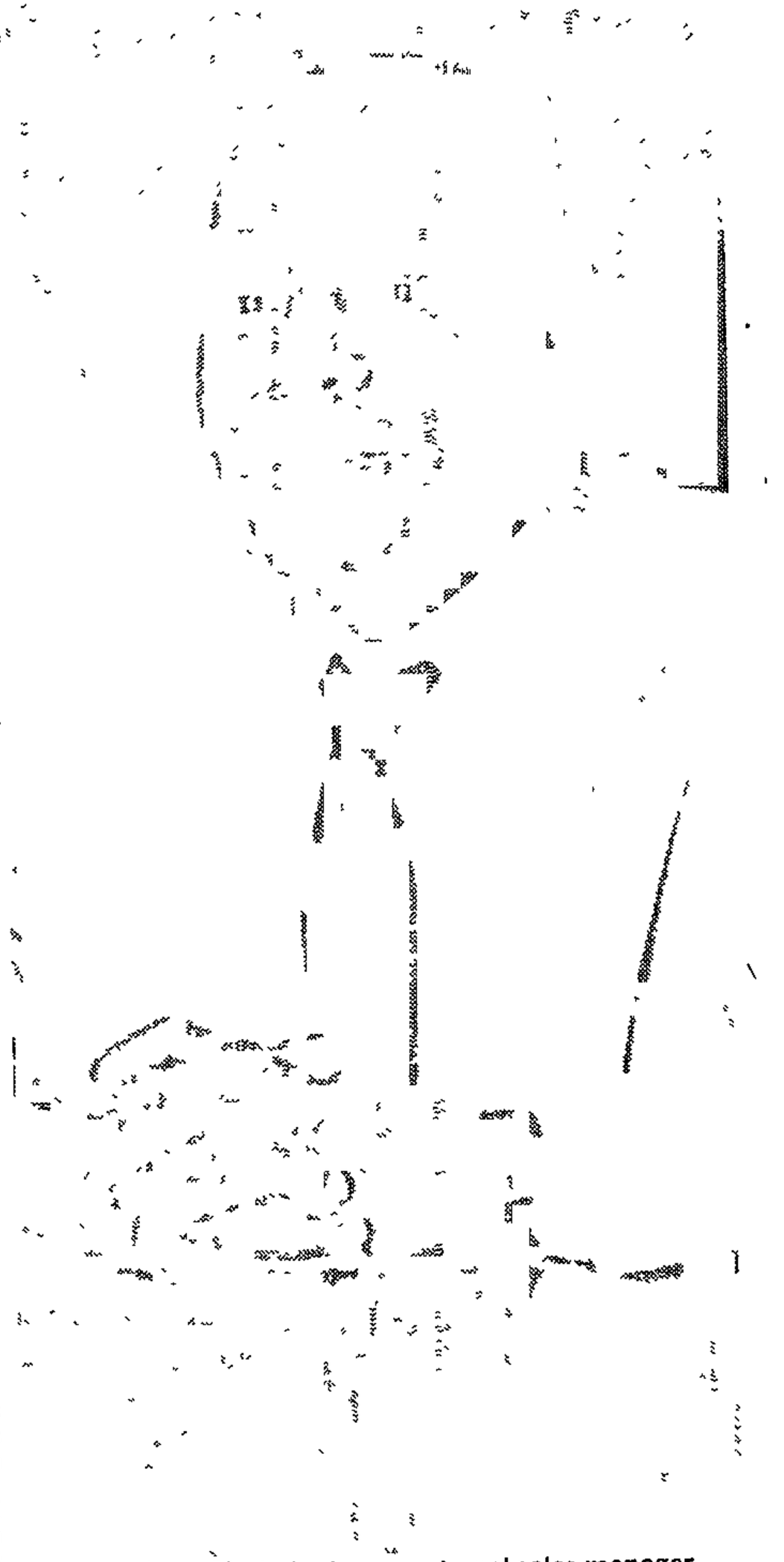
Marketing

'I had no sooner found my feet when I was offered a position in the marketing division of Premier Milling I found myself marketing maize It was a completely new world I had only one and a half months experience in business and here I was working with one of the most effective marketing teams in the country It was a tremendous challenge

But success came quickly and this week Mr Mathabathe s appointment as national sales manager of the milling division was confirmed

'I could hardly believe it I was so excited My only wish now is that other companies will follow the same progressive approach, and appoint blacks to top positions

"It is important that good relations between race groups should be fostered at all levels' That', the only way we



Mr Lekgau Mathabathe national sales manager

feat for a black man in those days

He used to supplement his income from blacksmithing by laying bricks

part time through the University of South Africa for his BA degree

He left Orlando High in 1956 to teach at the new Morris

provide for a better future for South Africa," he said

Married to Isabel a former nurse and with six children, Mr Mathabathe has come a long way since his humble beginnings as the son of a blacksmith in Pietersburg

"My father was fairly well enlightened in that he had passed Standard Six, no mean

boys shared three huts, one of which was used as a kitchen

'I was sent to school in Soweto, to Orlando High, where I matriculated From there I went to Pretoria to get a teacher s diploma Then I went back to Orlando to teach

That was in 1950, and later Mr Mathabathe began studying

His plans for the future?

'To go as far as I can in business before old age catches up with me I would like one day to be a director of this company That is what I am aiming for, he said

Mr Mathabathe lives with his family in Motolo Soweto

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TABLE II

	WHITE		ASIAN	
	Male	Female	Male	Fema
Rheumatic Heart Diseases (390-398)	115 1.2%	121 1.5%	28 2.5%	15 1.9
Hypertensive Diseases (400-404)	212 2.2%	389 4.9%	115 10.1%	127 15.8
Ischaemic Heart Diseases (410-414)	5737 58.8%	3118 39.3%	537 47.3%	240 30.6
Cerebrovascular Diseases (430-438)	1587 16.3%	2181 27.5%	273 24.1%	239 29.7
Total Circulatory Diseases (390-458)	9752 100%	7926 100%	1135 100%	80 10
Motor Vehicle Accidents (E810-E819)	750 38.0%	287 42.4%	122 36.6%	2 26.
Suicide (E950-E959, E979) *	485 24.6%	104 15.4%	42 12.6%	12.
Homicide (E960-E969)	59 3.0%	41 6.1%	41 12.3%	1.
Total Accidents, Poisoning and Violence (E800-E999)	1973 100%	677 100%	333 100%	1

* E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas ... Africa which does not appear in I.C.D. (8th revision).

See Ref. 13.

Management warned on the new black unions

Star 19/8/79

172

Labour Reporter

Black trade unions with the muscle of the law on their side may prove "rather traumatic" to managements which have witnessed no really militant union activity since 1922, says Mr Arthur Grobbelaar.

The general secretary of the multiracial Trade Union Council of South Africa spoke at a conference of the Free Market Foundation in Johannesburg today.

He said many new unions would come into being soon Some would be militant after being excluded from legally based bargaining for so long

The leaders of "newly enfranchised" workers would be hungry for power and success at the bargaining table And their members would be hungry for advancement in quality of life and status

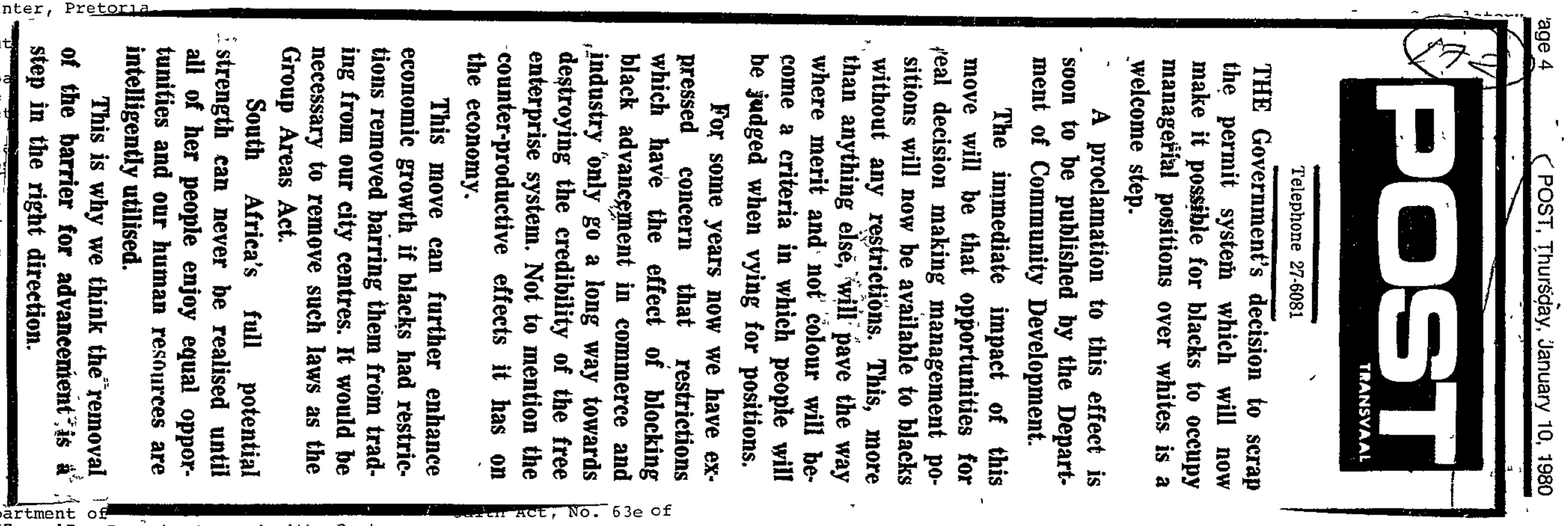
It would be a testing time for all — "but no more and no less than what a free market economy is all about"

It was sometimes forgotten that true freedom applied equally to workers and managements

But freedom entailed responsibility Labour's responsibility would be to achieve a non-racial union movement which made the indivisibility of workers' interests an article of faith

Management's responsibility was not to play off any racial group against another The dangers of racial polarisation were imminent and inherent, Mr Grobbelaar said

with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these competing risks life tables not only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an approximately linear relationship between the reduction of mortality and the percentage increase in life expectancy, any improvement will give rise to a proportional improvement in the expectation of life. Thus, if the mortality associated with any of the diseases included in Fig. 6 are reduced by 50%, then the increase in the expectation of life will be 50% of the improvemerts indicated.



age 4 POST, Thursday, January 10, 1980

POST
TRANSVAAL

Telephone 27-6081

THE Government's decision to scrap the permit system which will now make it possible for blacks to occupy managerial positions over whites is a welcome step.

A proclamation to this effect is soon to be published by the Department of Community Development.

The immediate impact of this move will be that opportunities for real decision making management positions will now be available to blacks without any restrictions. This, more than anything else, will pave the way where merit and not colour will become a criteria in which people will be judged when vying for positions.

For some years now we have expressed concern that restrictions which have the effect of blocking black advancement in commerce and industry only go a long way towards destroying the credibility of the free enterprise system. Not to mention the counter-productive effects it has on the economy.

This move can further enhance economic growth if blacks had restrictions removed barring them from trading from our city centres. It would be necessary to remove such laws as the Group Areas Act.

South Africa's full potential strength can never be realised until all of her people enjoy equal opportunities and our human resources are intelligently utilised.

This is why we think the removal of the barrier for advancement is a step in the right direction.

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When, whom and how to hire and promote

STEPHEN ORPEN examines and paraphrases two of the many cogent texts from the distinguished management author, teacher and consultant, Saul Gellerman.

From tomorrow, Gellerman will be leading a series of seminars organised by the Graduate School of Business Administration of Wits university.

The seminars will cover topics ranging from "The Effective Supervisor", "Evaluating the Personnel Department" and "Motivating an Effective Sales Force" to "Employee Motivation and Productivity" and "Gellerman Speaks to the Chief Executive".

The seminars are being arranged under the auspices of one of several new units — the Centre of Business Studies — established by the Wits business school to broaden and deepen its role as a true "City School", inter-acting with, and directly assisting, the business community in pragmatic matters as well as educating the country's future leaders

The school's other new units include the Economic Research Unit; the Centre for Developing Business, the Centre for Institutional Investment; the Unit for Share Risk Management; the Centre for Construction and Project Management; and an Institutional Investment Consultancy Service

Saul Gellerman is well known for his many best-sellers, including "Management by Motivation, "The Management of Human Relations"; "Managers and Subordinates"; "Motivation and Productivity"; and "The Uses of Psychology in Management"

He has worked with a number of large and small companies, including IBM for eight years, and has produced 25 training films apart from his books. He has a doctorate in psychology from the University of Pennsylvania and his consulting firm has served clients in 24 countries.

The counsel in this article is taken largely from two of the 30 texts in a collection known as "The Gellerman Memos".



When and whom to hire

PEOPLE flow continuously into, through and out of a company Regulating that flow is the responsibility of the personnel department

● **Entry When to hire**

FOR every job there are two pools of candidates those who are already on our payrolls and those who are not, says Gellerman

No matter how we may choose to search through those pools, our chances of making a fortunate selection are enhanced if we maximise the number of candidates in at least one pool, and preferably in both

The typical personnel department looks at too few candidates from not enough sources, thus maximising its administrative convenience and minimising the efficiency with which it uses available talent

The result, given enough time, is an accumulation of people whose performance is somewhat better than marginal, who are regarded as having little if any potential for other kinds of work, and who, for lack of variety, become disinterested in everything but their pay cheques and in whatever gossip they can share with fellow employees

The basic problem is timing Both personnel departments and individuals enter the labour market when it suits them to

As a result, personnel departments encounter random supply and individuals encounter random demand

Typically, personnel departments conclude from this experience that it doesn't matter very much when you go shopping for talent, because the supply is, more or less, the same at all times

But it is only the same if you are looking for ordinary talent

If you are looking for people with out-of-the-ordinary capabilities, you have to be in the market when they are

Because their availability is unpredictable, this means quite simply that you must always be in the market

Perpetual recruiting is the key to — gradually — raising the average internal talent level well above the external average

There is no other way to do it, short of building the kind of reputation that will make the most capable candidates seek you out — and that takes many years

The advantages of superior talent are huge you can beat the pants off your competition in almost any sphere

There are three disadvantages, two of which deserve comment

The first is that perpetual recruiting may result in hiring in excess of current needs, thus raising the labour cost ratio

Should you hire an extraordinary person, for example, when you are fully staffed and have no budget left for hiring?

If you can satisfy yourself that his "special" qualities are both real and needed, then yes, you should hire him

Attrition will bring your head-count and payroll figures back into balance quickly enough, and if you wait until your bookkeepers give a go-ahead signal, you'll have to content yourself with someone considerably less promising

The second disadvantage is more apparent than real a company that continually interviews applicants will obviously reject most of them

It will thus acquire a reputation for being very choosey, thereby discouraging many would-be applicants

This is true, and also desirable, since that kind of reputation will do much of your screening for you

The undeterred group of applicants will probably include more of the kinds of people you would like to hire anyway

As a rule, you will hire more motivation among people who are seeking a particular kind of job than you will among people who are just seeking any job

● **Entry Whom to hire**

THE first indicator we get of how hard people will work if they get a job is how hard they work to get it All indicators are fallible, but as indicators go, this one isn't bad

Initiative and persistence in job seeking won't necessarily carry over into job-doing, but the odds that they will are fairly decent

Therefore, personnel departments should be receptive to uninvited job seekers who walk in or write in, and who keep trying to get past personnel to the department head for whom they want to work

Of course, most personnel departments regard such people as nuisances When they hang out their not hiring sign it really means "do not disturb"

There's nothing wrong with personnel departments serving as an obstacle course to screen out the faint-hearted, but too many serve merely as "dead ends"

The same logic applies to internal candidates who persistently nominate themselves for higher-level jobs, with or without the endorsement of their superiors

Assuming they meet whatever paper qualifications are required, self-nominees probably have about the same chances of success as the average management nominee, and deserve the same consideration

The obstacle here is that both personnel and line management are likely to consider such people a nuisance

To complicate the picture further, some self-nominees are misguided or foolish This raises two important issues

● Line managers often regard their privilege of nominating subordinates for promotion as both a fringe benefit and as their exclusive franchise, and resist attempts to circumvent it

● Regardless of how they become candidates or where they come from — management needs a way of selecting among candidates that is as reliable and as demonstrably fair as possible

There are two reasons line managers regard nomination as a right First, they've always had it, second, it controls access to their own ranks

But the first reason is based on a fallacy the assumption that managers can forecast someone else's performance better than anyone else

Not true They have better access to the relevant data than anyone else, but their use of that data is frequently short-sighted and unsystematic

As for the second reason, controlling the entry of new members to the management club it isn't a club, it's a job

The most intelligent way to use line managers as nominators is as a screen that is, to recommend against considering people for promotion when there is some substantial reason for doing so, provided only that the individual himself, or someone in higher management, agrees that the reason is substantial

All other (paper-qualified) persons should at least be considered This maximises the number of candidates and relieves the line manager of a responsibility he is typically ill-equipped to handle

To return from our digression the most promising source of candidates is self-nomination, regardless of whether it originates inside or outside the organisation

Those who seek a particular job or employer for a particular reason, and display some determination to get what they want, are already giving more reliable evidence of motivation to do the job well than any other source can give – including management nominators and outside psychologists

There may be superior candidates available from other sources, but the certainty with which they can be identified is less

One more source must be considered those whom the company seeks out This includes both campus recruiting and the use of management (or other) recruiters

Two hints on campus recruiting

First, don't use that source at all unless you are prepared to accept a high two-year attrition rate as the price of whatever benefits you get It's virtually unavoidable

Second, don't send your personnel interviewers to the campus

Instead, send successful employees about two or three years older than the graduates, and make sure they know that their function is not to screen candidates, but to attract them

You can turn them over to your interviewers when they accept your invitation for a visit That way your interviewers are more likely to interview the pick of the crop

As for candidates turned up by recruiters the best ones are likely to be initially disinterested, and to be genuinely (not playing) hard to get They are usually well appreciated and well treated by their present employers So you'll have to make them unhappy in their current situation Be prepared to take their second 'no" as final, not their first

Promotions: Policies that kill organisations

IN the magnitude of their long-term impact on the organisation, decisions about whom to promote are a close contender with hiring decisions

Hiring puts absolute limits on the talent that will be available to an organisation, but promotion sets the limits of its leadership The quality of both decisions is critical

But the promotion decision is often made less logically — and certainly less systematically — than the hiring decision The result, to put it simply, is managerial mediocrity

In making a promotion decision logically, you try in advance of openings to match the requirements of jobs with the qualifications of candidates

Then, for each job, you have a "short list" of front runners, one that is subject to periodic updating Selections from these lists would, in most cases, assure that key jobs are capably filled

Few organisations, however, approach promotion with anything even remotely as logical as this

Most organisations have no promotion lists at all, much less thoughtfully-derived lists In fact, most promotion decisions are made in a hurry — because a vacancy has occurred and it must be filled in a hurry — and are made on the basis of skimpy and largely irrelevant information about candidates on a haphazardly assembled list

Granted, the moment when a managerial post will become vacant is not always foreseeable, but because every managerial job inevitably becomes vacant sooner or later — and more likely sooner, there is no good reason for not trying to foresee promotion decisions so they can be made systematically.

Typically, promotions go to candidates who have done their jobs well, who make the decision-makers feel secure, and who are conspicuous in some way

This "system" — if we can call it that — does produce some capable managers It also produces a lot of mediocre managers and overlooks a lot of potentially more capable people

In brief, it is inefficient This should come as no surprise because, even in the most "capably" managed companies, efficiency is almost always subordinated to tradition and managerial comfort

Unless the two jobs are very similar — which is seldom the case — doing one job well is no guarantee at all that the next higher job will also be done well

All too often, promoting the "best worker" leads to a double loss you lose your best worker and acquire an inadequate manager

In effect, using job performance as a promotion criterion treats managerial jobs as rewards to be given to the most deserving, rather than as responsibilities to be given to the most capable

It denigrates the management function and reduces it from the most critical component of organisational success — which it is — to something "anyone can do" — which it most assuredly is not

The point is that doing a job and managing it are two very different tasks, requiring quite different skills

Some people are well-equipped for either role, but many more can manage a job much less capably than they can do it Why?

Because doing a job requires only skill at that job, but managing it requires the ability to influence the way other people do that job

Influencing other people's actions is a skill unto itself and bears no special relationship to job-doing skills, but it is indis-

● To Page 9

Inyanga ngoku sele izakuphela abasebenzi abangama - 88 bakwa Fattis & Monis efektri eBellville South benogwayimbo. Into ebangele ukuba bagwayimbe kukugxothwa kwabasebenzi abahlanu ebebesebenza nabo. Bathi unobangela wokugxothwa kwaba basebenzi bahlanu, kukuba bebengamalungu eTrade Unions Le union ibe izama ukwenza uphando nothethwa thethwano lokuba kunyuswe imali ibeyi - R40 ngeveki yaye kusetyenzwe iyure ezisi - 8 ngemini. Umphathi wefektri leyo uthe ezizinto bazifunayo zingaphezu kwamandla yaye ziya kwenza uqushululu efemini

Abasemagunyeni kumbutho weUnion onamalungu ayi 10 000 (amawaka alishumi) obizwa ngokuba yi (Food and Canning Workers Union) bathi abo bagxothiweyo bebesayinile amaphepha anika iUnion igunya lokuba benze uthethathethwano ngemeko ezibetele ekunokuthi kusetyenzwe phantsi kwazo. Ifektri leyo ilalile oluthethathethwano neUnion. Ifektri ibalula into yokuba omatshini ekusetyenzwa ngabo bathathe indawo yabantu yiyo lento kunyanzeleke ukuba kuphungulwe abasebenzi.

Nangona aba bagxothiweyo ingabantu beBala uninzi lwabo bagwayimbileyo ngamagoduka abantu abamnyama Nangona bathe bagrogriswa ngokugxothwa babuyele emphandleni aba basebenzi bamnyama bame bemi kwicala lebeBala ababathatha ngokuba bangabantu kwabo. Ngosuku lokugala logwayimbo indoda imele icala losebenzi ezame ukubohlula abeBala kubantu abamnyama xa bebemengaphandle kweFektri. Abasebenzi balile ukwahlulwa, omnye wabo uthe "Silapha sonke yaye iinjongo zethu zinye."

Ayanda amanani abantu abazibandakanyileyo nabasebenzi kwiveki ephilileyo kubekho abafundi base University nakwano Kolegi abangaphezu kwe - 500 Abafundi bavelu kwezi zikolo U.W.C., Hewat, Peninsula Training College ne Bellville Technical College. Abafundi bathe abasebenzi mabaphinde baqeshwe kungenjalo yonke imveliso yakwa Fattis & Monis ingathengwa.

Umbutho oyi Western Province Traders Association uthe uza kuxelela onke amalungu awo ukuba angayithengi imveliso yaleFektri de bavume uthethwathethwano.

Umbutho oyi South African Council of Sports SACOS ucele onke amalungu awo nazo zonke izikolo ezinonxibelelwane kunye nabo ukuba zixhase abo bagxothiwyo de baphinde bageshwe. Yaye akufuneki bayithenge imveliso yale fektri

Abafundi base U.C T. bayenzile [illegible] bebona kalisa ubunye nabasebenzi.
Bacele ukuba imveliso zakwa Fat

Umbutho oyi Women for Peace Mo
kunye nabasebenzi.

Umbutho walapha eKapa oyi Nat
wakhuphe istatement uxhasa ab

When, whom and how to hire

● From Page 8

pensable to effective management

Yet when deciding whom to promote, influencing other people's actions is a skill that most companies either consider irrelevantly or not at all

This accounts, in no small measure, for the fact that at the lower levels of management — the crucial level at which plans are converted into reality — technical competence abounds and leadership is all too often inept

Most managers are quite aware of how much is at stake in a promotion decision, and they also recognise the weaknesses in the tools they are given for making that decision. For the most part, these tools consist of their own, and other people's, whims and impressions; hence both the quences of an error are severe possibilities and the conse- The result is that the lower levels of management tend to over-intervene in the work of their subordinates, and then to swing petulantly to the other extreme when they encounter inevitable resistance to what is seen — rightly or wrongly — as their tendency to push other people around

One cannot help wondering how many unions have been organised, and how many existing unions have been driven into the arms of their militant wings' by over-zealous junior managers who feel that the first requirement of their jobs is to prove "who is boss" in their departments

The most commonplace consolation of those who feel that someone else's advancement somehow demeans them is that, "It isn't what you know, it's who you know that determines whether or not you get ahead"

There is some limited truth in this, it not in the sense of blatant favouritism, then in the much light on whether someone can manage well

simple sense of other people being aware of you

If they are to come to the attention of those who make promotion decisions, people who are promoted must first be distinguished in some way — be it relevant or not — from the mass of their colleagues

Thus, one's chances of promotion increase if one works under a boss who is promotable, or if one is a protege of a manager whose opinion other manager respect, or in a department or group from which managers have in the past been drawn in disproportionate numbers

(Granted, none of this bears on one's ability to manage, but it bears very heavily on whether or one is noticed

None of these popular criteria — doing a very different job well, fitting a stereotype and being "noticeable" — shed much light on whether someone can manage well

But in most companies they weigh more heavily in determining who will be promoted than do other factors

Thus in selecting its managers, the typical organisation has a built-in bias toward people who can slip all-too easily into an adversary relationship with the people whom they are supposed to guide and motivate

Companies that enjoy strong supervision at the first and second levels of management usually employ some combination of three methods

● They have analysed the behavioural requirements of these jobs, so they know specifically what to look for They are unlikely to be overly impressed by someone who is generally attractive but has no clear-cut qualifications for the job

● The nomination" process through which candidates are recommended for the job is systematic and stringent In fact, most candidates never get past this hurdle

● The best available candidates compete directly against each other, under conditions that stimulate the supervisory job as closely as possible

BUSINESS POST

Running a 'company'



Doing their "business" the small way

By WILLIE BOKALA

MANY young people will become involved in the various facets of business management in future and they need to be prepared for this trend while still young.

As a result there are already 120 high school pupils of all races training in the free enterprise system at the Centre for Developing Business, University of the Witwatersrand

The pupils are already running their own "companies" in Johannesburg

These are run at the Centre for Developing Business office in Parktown and each mini-company is sponsored by a real live company whose managers act as advisers at their weekly management and sales meeting in the evenings

The Junior Achievement programme is long-standing and highly successful in the United States, says the Graduate School of Business Administration, and it is good that it is being implemented succesfully in South Africa as well.

Each mini-company operates for 12 weeks and, in some instances, the teenagers continue with their enterprise after the formal one has come to an end

Participants are selected from schools throughout Johannesburg and Soweto and the present group has four managing directors two white and two black—one of which is a girl.

The four teenage-companies now in operation have their managers, directors and staff holding meetings, selling shares, turning out T-shirts, handbags and generally getting to grips with busiess in a small way.

The Junior Achievement programme is sponsored by several companies including South African Breweries, Shell, Gold Fields of South Africa, Carlton Paper Corporation, Anglo American Corporation and Guarantee Life.

It is also supported by the Urban Foundation which has provided funds for equipment for the mini-companies

Says Mr Pat Dempster, managing director of the Transvaal region of the Urban Foundation, 'The Urban Foundation sees Junior Achievements as a means of getting the message of free enterprise across to all young South Africans and it enables us to identify potential entrepreneurs for possible further development

Two go to the top in Cadbury's

Post 14/2/80

TWO BLACKS are among three staff members promoted to top managing positions in the marketing department of Cadbury SA.

Mr Gilbert Xaba has been promoted to the general sales management position of the company's African Marketing Division.

Mr David Ndlovu becomes administrator of the same division and also assistant to the manager.

Mr Tony Booth has relinquished general managership of the African Marketing Division to develop a sales and marketing structure for special events and other non-traditional trading outlets.



Mr Gilbert Xaba



Mr David Ndlovu

Manager slams education system

172

Post 31/3/80

By LEONARD MASEKO

BOTH black and white should find a solution to the problems of this country, said Mr L M Mathebathe, a sales manager, during graduation of 150 blacks in management courses

Mr Mathebathe was guest speaker at the ceremony held at the University of the Witwatersrand. He said blacks were not happy with the type of education that is offered to them. Blacks should fight the political situation in this country by education, he said.

The students were presented with diplomas in personnel, sales and marketing management courses The courses are run by the Eden Management College.

Mr Stan de Jong, director of management studies [illegible] college, cong-



These three ladies were presented with diplomas in personnel management. From left: Mrs Rosemary Molopa, Mrs Maria Mofokeng and Miss Armanda Nkonyane.

[illegible] passed the courses

Mr Revelation Ntoula, editor of Voice newspaper, said political independence means nothing if a country has no economic power. He said the recent outcome in Zimbabwe which brought Mugabe into power is bound to affect this country "The future in this country will be determined by history."

Mr Ntoula said blacks should be given a chance to show that they can do white jobs He said job reservation made impossible for a black "what a white man can climb"

"We would like to see more blacks going through the kind of machinery that Eden College is offering," said Mr Ntoula

SEMINAR INDUSTRY

Training robbery?

Updating executives is good business — profits are high, risks low and it is a relatively easy industry to break into

Companies, claiming that executives become obsolete unless they have continuing education are pushing courses hard, and universities and private consultants are responding to the demand

Estimates show that the industry is worth about R4m a year and growing fast Graduate Schools of business (GSBs) report annual increases in fee income in excess of 25%, with enrolment figures doubling in the last two years Seminars now, claim business schools, produce a net surplus which is then used to support their degree programmes

Wits' and UCT's graduate business schools, which have captured about 25% of the market and are fast increasing their share, say that growth has come partly from increased numbers on established courses, and partly from new seminars that have been developed

While growth in the industry is substantial, they warn that inflation must be taken into account In real terms profits are not as high as they seem

Inflated salaries paid to overseas lecturers, hikes in air fares, and rising paper and publishing rates have also pushed up costs substantially

UCT's Kate Jowell, says the GSB now has a fee income of around R400 000 substantially above that of 1977 (R250 000)

A typical course runs for three weeks and costs about R1 000 (excluding residence fees) Demand is generally strong, so the courses run at full capacity — 120 students is average.

That means a lot of money

Jowell cautions, however, "overseas experts' fees can run into five figures Literature and printed matter is also a major cost

"Those on our course have generally been sponsored by companies, after being identified as high flyers"

Wits' fee income has also doubled in the past two years with turnover for 1979 close on R410 000 The school has increased its seminar programme substantially, incorporating three new centres this year, and it anticipates at least 30 seminars for 1980

As with any high profit industry, private companies are keen to break-in, and the seminar business is no exception Capital outlay is small and there are no legal or professional barriers to entry

Running expenses are also relatively low Most hotels provide conference rooms on the basis that revenues are obtained from the sale of food and coffee

P-E Consulting, leaders in the private sector, have close on 80% of the financial and technical market and 30% of the "behavioural side"

It organises 400 seminars a year, and has a turnover in the region of R1,3m

The rest of the market is shared by Contact, Fine Spamer and other independents

Fees work out at R100 a day and most courses can handle, on average, 20 students

However, there are plenty of complaints about courses, they waste time or cost too much The boom in education has produced shoddy courses along with the good ones "The industry has disappointed a lot of people Anybody can send out a brochure, and the promises often outweigh the performance," is the comment of one sceptical academic "Sending an executive on educational programmers is part investment and part consumption, with consumption being the higher ratio," he adds



Jowell . . . overseas experts are pricey

War of nerves: managers v. entrepreneurs



STEPHEN ORPEN looks at the battle that keeps business alive

THERE'S long been a smouldering feud between the "pure" entrepreneur and "pure" manager.

It seldom flares openly But, in starkest terms, the caricature entrepreneur still seems to look on managers as time-saving pen-pushers while the caricature manager fears and even despises the "wheeler-dealer", which is how he views the pure entrepreneur

He may only tolerate the industrial empire-builder for the opportunity he provides to create order from chaos

The entrepreneurs regard annual increments of salary as a form of HP on a death warrant The managers prefer the close-carpeted security of "professional' organisations to distant prospects of glittering wealth

Corporations too may be labelled by preference

Anglo American Corporation may be seen as a paragon of management expertise or as a lumbering and bureaucratic dinosaur

Bill Venter of Altech may be seen as a saviour of underused assets or a financial juggler

The Economic Development Corporation may be seen as a shining example of industrial initiative for the people by their main agent, the State Or the terrifying instrument of creeping socialism

The verdict reveals the prejudice of the judge rather than the merits of the organisation

Managers may admire success in whatever form it comes But they want to emulate only the sort they feel contributes something to the economy

Someone, after all must take the nation's steel, however unglamorous the profits "We're running a business of 55 000 people," says one Johannesburg-based manager "It's vital they're looked after"

By contrast, the entrepreneurs may also look after their own But careful attention to the (assumed) needs of the economy is not their strong point Nor are they distinguished for diligence in the erosion of costs, and rigid defence of profits

Yet, for all the mutual suspicion, entrepreneurs and managers must stay close for their own protection Entrepreneurs without an understanding of management (or at least without the ability to pick good subordinates who can manage for them) may not stay entrepreneurs for long

On the other hand some of the large institutional companies can be heard wishing they were more entrepreneurial

In the early 70s Shell carefully sifted throught its stock of managers to find those with the entrepreneurial spirit, and tried to decide how best to encourage it

At British Oxygen, one group managing director Peter Laister, considers that British industry possesses "too many managers and too few entrepreneurs

Reflecting a similar view, the deputy chairman of a large local giant complains that, in spite of employing some of the best brains in all business his company's board is now, and ever shall be, "mediocre

The fear of mediocrity is not, however, the only reason for the big sheep dressing up as lambs Takeovers (and the obverse divestment) are now part of the very fabric of the corporate sector

If new ideas can be more easily developed in small companies, it makes sense for the giants to buy up the successful ones rather than try to do the same thing for themselves

Thus, on the principle of setting a thief to catch a thief, Shell, for one, has tried to develop managers capable of assessing a small company as a business proposition, and able to run it

In the back of many minds lies the fear that, unless big companies give more scope to their budding entrepreneurs, they will lose the very people they most want to keep

Conventionally, entrepreneurism is a quality which can only really be given scope at the top It's the prerogative of the chairman, the managing director — not many more

To reach these positions, however, the incumbents may have to serve 30 years in subordinate roles

It's difficult to think of any experience more calculated to crush the entrepreneurial spirit

Still worse is the fact that many qualities needed to carry a man to the top are not the ones he needs when he arrives The archetypal organisation man often does make the best chief executive And he's certainly no entrepreneur

Disillusion, impatience, or a mixture of motives are leading more executives to try to do their own thing, instead of happily leaving their future in the hands of the mother company

This applies particularly to the specialists with valuable and highly marketable experience (as in computers, personnel or advertising) who can set up their own consultancies relatively cheaply

Having tasted the freedom and exhilaration which running their own business provides, they do not willingly re-enter the "hired" management fold

Such people may be some way from the accepted idea of the entrepreneur But they are often typical of the wide middle ground which exists between the two extremes

They demonstrate not only that big companies may have a growing problem in retaining their best people (particularly as management techniques become more specialised and therefore transferable)

They also show that the entrepreneurial spirit is much more widely distributed than once imagined If companies fail to exploit that spirit, they have only themselves to blame for the consequences

One man typical of thousands who has made the break is Dick Hutchinson Three and a half years ago, at 39, he set up a small firm making plastic film and bags, and is now turning over R440 000 or so annually

Rather than try to exploit some new technical development of his own, he chose a safer course "I read an article saying that there was a 10%-15% annual growth rate expected into the 1980s I realised I couldn't lose"

What set him thinking along these lines was the frustration of working for others "Now, I've got a freedom of action I'd never known before My recommendations aren't alerted around Some director doesn't then take all the credit I couldn't bear to think of being employed again"

The system inevitably breeds caution, and a dependence on careful analysis School, university, professional training, then a "progressive" job form a very well-trodden path

Marriage and a house add shackles which only loosen some 20 to 25 years later, when the mortgage is paid off and the children have left home By then, of course, the entrepreneurial itch may have faded

In the experience of Pat Matthews deputy chairman and managing director of First National Finance Corporation, "an entrepreneur with academic qualifications is very rare" He left school at 14 "I was good at art and PT, not at anything else"

The more extreme species in the family naturally display such characteristics in more extreme ways

Joe Bamford, founder-chairman of JCB Excavators, claims he was planning his own factory, and the staff he would need for it, at age 10 Ken Wood, of food mixer fame, started his own company at 20

In general, the process of education seems to inhibit entrepreneurial drive So the tradition of a lower middle-class background and second-rate school education is fairly typical

But education is at best only one factor among many And where the spirit has survived longer years of training, a powerful alliance is created as the example of Sir Arnold Weinstock shows

He graduated from London University with a degree in statistics Although he was later thought of more as a straight manager than as an entrepreneur his early career in property and then Radio & Allied Industries (later bought by GEC) demonstrated most of the characteristics of the entrepreneurial breed

There may be basic psychological reasons why the sons of entrepreneurs do not generally match their fathers for thoroughness and determination Once they're through the educational mill, they're more likely to become managers than entrepreneurs

No sooner is such a generalisation made than exceptions spring to mind Bamford is the fourth generation to be running his own business (and his eldest son is following in his footsteps)

He reacted against his own wealthy family background, not by becoming an artist or a landlowner but by setting up his own enterprise from scratch — in excavators, rather than the family's farming machinery

However, such cases remain exceptions It's broadly true that entrepreneurs spring from more erratic backgrounds than large company men, top managers

One essential quality for the entrepreneur seems to be an unswerving, cheerful self-confidence

However for some, entrepreneurism is not so much a matter of temperament as acceptance of responsibility

Bamford, too, has a very direct approach to problems "Enthusiasm has carried me over many hurdles"

The only management technique he claims to know is "AACN, which stands for Analyse, Act, Control and (do it) Now If you live by that, you accentuate the positive"

Curse of the antipreneurs

"THE enemies of private industry are active as never before They are also influential as never before and, most disconcerting, they are succeeding today as never before

"They reject, and they rebuke, and they reproach, and they frequently view with alarm But hardly ever do they come up with anything constructive" The impassioned words of Howard Hardesty Jr, senior vice-president of America's Continental Oil Co, in a recent article in International Managements.

Hardesty has coined a new word for what he describes as "these single-minded, persistent and totally myopic critics of businessmen" He calls them "antipreneurs"

The antipreneurs, he claims, are active in all walks of public life They loom large in consumer protection groups, in politics, in government agencies and in the mass media

They are accountable only to themselves, and frequently base their arguments on a total ignorance of the facts.

Hardesty singles out consumer advocate Ralph Nader for special mention He cites a recent report by the US National Petroleum Council, which he describes as "an industry board established under government guidelines to help advise the Secretary of the Interior"

Financed by the oil industry and composed of oil industry representatives, the council predicted in its report a growing energy shortage. It concluded that the energy industries would find it difficult to raise the estimated R284 000-million capital necessary by 1985 to meet the increasing energy requirements

"The report," says Hardesty, "was the result of thousands of hours of research by 200 experts in their fields" Yet, he claims, it was "breezily dismissed" by Nader, who "described the energy gap as a 'promotion' of the fuel companies' advertising departments

"Do we or don't we have a shortage?" asks Hardesty "I rely on the experts who say we do, and I charge that incomplete and inaccurate data was used as a base to demonstrate that we don't."

The attacks of the antipreneurs, he says, are leading to an increasing public distaste for business He cites a survey in the US by Social Research Inc, in which 28% of those polled agreed with the statement that "big business is dangerous to our way of life" Some years later, a new survey found this figure had grown to 46%

What can top management do to remedy the disenchantment?

In Hardesty's view, it should "come out fighting" for its cause It should launch into a new dialogue with universities, colleges and the younger generation

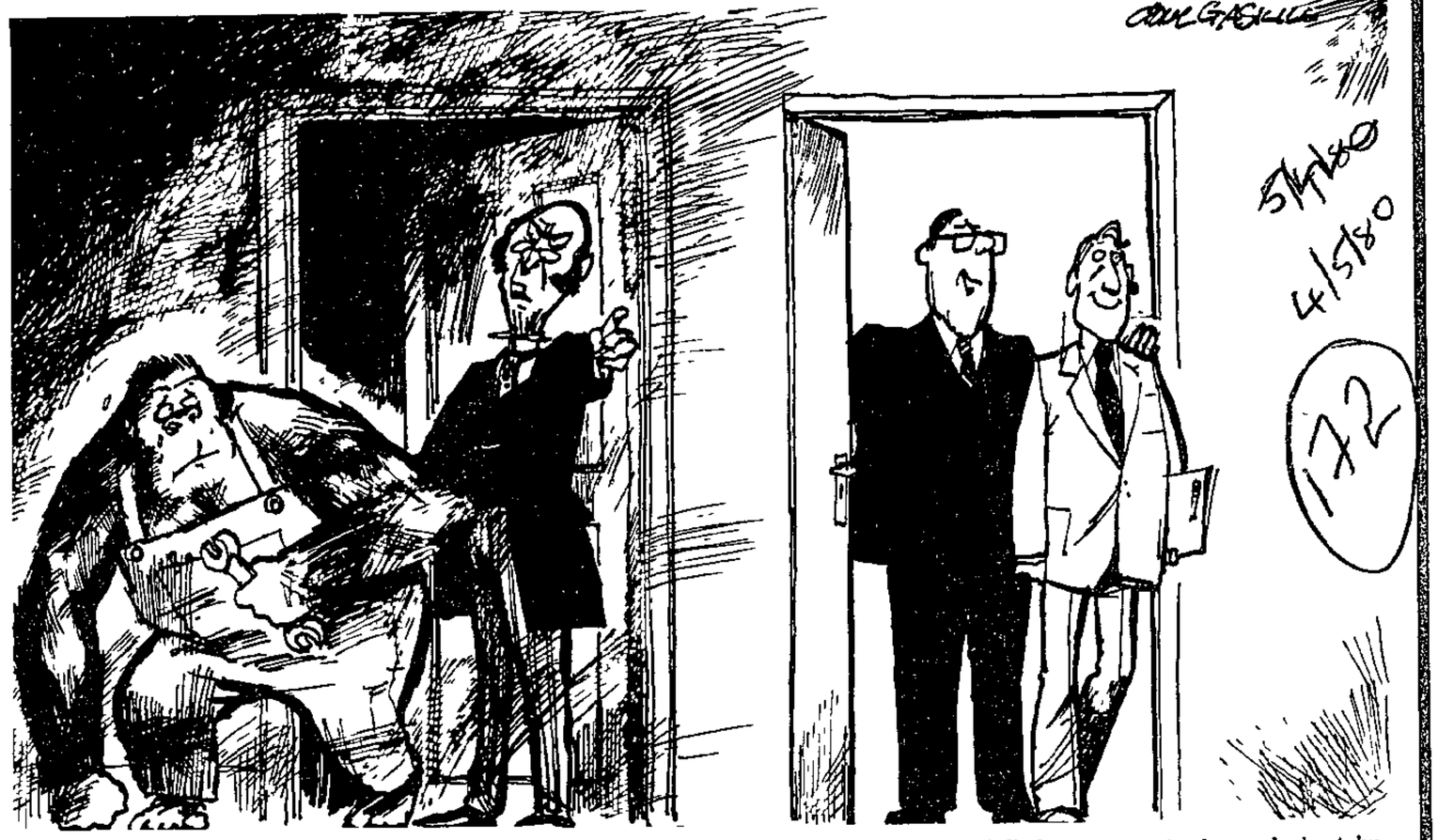
It should "open its doors" and provide more information about its activities It should take the initiative in social responsibility programmes, rather than lagging behind public demands

In short, management must sally forth into the arena and join battle with the antipreneurs.

Gorillas out, leaders in

EARLY this century, Frederick Taylor, founder of "scientific management", contemplated using trained gorillas to load pig iron in a steelworks.

STEPHEN ORPEN explains some of the thinking behind the new "situational leadership" concept and its impact on South African managers. The concept is among the topics to be covered in South Africa this week by internationally acclaimed author, academic, consultant and businessman, Dr PAUL HERSEY. In association with P-E Consulting Group, he will lead top level workshops in Durban, Cape Town and Johannesburg.



This eminent gentleman was, in his time, considered a management genius But, for all his valuable contributions to management, he was later seen to have little knowledge or regard for human feelings in the job situation

Management technology has advanced by leaps and bounds But it is still not uncommon, for instance, for a chief executive in Johannesburg to pay his senior staff more than the going rate and then feel he has the right to curse and browbeat them at virtually every opportunity

He cannot understand why he fails to attain maximum performance from his managers

From "the old school of hard knocks", he regards himself as The Boss and expects to be respected as such Formal management development remains anathema to him

Not surprisingly, staff turnover is high in his company and he has never so much as considered totting up the costs of continually replacing key personnel

In the past decade or two, this breed of manager has been rapidly disappearing, to be replaced by a new type of executive who, it is claimed, uses new skills to cajole and encourage — and thus retain — valuable managers

South Africa, with its chronic shortage of skilled people and new generation of young blood reaching for the top, is beginning to experience the general acceptance of a new pattern of management which incorporates entrepreneurial, and technical skills, but which also recognise the importance of the human sciences in achieving results

The development of this type of "omni" manager in South Africa has followed trends in the United States and Europe, but for different, uniquely South African, reasons

As much as 25 years ago, professional engineers in this country first began to discover that top mangement jobs were being filled by marketing and finance specialists rather than men with technical backgrounds

They, therefore, went out and added business degrees (once these became generally available in SA) to their list of engineering and technical qualifications

This brought them, for the first time, face-to-face with the human sciences, then all the rage, and they built skills in this area through what were then considered sophisticated training programmes

Suddenly, the corporate ladder was a lot shorter than before

The so-called behavioural sciences later came under fire as unarguable evidence failed to materialise that they, in fact, led to better management, reduced staff turnovers, higher productivity and what have you

Gradually, however, proper perspective was achieved and the sort of counsel developed by Dr Paul Hersey in particular, is invaluable

Just what balance of skills does the "omni" or "super" executive require?

John D Rockefeller, one of the greatest entrepreneurs of all time, once stated that he would pay more for the ability to deal with people than "for any other ability under the sun"

The results of surveys conducted by the American Management Association tend to reinforce the claim that the acquisition of human skills is critical to the senior manager

Of the 200 managers who participated in the most recent survey, an overwhelming majority agreed that the most important single skill of an executive is his or her ability to get along with people

They rated this ability more vital than intelligence, decisiveness, knowledge or job skills

It seems, therefore, that a sound knowledge of the human sciences is of vital importance to the modern manager — although that knowledge is not in itself by any means synonymous with the ability to get along with others in practice

Dr Hersey, the American developer of the popular Situational Leadership Theory, maintains that it is generally accepted that there are at least three areas of skill necessary to carry out the process of management They are technical, human and conceptual

While the amount of technical and conceptual skills needed at different levels varies, Hersey maintains that the common denominator that appears to be crucial at all levels is human skills

He defines human skill as the ability and judgement in working with people, including an understanding of motivation or what makes your employees tick

Leadership is the key skill in management, as any attempt to influence an employee's behaviour is a "leadership attempt"

Situational leadership explains and integrates virtually all of the common behavioural theories in use today Its unique strength is the insight it gives employers to the "how and why" of human behaviour

The importance of the human science skill in management has gained increasing acceptance and most South African business schools now place heavy emphasis on the human skills element in what was previously a strictly functional approach to business learning

Yet the human science skill is still treated as a second class requirement in many in-company management development programmes

It is often up to the budding executive to go out and select a training programme which will equip him with those attributes which will bring him closer to the ideal

Until fairly recently it was accepted that there were management styles which provided hard and fast formulae for successful management

Dr Hersey and Dr Blanchard's theory of situational leadership have brought about a radical departure from this thinking

After investigating the application of human sciences skills in management situations throughout the world, the two researchers concluded that there was no ideal form of management

In a nutshell, the basis of their theory is that there is no best way to go about influencing people

They maintain that the most appropriate leadership style a manager needs to adopt with particular individuals or groups depends on the maturity level of the people the leader is attempting to influence — or their willingness and ability to carry out a particular theory at management level

The Xerox Corporation, for example, was one of the first large corporations to send a large number of managers from its Information Systems Group on situational leadership training programmes

The corporation's personnel division then evaluated the performance of managers who had attended the course

Their study showed that the managers trained in situational leadership were considerably more effective in their jobs, that all managers who were trained, used and applied situational leadership at least some of the time, that, on average, managers who applied the model correctly rated their subordinates job performance higher than managers who did not

The study, claimed Xerox, was highly supportive of the Hersey-Blanchard model of leadership effectiveness Gains in job performance were practically and statistically significant

Last year, the two researchers took their theory a step further with the publication of a paper which integrates all the available knowledge on power and the situational leadership theory

They maintain that leadership and power are inseperable since leadership is the process of attempting to influence the behaviour of others and power is the means by which the leader actually gains compliance

Power in this context is thus viewed as "influence potential' — a key component of leadership ability

The key to the use of power in a management situation, say Hersey and Blanchard, is the leaders ability to perceive just how much and what type of power his subordinates think he has

In their latest research, Hersey and Blanchard have identified seven unique bases or sources of power which may be used by the leader as a means of inducing compliance or influencing the behaviour of others

These power bases include such areas as personal charisma, legitimate position in the organisation, "connections" with influential people, and knowledge of the job and industry

Some leaders have a great deal of power while others have very little Actual power thus results from both the organisation and the leader's position in the organisation as well as individual differences among the leaders themselves

The South African manager needs to be aware that he deals constantly with both employees at the very low and very high maturity level

With immature groups such as unskilled and semi-skilled labour, his ability to reward, coerce or influence through his formal position is most likely to be successful

At senior management level, to get the best from the employee with a high level of maturity, the manager's personal charisma, information, knowledge and expertise must be more advanced

Hersey and Blanchard emphasise that maximum effectiveness as a leader is not a question of style alone, but also a question of what power bases are available to that leader and whether these power bases are consistent with the maturity levels of the individual or group that the leader is trying to influence

As managers consider these relationships, say the researchers, it appears that dynamic and growing organisations gradually move away from reliance on power bases that emphasise compliance and towards the utilisation of the power bases that aim at gaining influence with people

Hersey and Blanchard admit that there is still a great deal to be learned about human behaviour and its application in the business environment Further research is necessary

But, they say, knowledge about motivation, leader behaviour, and change, will continue to be of great concern to the practitioner of management for several reasons

- It can help improve the effective use of human resources
- It can help prevent resistance to change, restriction of output and union disputes
- Often it can lead to a more productive organisation

In South Africa, with its unique social problems, the super manager with his knowledge of the human science skills is essential to assist in the evolutionary development of the labour force

He is best qualified to cope with inter-racial problems which invariably arise in most organisations

In fact, without him, the business community could not lead the way in opening the doors to advancement for blacks in particular and the disadvantaged in general

Boom brings a crushing burden for the middle managers

By STEPHEN ORPEN

"THE CRISIS in middle management is possibly the most important brake on faster economic growth in South Africa.

'There simply aren't enough people of the calibre we need to run our existing operations, let alone our expansion projects"

With the country's engine room reverberating to the sounds of the new surge in the economy, this perennial lament from top management is again being heard in boardrooms in the major centres

Speak to the so-called middle managers, however, and you hear a different story

'Top management will not give us the responsibility we need to justify our accountability It is the men at the top, and not us, who are failing to provide what is necessary

We are caught between a rapidly growing layer of incompetence among those who report to us and a growing tendency by top management to pass the buck but not the extra rewards that should go with our greatly increased burden

In fact, the burden is growing at all levels of management, and is certainly a brake, if not the most important, on expansion and enhanced efficiency

But the middle managers are perhaps most to be pitied They must field flak from below, above and all sides, whereas those higher up or lower down may, at least, enjoy a more or less open view in two or more directions

Or so the argument goes

The middle manager works largely by managing relationships His is a threefold task requiring him to be subordinate, equal and superior

Upward, he takes orders from his boss — he's a subordinate

Downward, he gives orders — he is a boss

Laterally, he often relates as an equal — he may have to get help from staff services for example

Managing the three relationships is especially demanding in the South African situation, with all its special features, when business accelerates and the pressure on the country's already scarce high-level skills builds up towards bursting point

Being in the middle often involves trying to be all things to all men — above, below and at the same level — without enough authority yet with growing responsibility. When the economy accelerates in a country like South Africa, with scarce management resources and special management problems, the middle manager may be stretched to the limit or beyond.

The middle manager's position is analogous to a cricketer having to excel simultaneously in batting, fielding, and bowling He must be able to handle all three relationships and also to shift quickly and frequently from one to another

This often makes it hard for him to behave consistently Satisfying the needs of one set of demands, may reduce effectiveness in another (eg a middle manager who rigidly follows orders from headquarters may weaken his authority, or appear unreasonable and unresponsive in the eyes of subordinates)

● PLAYER/COACH·

In some respects, the middle manager is the leader who delegates, guides, and plans In others he has specific operating responsibilities and must "roll up his sleeves ' to achieve targets

Therefore, he is both delegator and doer, strategist and operator, coach and player

By contrast, his superiors usually coach, his subordinates are normally players

Likewise his dual role combines different skills and actions

On the one hand he needs a broad overview, detachment, and long-run perspective

On the other, he needs detailed knowledge and experience, the ability to involve himself directly and deeply and a sense of urgency

The middle manager must constantly balance the two roles and sometimes make trade-offs

Is he too much of a player, involved in details and in doing things himself? Or is he becoming too much of a coach by staying aloof, delegating too much, not getting sufficiently involved?

The delicate balancing of the two roles is also influenced by the demands, expectations and abilities of the middle manager's superiors and subordinates —the choice is not entirely free

In keeping with his dual role, the middle manager usually receives abstract guidance from his superiors in the form of goals to translate into concrete action

If the chief executive sets the goal of an increase in earnings a share (and mentions it to financial analysts, thereby making it an even stronger commitment), how does he go about achieving the goal?

He communicates it to his number two, who salutes and passes it on to his divisional general manager, who, in turn salutes and passes it on to the middle manager

The latter will salute, turn around and find nobody to pass to This is where the buck stops

To get results the middle manager must translate his superior's strategic language into subordinates' operational language Abstract guidance must become concrete action

Often the targets reach him carrying the label, "difficult but achievable"

This may have a motivating purpose, but it's more likely a euphemism for "we know the results we want, we've no idea how to achieve them you figure out how to do the job — and do it"

It's a superior's privilege to push decision-making down and let his subordinates sweat it out Why should he stick his neck out when he has a subordinate to do it for him?

The superior measures success by results, he s less interested in how it's achieved

Thus the middle manager's performance is not often appraised by matching the abstract results of his actions with the abstract guidance given him

So much for theory In practice in many companies in South Africa right now, middle managers, in particular, are having to manage from one small or large crisis to the next

The pressure simply to produce better results **TODAY** is such that there is no time for a proper, considered approach to the past present and future

Yet there was never a greater need for just such an approach — with the challenge of race relations and black advancement on the job, pressures for egalitarianism in the job structure, pressures for far more training — in unchartered waters — of the labour force and of all those concerned with multiracial industrial relations and the like

● RESPONSIBILITY OUTRUNS AUTHORITY

Typically, the middle manager assumes full responsibility for his unit and is evaluated on the results of the whole operation

Like the chief executive, the middle manager must account for others' performance But unlike the top dog, he has only limited authority He often needs co-operation from equals, and he receives (solicited or unsolicited) guidance from superiors

Thus responsibility exceeds authority

Textbooks state categorically that such an imbalance is wrong and that responsibility should be backed up with the necessary authority But discrepancy is an inevitable fact of divisionalised life

To function effectively, the middle manager, despite limited authority, must accept full responsibility and take action and also recognise that he must co-operate with others Here's where ability to manage multiple relationships is critical

While he can always "go to court" (appeal to his superiors when there's no co-operation from equals) he should rely on this only as a last resort, or when an issue is clear-cut Preventive settlements, even if they involve compromises, may be preferable

By going to "court," he's asking somebody higher up to stick his neck out The fact that this somebody is where he is, probably means that he's good at not sticking his neck out, he's unlikely to be receptive unless a middle manager picks his fights wisely, carefully, and rarely

Career objectives and prestige, as well as influence, are at stake and the general manager in the middle is an easy and accessible target

The middle manager needs co-operation and assistance, therefore, he's vulnerable to sabotage Hence he must possess political sensitivity as well as the constitution to stomach pressure and conflict

● EXPERIMENTAL LEADERSHIP.

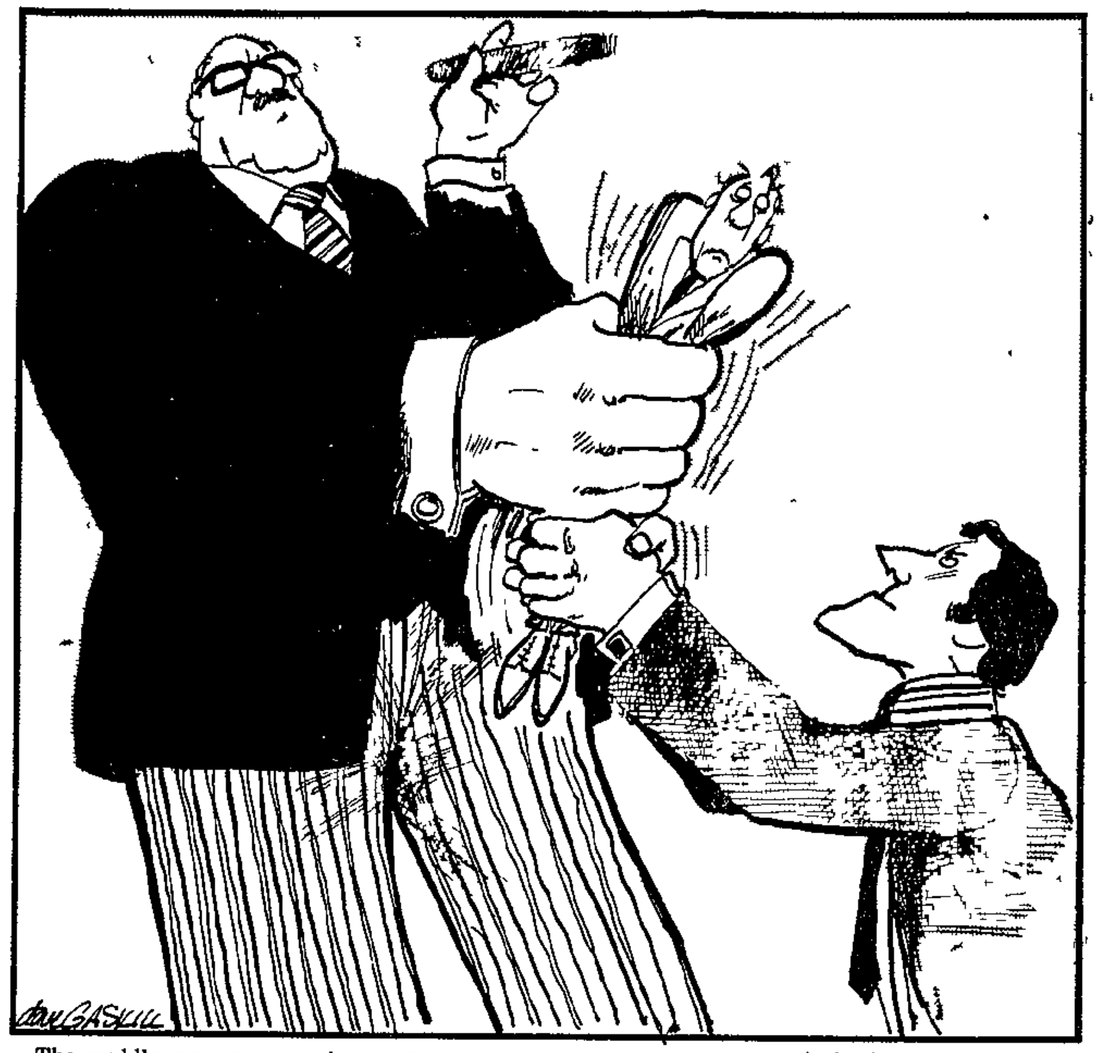
A middle manager is often an agent of change, learning through trial and error Experimentation means vulnerability, where the agent of change is an inexperienced newcomer, it is particularly easy to shift blame to his shoulders

Experimental leadership rarely permits great speed, it involves slow testing and occasional back-tracking that subordinates may see as indecision and defeat

Thus, they may interpret it as lack of leadership withhold, support, and blame the leader for inexperience or ignorance

Under this handicap, success may be elusive Top executives may be watching rather than supporting the experiment

Thus it is unrealistic to expect rescue from above To judge the soundness of experimental change, whether initiated from above or by the middle manager himself, an objective and neutral superior is needed He can also act as an arbiter where conflicts arise



The middle manager may be better served in the long run by working under such a neutral arbiter rather than a prejudiced ally

● UNREALISTIC EXPECTATIONS

But the middle manager's job is quite different from the top-level general manager's

Being sufficiently demanding, the job should not be made harder by incorrect understanding of its scope and characteristics

Top management often fails to recognise that imperfection is a fact of middle-management life

Such attitudes create unrealistic expectations among all concerned in turn this inevitably produces disenchantment and failure Reality, inelegant though it may be must be faced

The manager may approach his job with supreme confidence in his own abilities, viewing his new appointment as evidence of his importance

Where change is required, he may see himself as the new leader destined to bring order out of chaos, turn failure into success

He may see subordinates as unsuccessful old-timers, he may doubt their abilities downgrade their importance

A middle manager with this approach is creating the conditions for a self-fulfilling prophecy, with himself as victim

The middle manager must find his way through a maze of accommodation and compromise He cannot always make quick decisions take a straightforward course of action, or follow rational and logical solutions

He must bring what he judges necessary within the realm of the possible

Perfect answers rarely exist for him

Managing skills scheme . . .

Post 22/5/80 (12)

Professional Learning Systems have introduced a new programme aimed at providing the fundamental knowledge and essential skills managers need to work more effectively.

The programme, called Interpersonal managing skills, also aims at making managers work more productively with subordinates and associates They learn crediting — when and how to give the kind of praise that encourages subordinates to put out their best efforts.

The course teaches actual skills and how to deal with the day-to-day challenges which are faced by people in management capacities.

It is based on intensive research of more than 5 000 leading American companies and the results of this research have been incorporated into a programme which should be highly valuable to anybody in a managerial position.

They learn:

- Clarifying and confirming — a new way to listen and how to listen so that managers understand what others are saying before reacting to these ideas. How to respond in a way that avoids threatening, minimising or being insensitive.
- Constructive criticism — how to evaluate the work or performance of others in a way that enables them to correct mistakes without stifling initiative.
- Building — how to acknowledge the value of someone's ideas or in the course of modifying them, make them more practical or valuable.
- Managing differences — how to handle differences without giving up priorities and avoiding unsatisfactory compromises and win/lose conflicts that will otherwise end in resentment or lack of commitment And how to ensure that people accept and implement decisions even when they do not completely agree with them.

Truth about 'perfect' managers

At last, a milestone in what every exec should know about applying team spirit

STEPHEN ORPEN reports

THE whizz-kid, the steady plodder, the knocker of ideas, the loyal company slave . . . we've all met them at some time — or worked with them.

Individually they may drive us mad But give them a role in a team and they could help to crush the competition

Antony Jay, a former executive and author of best-sellers "Corporation Man" and "Management and Machiavelli" has uncovered some fascinating new facts about the inner workings of teams For too many years the search for successful management has been seen almost exclusively as a search for the right individual Corporations have been preoccupied with the qualifications experience and achievement of individuals Yet all of us know in our hearts that the ideal individual for a given job cannot be found He cannot be found because he cannot exist

Any attempt to list the qualities of a good manager demonstrates why he cannot exist

Far too many of the necessary qualities are mutually exclusive

The manager must be highly intelligent but he must not be too clever

He must be highly forceful but he must also be sensitive to people's feelings

He must be dynamic but he must also have the patience of Job

He must be a fluent communicator but also a good listener

He must be decisive but also reflective — and so on

While no individual can combine all these qualities, there is new evidence which explains for the first time why a *team* of individuals can and does

But how? The trouble is that by comparison with our knowledge of *individual* psychology motivation and behaviour our knowledge of what makes a successful team is tiny Anthony Jay faced this problem when writing "Corporation Man"

How do you create a successful team? And why are some tea. is more successful than others?

New answers have come from Dr Meredith Belbin of the Industrial Training Research Unit at Cambridge

He has not only asked these questions but come up with such fascinating, convincing and extensively documented answers that Jay believes his work to be the most important single contribution in the past decade to our understanding of how human organisations work — and how to make them work better

Dr Belbin's crucial perception is that all members of a management team have a dual role

The first role the functional one is obvious a manager belongs to the team because he is an accountant or production engineer or regional service manager or group marketing executive or whatever

The second role what Dr Belbin would call the team role, is much less obvious and yet in a sense we have all been dimly aware of it ever since we first started to work in teams

We know for instance that Tom is always coming up with bright ideas, that Dick wants to get decisions finalised and tasks allocated and that Harry tends to pour cold water on other people's proposals

Eight roles

And what is more, we know that Tom Dick and Harry are likely to show these same characteristics whatever team they are in — the new product planning group the social committee of the golf club, or the board of governors of the local school

It is these enduring roles which are the main subject of Dr Belbin's research As a result, he has isolated and identified just eight roles for team members

His impressive record in prediction makes the discoveries unusually convincing, although Dr Belbin maintains that it is far easier to forecast correctly teams that will fail than teams sure to succeed

In latter stages of his work, Dr Belbin and his team developed the uncanny skill of being able to construct successful teams from test scores without needing to visit an establishment or meet those tested

Over the years of research Dr Belbin learned to recognise individuals who made a crucial difference to teams and to whose team types he gave descriptive names

Dr Belbin s psychometric tests isolated four principal factors intelligence, dominance ,extroversion/introversion and stability/anxiety

It was the balance of ratings an individual achieved on these four scales plus scores on a number of subsidiary measures that determined which team role he would best fill

While everyone had a "preferred" team role, most people had a "secondary" team role they could play if no one else was fitted for it and if, say, someone else on the team played their "preferred role better

Here are the eight team types which Dr Belbin and his colleagues have finally identified

CHAIRMAN. Stable, dominant extrovert "Chairman" is one of those slightly misleading titles since he may well not be the leader of his team Nevertheless it is team leadership that he is best fitted for

He is the one who presides over the team and co-ordinates its efforts to meet external goals and targets He is distinguished by his preoccupation with objectives

You would expect him to be at least normally intelligent but not in any sense brilliant, and not an outstanding creative thinker, it is rare for any of the good ideas to originate from him

He is much more remarkable for what used to be called "character" his approach is disciplined, and it is founded on self-discipline

He often has what is called "charisma" but it is perhaps easier to think of it as authority

He is dominant but in a relaxed and unassertive way — he is not domineering He has an instinct to trust people unless there is very strong evidence that they are untrustworthy and he is singularly free from jealousy

He sees most clearly which member of the team is strong or weak in each area of the team's function, and he focuses people on what they do best

Filling gaps

He is conscious of the need to use the team s combined human resources as effectively as possible This means he is the one who establishes the roles and work-boundaries of the others and also who sees gaps and takes steps to fill them

He talks easily and is easy to talk to a good communicator in the two-way sense neither a compulsive talker nor a "man of few words ' but certainly a good listener

SHAPER Anxious dominant, extrovert Some observers of teams in action have suggested that a team needs a ' social" leader, who is the permanent head of the group, and a separate "task leader who is in charge of a specific and defined project — much in the way that a nation needs both a Head of State, who is permanent, and a Head of Government, with a specific job to do

If so, the Shaper is the task leader and the Chairman is the social leader The Shaper is the most likely to be the actual leader of a team in those cases where there is no Chairman, or where the Chairman is not, in fact, the leader

The Shaper is full of nervous energy he is outgoing and emotional, impulsive and impatient sometimes edgy and easily frustrated

He is quick to challenge and quick to respond to a challenge (which he enjoys and welcomes) He often has rows, but they are quickly over and he does not harbour grudges

Of all the team, he is the most prone to paranoia, quick to sense a slight and the first to feel that there is a conspiracy afoot and that he is the object or the victim of it

The Shaper exudes self-confidence, which often belies strong self-doubts Only results can reassure him His drive, which has a compulsive quality is always directed at objectives

PLANT Dominant, very high IQ, introvert The Plant originally received his name when it was found that one of the best ways to improve the performance of an ineffective and uninspired team was to ' plant one of this team type in it

But you can also think of the Plant as the one who scatters the seeds which the others nourish until they bear fruit

The Plant is the team s source of original ideas suggestions and proposals he is the ideas man

The danger with the Plant is that he will devote too much of his creative energy to ideas which may catch his fancy but do not fall in with the team s needs or contribute to its objectives

MONITOR-EVALUATOR. High IQ, stable, introvert In a balanced team it is only the Plant and the Monitor-Evaluator who need a high IQ, but by contrast with the Plant, the Monitor-Evaluator is a bit of a cold fish

By temperament he is likely to be serious and not very exciting His contribution lies in measured and dispassionate analysis rather than creative ideas and while he is unlikely to come up with an original proposal he is the most likely to stop the team from committing itself to a misguided project

Although he is by nature a critic rather than a creator he does not usually criticise just for the sake of it but only if he can see a flaw in the plan or the argument

Curiously enough, he is the least highly motivated of the team enthusiasm and euphoria simply are not part of his make-up This, however, has the compensating advantage that ego involvement does not cloud or distort his judgment

COMPANY WORKER Stable and controlled The Company Worker is the practical organiser He is the one who turns decisions and strategies into defined and manageable tasks that people can actually get on with

He is concerned with what is feasible, and his chief contribution is to convert the team's plans into a feasible form He sorts out objectives, and pursues them logically

Integrity

Like the Chairman, he too has strength of character and a disciplined approach

He is notable for his sincerity, his integrity and his trust of his colleagues, and he is not easily deflated or discouraged

It is only a sudden change of plan that is likely to upset him, because he is liable to flounder in unstable, quickly changing situations

RESOURCE INVESTIGATOR Stable, dominant, extrovert The Resource Investigator is probably the most immediately likeable member of the team

He is relaxed sociable and gregarious, with an interest that is easily aroused His responses tend to be positive and enthusiastic though he is prone to put things down as quickly as he takes them up

The Resource Investigator is the member of the team who goes outside the group and brings information ideas and developments back to it

He makes friends easily and has masses of outside contacts He is rarely in his office, and when he is he's probably on the phone

He is the salesman the diplomat the liaison officer, always exploring new possibilities in the wider world outside

His ability to stimulate ideas and encourage innovation by this activity would lead most people to mistake him for an ideas man but he does not have the radical originality that distinguishes the Plant For all that, he is quick to see the relevance of new ideas

TEAM WORKER Stable, extrovert low in dominance The Team Worker is the most sensitive of the team — he is the most aware of individuals' needs and worries, and the one who perceives most clearly the emotional undercurrents within the group

He also knows most about the private lives and family affairs of the rest of the team He is the most active internal communicator likeable popular unassertive the cement of the team

He is loyal to the team as a unit (though this does not mean he cannot take sides when there is a split) and supports all the others If someone produces an idea, his instinct is to build on it, rather than demolish it or produce a rival idea

FINISHER Anxious, introvert The Finisher worries about what might go wrong He is never at ease until he has personally checked every detail and made sure everything has been done and nothing overlooked

It is not that he is overtly or irritatingly fussy — his obsession is an expression of anxiety

The Finisher is not an assertive member of the team, but he maintains a permanent sense of urgency which he communicates to others to galvanise them into activity

He has self-control and strength of character, and is impatient of and intolerant towards the more casual and slap-happy members of the team

If the Finisher has one major preoccupation it is order — he is a compulsive meeter of deadlines and fulfiller of schedules

The question arises what happens if you have fewer than eight people?

The answer seems to be that as people have ' secondary team roles they can double up when necesssary and perform two of the functions instead of just one

In other words you can operate an effective team with four people if necessary

This revelation particularly interested Mr Jay as he had noticed how in addition to the "hunting band team of up to 10 people there seems to be a natural and extremely effective human grouping of four a sort of Council of Elders '

And if you look at the eight team types more closely, you see that they divide into four whose preoccupation and orientation is to the world outside the team, and four who are principally concerned with the world inside the team

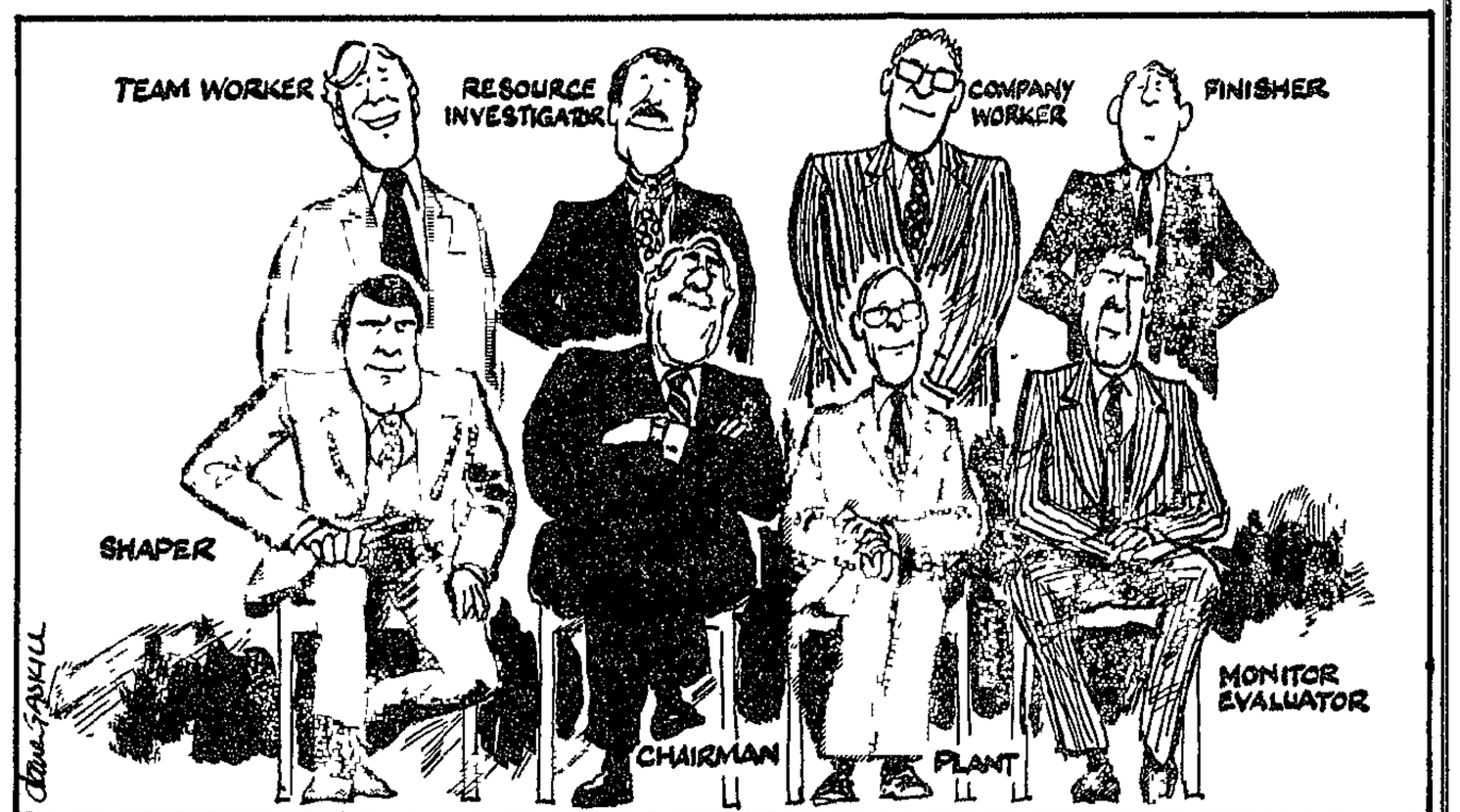
OUTWARD LOOKING Chairman Plant, Resource Investigator and Shaper

INWARD LOOKING. Company Worker, Monitor-Evaluator, Team Worker, Finisher

It is also interesting that it is the outward-looking team members who show up as dominant in the psychometric tests, whereas the inward-lookers while not necessarily being submissive, are not especially characterised by dominance

You can also look at the listing as four inward-outward pairs, taking the Chairman with the Company Worker, the Plant with the Monitor-Evaluator, and so on

Each pair comes into its own at a different stage of an operation, the structure is very close to that of, say, an [illegible]



NM 29/7/80

Drive to train black traders

Mercury Reporter

The Rotary Club of Durban Musgrave, in collaboration with the Inyanda Chamber of Commerce, is spearheading a nation-wide campaign to train black businessmen.

One of the pioneers of the scheme, Mr George Oram, who is a former chairman of the vocational service committee of the club, said yesterday that many black businessmen were men in their 40's and 50's who had left school in Standard 3

'They have run businesses for the last 20 years or more, albeit with a lack of management skills and strategies,' he pointed out. 'We are endeavouring to straighten them out in basic theory.'

Master plan

Mr Oram has drawn up a 'master' plan', which was presented to Rotarians and members of Inyanda from the Pinetown area at a meeting to form a Rotary/Inyanda education advisory council last night.

He intends to form similar councils in more than 20 regions in Natal

'In view of the interest shown by Rotarians in other parts of the country,' he continued, 'it is evident that this development will stretch right across South Africa

Mr Oram conceded that the KwaZulu Development Corporation was playing a big part but there was still need for a great amount of education by the commercial sector

When the boss misses out on the pay line .

By Jean Moon

Pay practices and the general reward philosophy pertaining to senior executives is completely different from those applied to other levels.

In a recent survey carried out by the HAY Services Division of MSL Southern Africa it was revealed that as soon as a middle to top middle management level was attained, there was a distinct flattening out in the slope of the pay practice line

This was in response of the high marginal tax rate plus other inequalities in our tax system.

Executives were obviously compensated with a bias towards benefits in kind, such as soft loans, cars, housing loans and it was this philosophy towards executive remuneration reward that prompted the recent investigations into taxation of fringe benefits.

A pay guide to top executives is being compiled by the HAY Services Division in Johannesburg and information is currently being gathered from the complete spectrum of SA businesses and commercial organisations, and specialised analysis will be carried out on top management benefits such as:

- Incentive bonus schemes
- Company cars
- Pension and life assurance
- Permanent health insurance
- Medical aid schemes
- Deferred payment schemes
- Education of dependants
- Share option schemes

HAY Services division predicts that the emphasis will have to shift markedly from high benefit packages to focus on basic salary and cash incentives.

Demand for qualified black labour will rise

Own Correspondent

By 1984 demand for qualified black labour in the Pretoria, Witwatersrand and Vereeniging (PWV) area will be more than double its level last year

This is one of several findings of a survey of manpower requirements in the PWV area during the period 1979 to 1984

The survey was undertaken by the School of Business Leadership of the University of South Africa.

According to an abridged report on the survey, demand for blac manpower with university, Technikon or trade qualifications will have increased by 129 percent by 1984

During the same period, demand for qualified white manpower will increase by 44,3 percent

At present, says the report, blacks constitute 7 5 percent of the area's qualmanpower employed in the PWV area It is estimated that by 1984 they will constitute 39,8 percent of the area's qutlified manpower — more than a five fold increase

The report says the education of the present black generation is grossly inadequate for tertiary training and the upward mobility of blacks in the labour market

A sound regional and national manpower effort, probably under the umbrella of the Manpower Commission, is recommended

The report also advocates greater investment in education and training and the equalisation of black and white education, training and employment opportunities

At all levels, according to the report, there are significant changes in the patterns of demand for manpower The movement is away from formerly popular disciplines (including the arts and humanities) towards more complex technical and commercial areas

Woman power 200

WOMEN with the skills to occupy managerial positions are always by-passed and the jobs given to men, a symposium held in Johannesburg heard yesterday.

Dr Jan Visser, executive director of the National Productivity Institute, was addressing more than 200 people during the Womanpower 200 symposium at the Carlton Hotel.

Dr Visser said South Africa's productivity was low and regrettably not improving at a sufficient rapid rate because of the many tasks "restricted" to men.

He told the symposium the women were torn between two loyalties — a professional career or motherhood.

"It is extremely difficult for a person to be out of the labour market for a number of years and then move back, which many women are expected to do.

"South Africa is chronically short of engineers and has been so for a long time, yet we have not found that women offer their skills in this direction even though they could carve a better future for themselves (and their husbands) from this profession," Dr Visser added.

Another speaker, Mrs Truida Prekel, senior lecturer at the School for Business Leadership at Unisa, said she had come across a few real "male chauvinistic pigs" who deliberately and consciously blocked women in their development as people.

Executives' salaries are up by 18 percent in last 12 months—survey

(172 STAR 4/9/80)

Average salaries of South African executives have risen by 18 percent during the last 12 months a national salary survey has shown Similar increases have been given to sales and marketing workers

The survey, claimed to be the most comprehensive compiled in South Africa and encompassing half a million workers in 500 companies, shows that personnel and clerical staff lag in the boom increases

During the year ending last month, according to the P-E Survey, white general staff received pay rises of about 17 percent. Black, coloured and Asian pay also went up by nearly 17 percent.

The survey concludes "In areas where manpower shortages are particularly serious salaries have increased more rapidly than they have for about 10 years"

The survey found indications of a slowdown in the growth of the economy, caused mainly by the dearth of skilled labour.

me

Re: Term 4: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. To facilitate a fair comparison with leasing the most rapid method of depreciation allowed by the Receiver of Revenue should be used. Furthermore depreciation in this context includes the investment and initial allowances.

Re: Term 5: The riskiness of this flow is likely to be equal to that of Term 3 thus the same discount factor is suggested. This stream is the tax shield arising from the tax deductibility of the interest on an equivalent (the displaced) loan.

The general approach will now be applied to the problem in MAN. 530 which follows.

Top Five Executives of 1980

QUINTET WHO HAVE MADE THEIR MARK ON THE SOUTH AFRICAN COMMUNITY

TONY Bloom, chairman of the Premier Group, is the modern equivalent of the classical all-round top executive — striving to maintain a balance between the mental and physical side of life

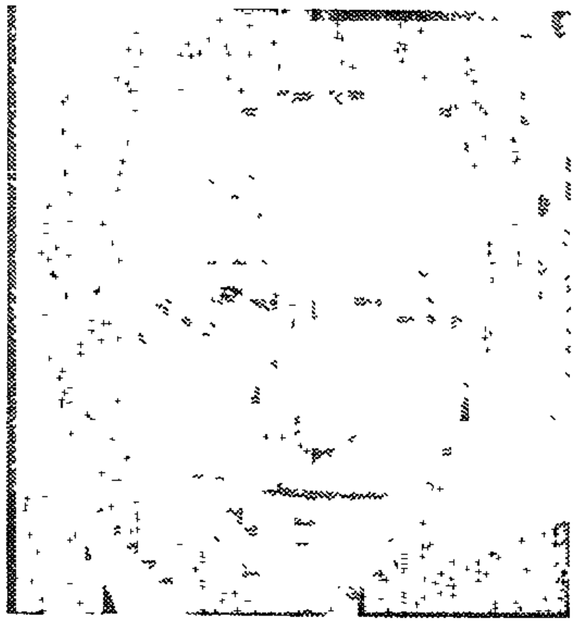
This means that his concerns and interests are wide — business, the arts, sport and, above all, social issues in a rapidly changing Southern Africa

But as chief of one of South Africa's leading industrial companies — the Premier Group, whose yearly sales are soaring to an estimated R1 100-million this year and which ranks as one of the bluest of chips on the JSE's industrial board — he is reluctant to talk about himself

His record must speak for him — and it glitters with academic, community service and sport honours

He is emphatic about his business He sees the Premier Group as a "forceful, dynamic and, above all, highly respected company on the South African scene, with a reputation for fairness and integrity"

He intimates that he is merely the motivator for a great management team, which operates 300 companies and employs 29 000 workers



● Tony Bloom, chairman of Premier group

A record glittering with honours

30/11/80

And so he is, according to his executives, who claim that he is the top chief executive in South Africa today Says 49-year old Premier Group deputy MD Peter Wrighton of 41-year old Bloom "Tony runs very fast, and we all have to run like hell to keep up with him"

Tony, although born in a privileged position as son of Premier's founder, Joe Bloom, has run fast, run in his own style and has taken the Premier Group to new heights this year

His academic qualifications are impeccable King Edward School in Johannesburg, B Comm and LL B (Cum Laude with nine distinctions and recipient of the Philip Millin Prize) at the University of the Witwatersrand Master of Laws degree at Harvard Law School (with thesis selected as one of high excellence for deposit in Harvard library) and Sloan Fellowship (first South African) at the Graduate School of Business Stanford University

His sporting record includes a blue for athletics at Wits, and representing South Africa in the athletics division at the Maccabi Games

Father Joe did not create a position for son Tony at Premier He joined a leading firm of Johannesburg firm of attorneys as articled clerk in 1960 and was appointed a partner in 1964

He entered the Premier portals as legal counsel in 1966, was appointed a director in 1969, became deputy chairman in 1975 and was appointed chairman in 1979 after Joe Bloom's death

Other directorships include Barclays (this year), Metcash, Kimet and Waicor

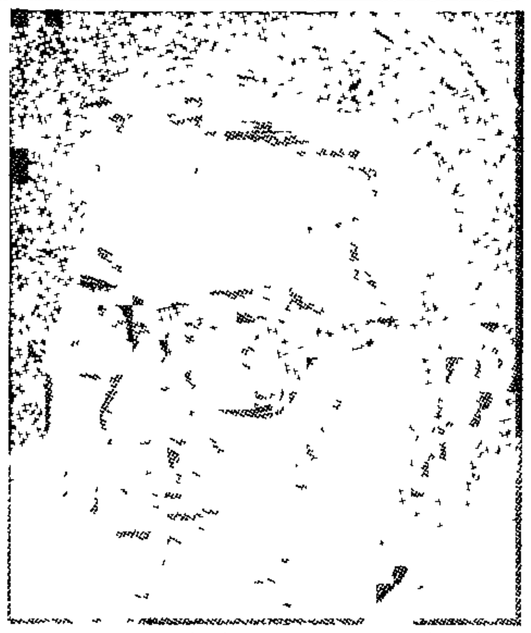
His aim is to achieve a 20% compound growth for the Premier Group, which this year added Gallo, Twins Pharmaceuticals to its traditional food interests and acquired joint control of the Cape's Ovenstone group

Besides taking work home "too often" he devotes much time to community interests These include Care of Cerebral Palsy African Children's Feeding Scheme, SA Institute of Race Relations, NDMF, board member of United States-South African Leadership Exchange Programme, trustee of SA Wildlife Foundation

Concern for people and their rightful advancement in society is one of Tony Bloom's obsessions The Premier Group appointed the first black national sales manager, has earmarked R1-million to upgrade its black workers' accommodation and donated R100 000 to the Alexandra Liaison Committee to upgrade black housing

He represents the fourth generation in his family's food business, is unashamedly sentimental about its achievements and is proud that father Joe Bloom was elected Business Times Man of the Year some years ago

Visionary's faith in people, land



A PERVASIVE belief in the importance of agriculture and technology has been the driving force in the career of chemical industry leader Francis le Riche

He makes no bones about being a technocrat but has applied his expertise with a visionary's faith in people and the land

With his strong blend of social responsibility and formidable organisational skills, as former managing director and now deputy chairman of the R430-million Sentrachem group he has played a key role in building a strategic organisation that will go a long way towards increasing the country's self-sufficiency in food and chemicals

● Francis le Riche, deputy chairman Sentrachem

During 1980 Mr le Riche has seen the company take off in a staggering R500 million expansion programme

Plans have also recently been announced for expansion that will cost R1 000-million over the next 10 years

Exports by the group are already worth R100-million and will be multiplied by many new capital projects that have been announced

The group produces agricultural raw materials including fertilisers chemicals and insecticides plastics industrial chemicals rubber, food mining chemicals and products for use in animal husbandry

Since Mr Le Riche became MD in 1972, turnover has grown by 700% from R59,5-million to R430-million Earnings a share have climbed steadily by 900%, from 7 1c to 66 2c

"Sentrachem now has about 50 new projects that are being worked on One of my first priorities after joining the group as a general manager in 1970 was to create a decentralised management structure

"Ideas generally flow from the bottom upwards rather than the other way round As a result we have not missed a single opportunity that has come our way

'It is in our blood to analyse all opportunities for benefit and risk

An agricultural chemist with an MSc (Cum Laude) from the University of Stellenbosch and a keen farmer with farms at Duilstroom and his birthplace Dewetsdorp in the Free State, Mr Le Riche keeps abreast of agricultural developments throughout the world

'If there's one thing I have a complete dedication to it's to see development of agriculture in black states

This will not only feed the population It is the quickest cheapest and best way of creating employment and this will be my real interest for the future'

Elected deputy chairman of Manpower 2000 and a member of the Manpower Commission, Mr Le Riche has been closely concerned with the country's manpower and unemployment problems during 1980

Rive had to ride storm for success



AFTER years of thankless effort amid public criticism, 60-year-old Louis Rive today attracts praise and gratitude from a public which remembers vividly its nightmarish telephone service of only a few years ago

During his 11 years as Postmaster-General, he transformed the Post Office from an inefficient and outdated bureaucracy to a modern organisation successfully using increasingly sophisticated equipment.

Mr Rive was never made to regret his memorable promise in 1970 — "I shall do my level best, of that you can be sure, and if my efforts prove to be in vain, I shall seriously consider making way for someone who could possibly achieve greater success"

Today the Post Office is introducing semi-automatic telephone equipment at a cost of more than R1 000-million

Waiting lists for telephones have been drastically reduced, the telephone and postal systems now actually WORK

Although facing continual

● Louis Rive, architect of "new" Soweto

what will be a world-record-breaking project to electrify the 100 000-household city by 1982/3 at a cost of about R180-million

This project, and others to beat Soweto's critical housing shortage, provide it with an efficient telephone service and improve sewerage and roadworks, has already achieved success in marshalling the involvement of the black community and private enterprise in radically changing the face of black urban areas

These tasks are being tackled with the typical determination that Mr Rive has applied in his own career

He left school in the depression and started working as a Post Office clerk in 1937, matriculating through correspondence and obtaining a BA degree in political science through the University of South Africa

He became private secretary to the Minister of Posts and Telegraphs in 1954 and, except for a term as Comptroller and then Deputy Secretary for the Defence Force in the mid-Sixties, has spent his whole career with the Post Office

Property king stays out front

HARRY Gottlieb, executive chairman of J H Isaacs, which manages a property portfolio of R750-million, has recently built a team of professionals to manage his empire.

Yet he remains firmly on his throne as king of South Africa's property entrepreneurs.

Not that he ever abdicated. The man who arrived in Johannesburg as a barefoot boy from Hopetown, Cape, and became a director of J H Isaacs in 1949 after two-and-a-half years with the firm, finally buying out the Isaacs family interests in 1963, never lost his firm hold on the property market.

He steered J H Isaacs, a leader in property development in the country, through the difficult times of the property slump with typical aplomb, while the whiz kids' heads rolled, and patiently waited for the tide to turn

"Two years ago I would hardly have rated an invitation to a top businessmen award



● Harry Gottlieb, chairman of J H Isaacs

banquet — property was a dirty word," says the ever-ebullient Harry Gottlieb.

"Property is a cornerstone of the capitalist world and it had to return to its rightful place."

J H Isaacs has also regained its rightful place. Turnover this year has been the largest in money terms in the company's history and, once again, Harry Gottlieb is pulling off record deals.

Also this year marks a most important development in the company's progress — the creation of a Gottlieb-inspired R78-million property trust, believed to be the biggest commercial real-estate deal in South Africa

For the record, the ambitious project, the Carlton Centre, was half Gottlieb-inspired, together with Ted Sceales.

With its R6-million public issue of units, oversubscribed nearly four times, J H Isaacs get an entre to the Johannesburg Stock Exchange as Centre City Property Fund (Cenprop) on Wednesday — a 101

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DENNIS Etheredge earned his slot as one of the Top Five Businessmen for two main reasons

● As chairman of Anglo American Corporation's Gold and Uranium Division he is unquestionably a leading figure in world mining mining

As president of the South African Chamber of Mines during the 1979/80 term, he held centre stage at a time when the country's mining industry was experiencing its most exciting period in modern history

A world figure in mining

Gold, and the gold-producing industry, has been given much-enhanced stature both in local and world economies by men like Mr Etheredge

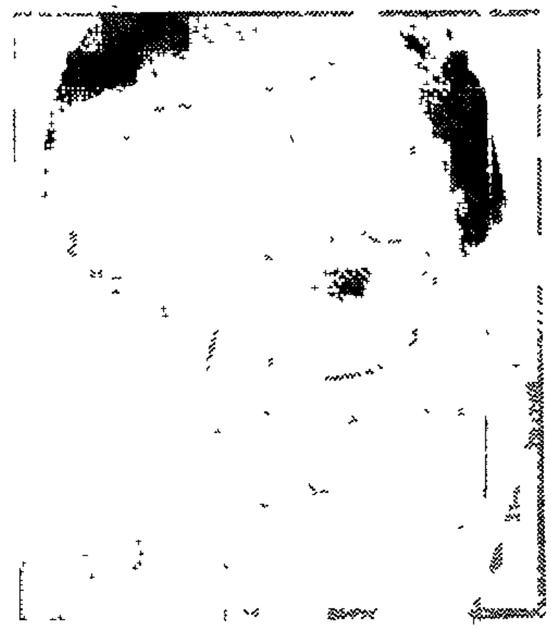
A gold bull with an innate optimism, Dennis Etheredge, 59, was predicting 18 months ago that gold was about to return as a powerful force in the world monetary system

The gold mines are today reaping record profits and are committed to spending billions of rands in capital spending programmes, while South Africa's gold earnings have been a linchpin for what promises to be an era of unprecedented economic growth

● Secondly, Mr Etheredge throughout his career has placed special emphasis on one of South Africa's most crucial problems today, the fields of human resources and industrial relations

At the start of his term as chamber president, he said he looked on industrial relations as his key challenge

Giant steps have since been taken that give cause for optimism that real progress has been achieved on the part of the industry's employers and employees towards labour peace in the future



Dennis Etheredge, a top man at Anglo

Nowhere are these questions of such importance as in the mining industry, which remains the backbone of the country's economy

As a leading figure at Anglo American, Mr Etheredge has been a prominent pioneer in uplifting living and working conditions at the group's mines, meeting rising aspirations of black workers and setting new standards in an industry that contends with a migrant labour system and an almost insatiable demand for skilled and unskilled labour

These achievements follow a lifetime of equally impressive work Before moving to AAC's head office in Johannesburg, the former history teacher had already been awarded an OBE for public service in Rhodesia

It was in Rhodesia and Zambia that he built a uniquely broad insight into personnel management and the aspirations of blacks

A move from Salisbury to the AAC's new office in Lusaka placed him four-square in the melting-pot of an emerging political structure, where he served also on the Government's Zambianisation committee

His activities there, as in his present schedule, typically covered far more than mining He served on the University of Zambia's council and has established Outward Bound schools in Rhodesia, Zambia and Lesotho

Today his activities include close involvement with the unobtrusive work done by the multiracial Toc-H organisation He is chairman of the Child Welfare Society and also has time for his hobbies of Bonzai growing and fishing

Mr Etheredge (MA) is known among his colleagues for being exceedingly articulate and logical, qualities of inestimable value in his full life

Harry Gottlieb is confident that the fund will provide a vehicle for safe investment in property. "There will never be a repetition of the property bloodbath; the whole business is now in responsible hands."

J H Isaacs's partners in Cenprop are certainly responsible and powerful The various property owners joining together in Cenprop are Southern Life Association, Shell Southern Africa Pension Fund, NBS Insurance, BP Southern Africa Pension Fund, Centurion Property and Downtown Real Estate (J H Isaacs).

A year ago, when the property market showed the first tentative signs of recovery, Harry Gottlieb's firm pulled off the largest single deal for some years.

It assembled the site, raised the finance and put together the construction of the giant IBM building, then sold it for R11-million to Old Mutual.

J H Isaacs has since beaten this figure. Money involved in the NBS building, where Edgars' flagship is located, is R14-million. This property is one of the six initially comprising the Cenprop portfolio.

All dramatic developments in a year, but Harry Gottlieb is anxious to put the record straight. J H Isaacs has been responsible for large township developments as well It opened up Robertsham, Parkmore, Sydenham East, developed Natal coastal resorts and Piet's Beacon Island, and built most of the flats in Killarney.

MANAGEMENT

15/1/81 — 31/12/81

15/1/81

172

STAR

178

174

NDMF hits at Manpower Bill

Labour Reporter

Business leaders fear the Department of Manpower will get virtual dictatorial powers if draft legislation published last month is passed by Parliament.

The general managers of the National Development and Management Foundation, Mr Ron Marsden and Mr Tony Kedzierski, said new powers contained in the Manpower Training Bill gave officials powers with no apparent checks and balances

The draft Bill, gazetted on December 19, gave managements a little time to reply to the recommendations, which replace earlier apprenticeship and in-service training acts.

Major complaints about the draft Bill were

- The Minister's power to shift costs of administration and training of apprentices wholly to the private sector
- Training advisers would have the right to inspect property or possessions of those directly linked to a training scheme.

LEVY

Mr Marsden and Mr Kedzierski called for checks and balances to be introduced if the Bill were made law.

They called for a maximum levy to be established so the private sector would not be seriously harmed by any levy impositions.

FACULTY OF ENGINEERING

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NDMF hear of gold's value as an 'insulator'

Own Correspondent

DURBAN — South Africa may well have entered a new economic phase — with its balance of payments regularly in surplus rather than deficit — Mr Michael Brown, chief economist of the Chamber of Mines, said in Durban.

Speaking at a business conference held by the National Development and Management Foundation, Mr Brown said gold was playing a burgeoning role in South Africa's economic upswing.

Latest estimates showed that last year 27 percent of gross domestic product was generated by gold industry expenditure. This compared with only 18 percent in 1978 and was caused by the rapid rise in the gold price last year.

Mr Brown said that the dominant role, and low import propensity, of the mining industry had enabled other industrial sectors to live beyond their means in the 1970s

In 1978 above half of total company savings were generated by the mining industry.

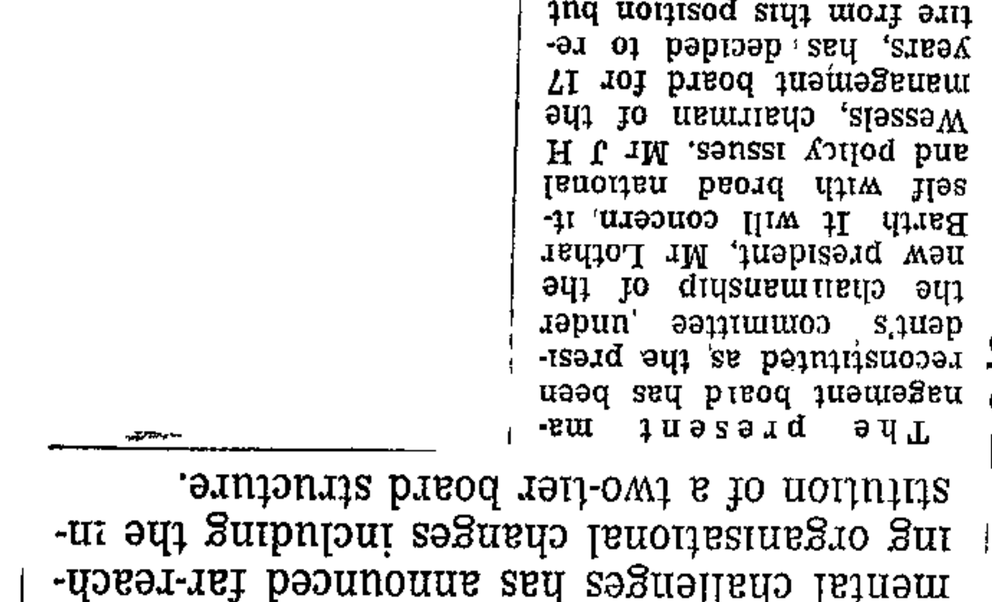
Factors contributing to this were the decline in production, Central Bank buying of gold, world inflation and political tensions.

It seemed that the balance of payments could not be in surplus more than in deficit — as it has usually been during the past 30 years.

Turning to the gold price, Mr Brown saw negative factors in the short term but believed the medium to long-term outlook was "very positive."

The gold price had insulated South Africa to a large extent from rising oil prices and international inflation. It also meant the national business cycle would not have slavishly to follow the dictates of overseas business trends.

Two-tier board for NDMF



MR L A O BARTH

MR P W PENZHORN

The National Development and Management Foundation in keeping with its policy of continually adapting to the changing developmental challenges has announced far-reaching organisational changes including the institution of a two-tier board structure.

The present management board has been reconstituted as the president's committee under the chairmanship of the new president, Mr Lothar Barth. It will concern itself with broad national and policy issues. Mr J H Wessels, chairman of the management board for 17 years, has decided to retire from this position but remains chairman of the statutory board.

At its first meeting the president's committee formulated priorities for 1981 which place particular emphasis on alleviating the manpower situation, promoting sustained economic growth, combating inflation by sound management practises and preventing industrial unrest by adequate labour-relations procedures

To achieve these objectives the foundation will seek to involve people of all races and members of the board of trustees to whom the proposals will be submitted for ratification

The other functions of the previous management board will be taken over by a management committee under chairmanship of Mr Paul Penzhorn, executive director of the NDMF. Two new general-manager posts have been created. They will be filled by Mr R I Marsden and Mr A M Kedzierski, now employed as senior managers

Mr Barth said that the changes are motivated by the recognition that the private sector will be required to play an increasing role in the development work that has to be done in South Africa

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Homelands policy attacked

Argus 1/8/81

172

Labour Reporter

THE Government's policy for the past 25 years — that the black population should not be absorbed into the urban industrial economy but should return to the homelands — is a major cause of the crisis of unemployment in South Africa, according to an Anglo American director

He is Mr Michael C O'Dowd, who addressed a seminar on the role of capital and labour in South Africa

Mr O'Dowd said the Government's homelands policy went back to the time when Dr Hendrik Verwoerd was Minister of Native Affairs

Dr Verwoerd had predicted that by 1978 the flow of blacks to the urban areas would be reversed

INFLUENCED

'If this policy had been implemented there would be not between half a million and two million unemployed, depending on definition — there would between six and 10-million unemployed depending on definition' said Mr O'Dowd

Although this policy was not implemented, its underlying philosophy influenced almost every element of Government action and led to a wide range of policies designed to steer the economy in the direction of capital intensive development

'Indeed, when the Government was asked what it was going to do without blacks, it used to answer 'automation'

Mr O'Dowd said an excellent example of the contradiction created by the homelands policy was the fact that for 20 years people had been preparing for a supposed 'servantless' society, while at the same time 'we are told that in the same 20 years we had a rising and unhandleable unemployment problem.'

WHY?

He added 'Why a servantless society among a sea of unemployed? Of course we do not have a servantless society, but there has been a considerable decrease in the employment of domestic servants

'This has been brought about by influx control, by harassment, by regulations limiting the number of servants residing on a property and by other intresting side effects'

These included the fact that the Group Areas Act made it normally impossible for coloured people and Asians to employ black domestic servants, although, of course, blacks could.

FACULTY OF COMMERCE

DEAN'S CIRCULAR

Confidential to Members of the Board of the

No. 189

6 March 1981

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Section A

1. Annual Report to Sena
2. Updating of the 1980 s
3. B Com qualifier
4. Ratification of the mentary examination results
5. Jan/Feb 1981 supplem ifiers
6. Doctor of Economic S
7. B Com (Hons) in Econ s
8. Curriculum change, B ng
9. Timetable changes, B
10. Use of calculators
11. Appointment of exami
    (a) Auditing B
    (b) MBA XVI, Module
    (c) M Com candidate
12. New award : The MCS
13. Membership of the F
14. Ph D Proposal, Miss
15. Concession : K J Lev
16. Schedule of Action T

Work group against merger?

By Jan de Beer

THE Southern African Manpower Foundation's working group studying the functions of the foundation — formed in November last year — will recommend that any suggestion of a merger with the National Development and Management Foundation be discouraged at this stage Dennis Etheredge, chairman of the gold and uranium division of Anglo American Corporation and a member of the small working group, told Business Times this week that his group felt that the impetus and enthusiasm generated by the formation of the Manpower Foundation could lose impact if linked to a long-established and familiar body such as the NDMF

"The private sector initially made the recommendation that the foundation and the NDMF should merge We feel, however, that such a move should rather be considered in another year," Mr Etheredge said

The working group also feels that the funding of the foundation should not be left to the Government for much longer "We are going to suggest that bigger business houses become involved in financing the foundation"

Mr Etheredge said that the apathy displayed by the private sector towards South Africa's labour needs was alarming

"The National Productivity Institute recently estimated that South Africa would require 600 000 management and production staff in the next decade.

"And the University of Stellenbosch's Bureau for Economic Research has predicted that 1,2-million additional white-collar workers will be needed by the year 2000 "

Pledge to boost black education

A leading education group has pledged to fill the need for trained blacks in managerial skills and generally contribute to the educational upliftment of blacks, writes Z B MOLEFE

This surfaced yesterday when Mr Rex Drew, principal of the Damelin Management School talked to the SOWETAN on the recent appointments of two blacks at the college

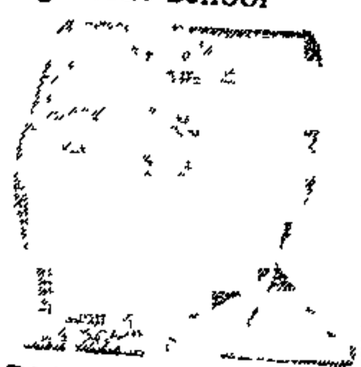
The two are Mr Lindile Lavisa who has been appointed Course Consultant to the management school and Mr Phil Khumalo who has been appointed Liaison Director to the Damelin Education Group

South Africa has an acute shortage of people with managerial skills, pointed out Mr Drew This was even more pronounced among blacks because of their numbers

'We are taking positive steps to fill this need," added Mr Drew

The group consists of two main divisions The first is the high school division, which includes Damelin College and the Damelin Sight and Sound Secretarial School

The second is the adult education division, consisting of the College of Marketing, the Damelin Institute of Professional Studies, the Damelin Audio-visual Education, the Damelin University Tutorials and the Damelin Management School



Mr Phil Khumalo, the newly-appointed Damelin Education Group's liaison director.

CORPORATE HQs FIT SIZE

Devolution of power

Overseas, the traditional 'fat' corporate headquarters, with a proliferation of staff functions is on the way out Recession and a flagging economy have forced a rethink

Management philosophy now is to force down strategic decision-making to divisional level This reduces staff functions at head office Benefits include money savings and decentralisation of management Managers thus get closer to the coalface

In SA too the trend is towards "leaner" and more effective head office structures Corporations such as Barlows, SA Breweries, Protea, Abercom and Kirsh Industries are being pared to "slimmed down" headquarters

For example, Protea Holdings MD Aidan Beard says "I don't see an alternative to a lean corporate structure in a widely diversified group such as ours You can't run 80 operating companies from a centralised structure It can only be done at company level"

The seven divisions and 80 companies in the Protea group are involved in chemicals, consumer products, electrical goods and electronics, instrumentation and laboratory equipment, medical, and engineering supplies and protective clothing There are 8 300 employees

Yet corporate headquarters houses, at executive level, only MD Beard plus six group managers — of whom two are also functional managers — who look after the divisions Autonomy in the operating companies is extensive Says Beard "At the operating level, line managers are line managers in the true sense of the word. They are responsible for operations"

Protea follows the tenet that the holding company of a diversified group such as Protea is responsible for overall strategy and strategic planning It plans group direction and decides which industries to get involved in It also handles strategic planning at divisional level

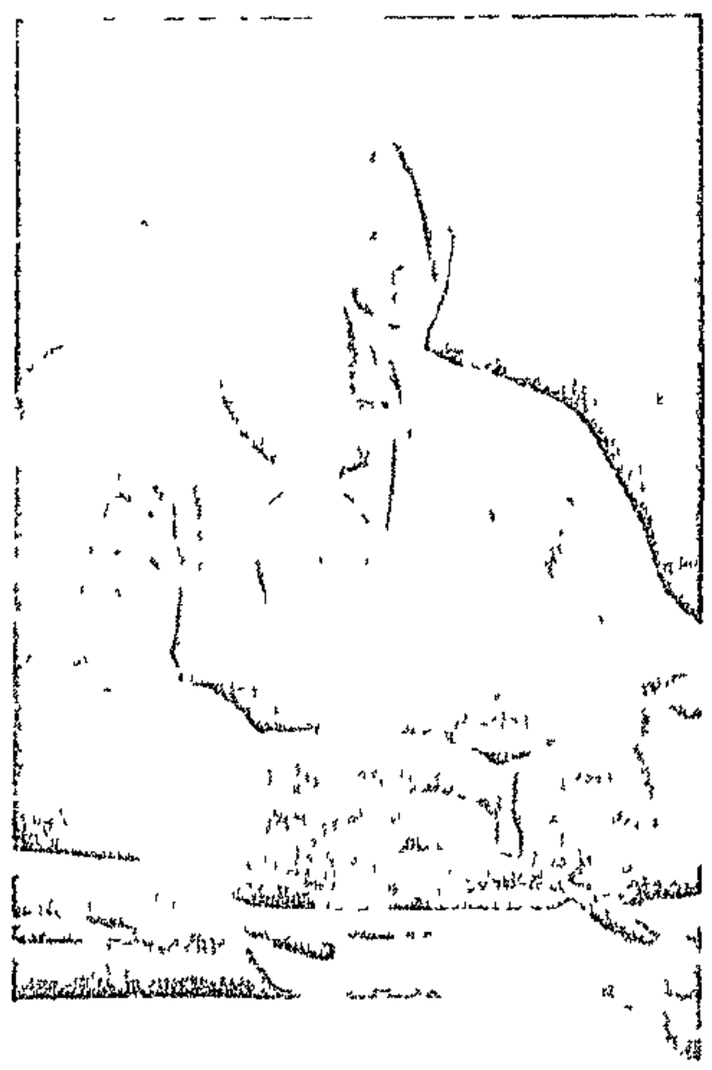
Beard says "Once you've established this management structure, there's no limits to growth in the group if the basic tenets of decentralised management are followed"

Natie Kirsh, who heads the conglomerate Kirsh Industries, has the same policy Kirsh's group includes milling, fertiliser, malt, food distribution, plastic moulding manufacture, property development, banking, saw milling, cash and carry wholesaling, furniture retailing and liquor retailing

Kirsh head office staff consists of chief executive Natie Kirsh, executive director Mervyn King, company secretary and financial and corporate planning manager and a board secretary/personal assistant

We've tried to keep our head office down to be lean and mean," he says "The smaller the group is, the more centralised it can be"

The more diversified you are, the more decentralised you have to be "The only way you can run this sort of business is to hand responsibility to divisional staff while head office approves broader policy You can't run big operations from headquarters No line decisions are made here We don't interfere"



Kirsh's Kirsh . . running a tight ship

One constraint in developing this management philosophy is SA's desperate lack of adequately experienced and trained general managers

Another major problem says Prof Andy Andrews, Professor of Business Policy at the Wits Graduate School of Business, is the relatively easy competitive environment in many industries Because SA companies have not been pressured to enter unrelated product-market areas, strategy has remained essentially single business in orientation

Consequently, the management structure has remained functional and 'fat,' says Andrews, rather than lean and decentralised It has been the trend to increase diversity of product-markets in developed economies which has been accompanied by a move to adopt product/divisional structures, generally associated with the so-called 'lean' head offices, he says

Andrews adds that SA has lagged the US by about 20 years in terms of corporate evolution He believes, however, that SA will move through the evolutionary stage towards increased product diversification and product-divisional corporate management structures more rapidly than their US counterparts

He believes about 40% of large SA firms will have decentralised management by 1985, though this will not necessarily mean a 'leaner' head office structure

Corporations like Barlows may disagree Barlows claims that with 80 operating companies in the group decentralisation is its single most important philosophy

Barlows says that over the years it has built up a small but strong central team, consisting of executive directors and other senior management

This team takes responsibility for group functions like overall policy, group forward planning, acquisitions, approval of major capital expenditure programmes, the appointment of senior executives and the provision and control of group finances.

It also provides a limited range of services for companies which need them — generally the smaller ones — such as secretarial, tax, insurance and personnel

Each of the executive directors takes ultimate responsibility for the performance of a number of trading divisions In doing so close liaison and personal contact is kept with those divisions This keeps key executives in touch with all the group's main activities

But Barlows stresses that the function of the central team ends there All other activities, including direct management, take place within the trading divisions and companies themselves

It is fundamental to Barlows philosophy that direct management of an operation cannot be carried out from its Barlow Park headquarters Such responsibility is firmly delegated to the executives running the individual companies These managements are charged with the responsibility of the day-to-day running and profitability of their companies and with their own forward planning

Andrews defines the really lean organisation as one that has "a very small, highly trained group of executives Head office functions concentrate on overall policy setting in the major areas of company interest — industrial relations the capital market interface and portfolio aspects of corporate planning

PR agencies show big growth in Cape

Argus 9/5/81

172

By Vincent Leroux

UNTIL a few years ago, public relations in Cape Town was a relatively low key affair with just one company dominating the market. But with the upturn in the economy and a growing awareness of the benefits of PR, that has changed.

Since the middle of 1978 three large Johannesburg based PR companies have opened offices in Cape Town and the city's oldest established firm, TWS, has grown considerably in size

Public relations is still one of the most misunderstood professions, especially in the relatively tranquil business climate of Cape Town

Many people tend to visualise either an affable fellow clutching a Press release in one hand and a whisky glass in the other, or a dolly bird with a fixed smile handing out free samples and balloons

SOPHISTICATION

Although some PROs have been known to fit these stereotypes when the occasion has demanded it, the keynote of local PR in recent years has been its growing sophistication

TWS's managing director Ben de Kock, says 'In the old days clients simply wanted maximum exposure in the newspapers and PR was primarily geared to achieving this

'Now the scope has enlarged to include all aspects of communication within the organisation and between it and the public'

Whereas the Press release was once the mainstay of a PR consultancy, it is now equalled in importance by other services such as in-house literature and customer journals the compiling of annual reports and catalogues, market research, corporate identity programmes, mail campaigns and audio-visual projects

Which of these services a company employs will depend on the type of business conducted

As Group Editors director Steve Grbic points out 'Any definition of what PR is all about is going to depend on what company you are talking about because each programme is tailor made to suit the individual company's requirements.'

But whatever the company, PR's prime concern is its image — both in its employees' and in the public's eye — and for this reason the public relations executive has a far closer and more sustained involvement with the top men in the organisation than his advertising counterpart who will find himself dealing mainly with the marketing team

TOP-LEVEL LIAISON

An example of this top-level liaison was given by Mike Kerkhoff of TWS. 'If one of our clients wants to increase the price of his product, he will do so in close consultation with us

'He will ask us what we think the public's reaction will be and how we think the news of the increase can best be handled

'Furthermore, if there was going to be a major change within the company, we would be among the first to know and would offer guidance to management on how best this development could be communicated to the staff'

Although the account executive will deal directly with top management on important matters, he will often find himself — where the client is a large company — dealing with an in-house PRO on day-to-day affairs, and the success of this relationship will hinge largely on the ability of this PRO

Even though internal PROs are useful from the point of view of the outside consultancy, consultancies say that given the choice between a company employing an internal PRO or paying an agency the same monthly fee for their services, the company would always be better off with the latter

RESERVOIR

Reasons given for this were that the company would be drawing on a greater reservoir of expertise and experience, and the output was likely to be better because, as one PR company put it, 'it's a lot easier to fire an agency than an employee, and knowing this the outside agency will make sure the client is getting his money's worth'

PR companies report that business in Cape Town is showing a far greater awareness of the value of employing external agencies.

'Until recently businesses here were unaware of the wide scope of public relations,' says Errol Fyfe director Malcolm Dumphreys.

SALARIES

Contrary to what many people think, account executives in PR do not command outrageously high salaries In comparison with two closely related fields, journalism and advertising, the financial rewards of PR fall roughly between the two.

An experienced account executive could probably expect to get around R1 000 a month while a top executive generally gets around R1 500 with perhaps a car and expense account thrown in

In Johannesburg PR salaries, like most others, are substantially higher

R250 000 trust for black Wits MBAs

By John Spira

BLACK business education is to receive a dramatic shot in the arm with the establishment of a R250 000 educational trust at the Wits Graduate School of Business Administration

The newly created H Bradlow Bursary Trust will make it possible for at least 10 black graduates to study annually for the school's MBA degree

The money to fund this exciting project has been donated from the estate of the late H Bradlow, who, as an immigrant to South Africa at the turn of the century, helped to build up a highly successful furniture business

The sole trustee of the estate, Dr E P Bradlow, has a long-standing involvement in education and firmly believes it to have been the testator's wish that black education should benefit in this way

Convinced that lack of opportunity has caused blacks to lag behind whites in the field of business education, Dr Bradlow's main purpose in establishing the trust is to assist blacks to qualify in far greater numbers for executive positions in commerce and industry

In this way they will benefit not only themselves but a South African economy suffering from an acute manpower shortage at executive level

Prospective bursars must be prepared to study full-time at the Wits Business School While priority will be given to black students, coloureds, Indians and whites may also apply

Professor G F Jacobs, a director of the school, says "We already have a number of black students on our MBA programme, but this generous donation will give added thrust to the training of black managers in this country

"We see our school as being in the forefront when it comes to business education for blacks Already we run a pre-MBA course in maths, accountancy and communication which acts as a bridging course for students who find the gulf between their first degree and the MBA uncomfortably wide

"Most of these students are black, and this magnificent donation will give them added impetus and enthusiasm to continue their business studies"

High-level positions 'not only for whites'

South Africa's development potential and living standards would deteriorate if the country persisted in drawing high level manpower mainly from among whites, the Minister of Manpower Utilisation, Mr Fanie Botha, said in Pretoria yesterday

This was the main message in a special report of the National Manpower Commission on high level manpower in South Africa to be released for general information

Mr Botha said in a statement that The Cabinet had given permission for the report to be released

High-level manpower was defined in the report as everybody in professional and semi-professional occupations, technicians and managerial personnel with the exception of farmers, artisans and clerks in the lower ranks

The report gives a review of the demand and supply situation in terms of latest available information and reflects the most important bottlenecks in high-level manpower

"The main message flowing from this investigation is that South Africa will not be able to realise its development potential and offer all its people an acceptable standard of living if the country persists in trying to recruit its high-level manpower mainly from the white population groups," Mr Botha said

"In fact if we continue to do so a relative deterioration may be expected in the course of time"

It was of the greatest importance that all population groups — in line with the free market system — should have every opportunity to participate in the development process of the country

They should be able to utilise the full extent of their abilities and insight and benefit accordingly

A number of recommendations are made in the report to alleviate the situation and the Government's views are given — Sapa

Move on

'high level' manpower welcomed

The Federated Chamber of Industries — representing organised industry in South Africa — has welcomed a Cabinet decision to step up the training of blacks for professional and managerial positions

The Minister of Manpower Utilisation Mr Fanie Botha, announced today that the Government had approved a special report of the National Manpower Commission on "high-level manpower" — defined as technicians and semi professional, professional and managerial personnel of all kinds.

THRUST

The thrust of the report is that South Africa would not realise its development potential and offer all its people an acceptable standard of living if it persisted in recruiting its high-level manpower from the white population group only

The executive director of the FCI Dr Johan van Zyl, today welcomed the decision as a "step in the right direction"

The chamber had not yet studied the Government's White Paper responding to the report, but it fully agreed with the provision of better professional and managerial training for all races

"The ratio of managerial to non managerial staff in South Africa is out of line with the high-growth countries" he said "A small managerial class is in a sense carrying the rest of the population"

RESTRUCTURING

The FCI particularly wanted to see an end to separate training institutions at tertiary level, Dr van Zyl said

Dr van Zyl said that "the true answer to the shortage of managerial and professional staff lay in a "fundamental restructuring" of the secondary school system

The chamber was anxiously awaiting the report of the De Lange Commission, set up after last year's coloured school boycotts, in which the whole education and training system would be reviewed

Page 9. High-level positions 'not only for whites"

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San (Bushmen) are regarded as "intelligent", "agile" and "technically able".
The Damara are "servile", "submissive" and "diligent". The Nama are regarded as "fast" but also as "cheeky" and "decadent" through excessive use of liquor. Hereros are least liked by farmers for their "arrogance" however

Chamber welcomes decision

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"The ratio of managerial to non-managerial staff in South Africa is out of line with the high growth countries," he said "A small managerial class is in a sense carrying the rest of the population as far as decisions regarding economic development

The FCI particularly wanted to see an end to the present system of separate training institutions at tertiary level for the various races, Dr van Zyl said

This was 'economic common sense' he said as the duplication of facilities represented a waste of scarce resources

Dr van Zyl stressed that the true answer to the shortage of managerial and professional staff lay in a "fundamental restructuring" of the secondary school system, to ensure that school-leavers could be trained at reasonable costs by industry

The Chamber was anxiously awaiting the report of the De Lange Commission set up in the wake of last year's coloured school boycotts in which the whole education and training system would be reviewed

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as health care as a primary good satisfying a ba
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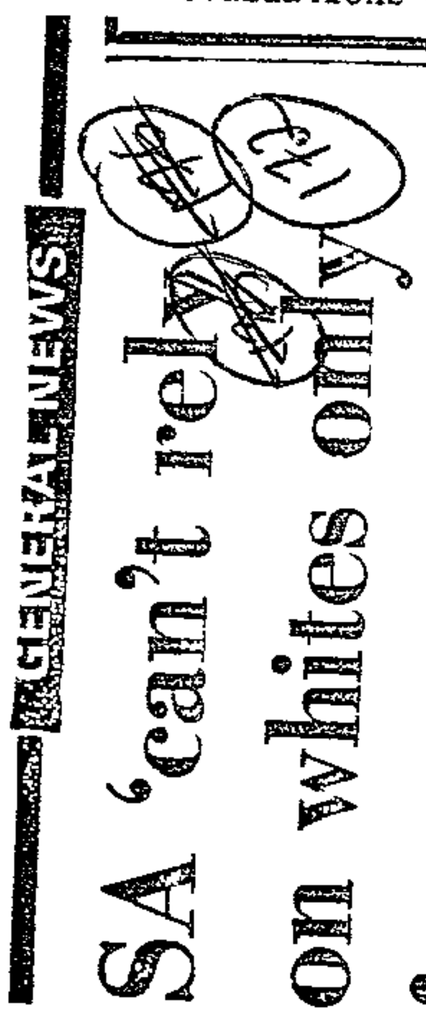
He said many of the proposed measures were "long-term investments in human capital".

Dr van Zyl said the measures proposed in the report would not be sufficient to solve the countries high-level manpower crisis although they are a step in the right direction.



To avoid a return to ... Africa must find ways ... lation into the "engine-room of the economy," Mr Dennis Etheridge said yesterday

Mr Etheridge, national executive member of "Manpower 2000" and co-sponsor of the Manpower Foundation was responding to the Government's new manpower report

The report centred on the national shortage of "high-level manpower" — defined as technical, managerial, semi-professional and professional personnel — and most of its proposals have been accepted by the Government in a white paper

Flowing from the report is the message that the country can no longer afford to rely exclusively on white males for its top personnel — a message endorsed by employers interviewed yesterday

The main source of disappointment in some business quarters was the retention of separate training facilities for different races. Other employers sounded a warning that the measures recommended in the report needed to be coupled with a "fundamental restructuring" of the country's secondary education, if its skilled manpower shortage was to be overcome

The executive director of the Federated Chamber of Industries, Dr Johan van Zyl, said he fully agreed with the "basic philosophy" of the report

It was "impossible" to recruit top-level manpower from whites only — by the year 2000 more than half of South Africa's professional, skilled and managerial staff would have to come from other groups, he said

Dr van Zyl referred to the report's recommendations of tax grants rather than concessions to companies which trained employees. This would act as an incentive to train by enabling employers to recover training costs more quickly, he said

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health care as a "primary good". "things every rational man is presumed to want... [primary goods] have a use whatever a person's rational plan of life" (Rawls 1971 : 62). Examples are rights and liberties, powers and opportunities, income and wealth - "social primary goods" - in contrast to health and vigour, intelligence and imagination, the "natural primary goods". The concept of a set of basic needs that defines and measures a social minimum falls into the same category, and no doubt shares a common philosophical ancestry.

The important consequence following on from the conception

organized on a fee-for-service basis plus a measure of risk pooling via insurance? Is there another for the poorest 80%, mainly black, organized in the public sector through clinics and hospitals where out-of-pocket payments are some fraction of cost or nominal? Do the two systems meet only at the level of highly specialized and technically sophisticated treatments where, once reached, the link between access and economic status is weakest? While I suspect this broad description needs qualification - for example, lower income groups do purchase significant amounts of medical care through fee-for-service channels - it is accurate in essentials. Given the great distances that separate the resource bases of groups in the population, it would be surprising to find a homogeneous system of health care.

GENERAL NEWS

Govt accepts changes affecting high-level

Political Correspondent

Sweeping changes which will affect employers and employees — especially women and immigrants — were recommended in a manpower report released yesterday. The proposals also have important implications for universities

The report deals with high-level manpower in South Africa and most of its recommendations have already been accepted by the Government

A central theme of the report is that South Africa should stop trying to recruit its top person nel mainly from the white population group.

Specific recommendations in the National Manpower Commission's report on high level manpower include

● Extending tax concessions to employers who allow employees to study further

● Establishing an "open university" which will admit people without qualifications required by other universities

● Utilising trained women more extensively and possibly adapting the present discriminatory tax structure

● Giving cash grants instead of tax concessions to employers who establish their own training programmes

The 84-page report makes it clear that one of the Government's top priorities should be to implement the ideas contained in the Wiehahn and Riekert reports more strictly.

While it does not go as far as blaming the public service "tortoise" for preventing this, the report says 'Special attention must be given to legislative measures, regulations and administrative directives and practices which impede the effective development, utilisation and maintenance of manpower."

It also calls for "more generous provision for the training of non-whites at white institutions" in accordance with White Papers released with the Wiehahn and Riekert reports

The report calls for retired people to be drawn into the top echelon of the work force and suggests financial concessions to companies which employ high-level manpower recruited overseas on a contract basis.

Universities are criticised for their failure and drop-out rates but it is suggested that the Government undertake a review of subsidy formulae.

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non-whites to white institutions, provided that arrangemens at such centres are to the satisfaction of all concerned.

"The policy of the Government nevertheless remains that separate provision should as far as possible be made for the training of the different population groups"

The White Paper says the Government agrees to give "urgent attention" to the possibility of further tax concessions for employers who allow staff to study.

But on the proposal about revising the tax structure as it affects women, the Government only says "The Standing Commission of Inquiry into the Fiscal Policy of the Republic will give consideration to the matter."

The report recommended that employers reconsider their attitudes towards women and the Department of Finance would give "serious consideration" to revising and adapting the present tax structure

The commission's report is likely to find widespread support, as will Government acceptance of the key recommendation that high level manpower can no longer be recruited mainly from the white population group.

See Page 9.

Making use of women

CTION to the recommendations in the latest Manpower mission report that women get a fairer deal in the work has been somewhat hesitant. On the one hand there's od degree of enthusiasm in that the recommendations esent official recognition of the needs of women in the ur market. On the other there's the feeling of 'so what' the recommendations are obvious and old hat and only implementation would merit excited reaction.

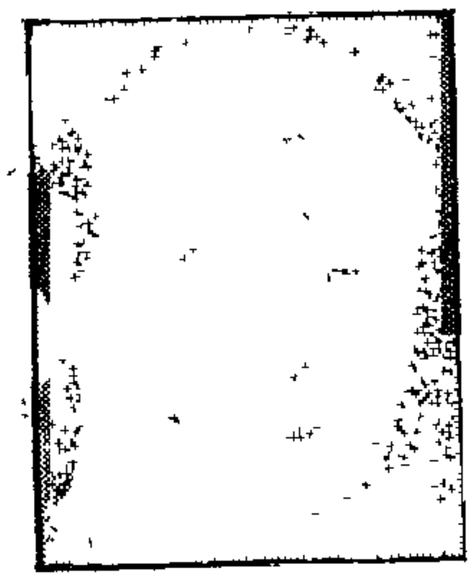
E recommendations are roduced with the ghty sentence. 'Trained nen (including married nen) must be utilised re extensively in high l manpower occupa- s This, according to report can only hap- if ..

employers take a long critical look at their tudes towards women promote the optimum of this source.'

the Department of ance gives 'serious con- eration' to a revision of present tax structure again to promote the timum utilisation' of men.

- more women are employed on a part-time basis
- employers provide creches and day care centres to encourage the 'optimum use' of married women and consider the introduction of flexi-time

Academic BRIAN KANTOR, senior lecturer in economics at UCT, was unhappy with the implications and the tone of the Commission's conclusions. 'One can only use the words "optimum" and "must" with respect to the individual's choice to work. Further, I believe that companies will quite calculatingly do what is profitable. There is nothing artificial about their attitudes towards women — **prejudice yields to profit and if a woman offers the right skills and commitment she will be employed. The exhortation to employ women is irrelevant — what counts is profitability.'**



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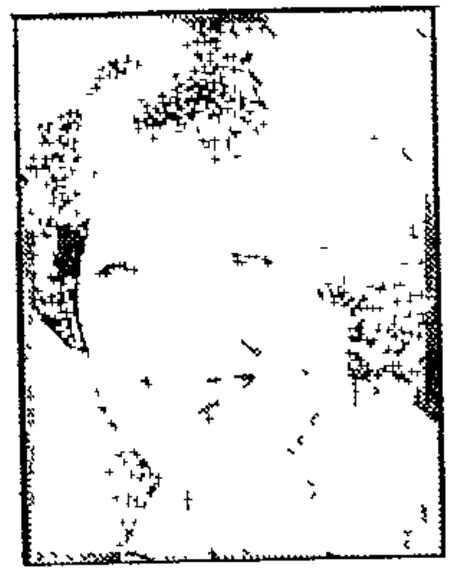
Velia Kirkpatrick



Tony Williamson



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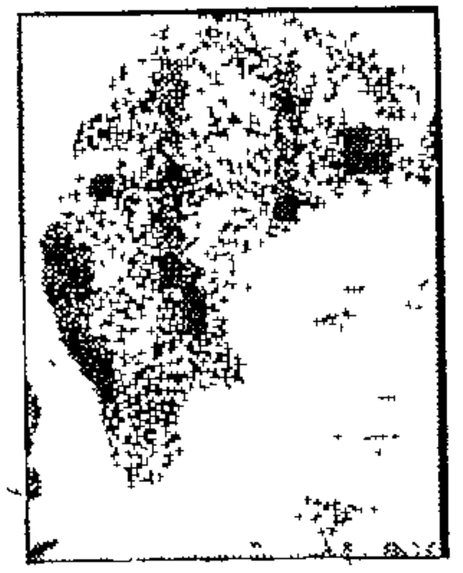

Beryl Gilroy

The hardline approach of the economist was countered by VELIA KIRKPATRICK, chairperson of Womanpower 2000 whose brief it is to get women back into the labour force She said that one of their biggest problems had been traditional attitudes towards working women. 'If the Government recognises this, as it seems to have done, then it makes our job a little easier'

She said that lack of flexitime, creches, day care centres and part-time jobs were all demotivating factors for women who wanted to work.

'If employers want us in the labour force, they will all have to reconsider these factors,' she stressed.

'How encouraged we are that when the Government makes a report like this, women feature so strongly and that the Department of Manpower Utilisation realises working women need this attention,' said Mrs Kirkpatrick

Several business people and academics agreed that while the content of the recommendations was old hat it was at least encouraging that these problem areas had been officially recognised. ATTIE DE VRIES, deputy director of the Bureau for Economic Research said that although there was much truth in the counsel it was easier said than done. 'I don't think very much has been done so far and there is a lot that must be done. The authority of the report should help in the fight'

TONY WILLIAMSON, managing director of Truworths considered the recommendations realistic but certainly not revelationary. 'Official recognition is certainly a positive step but in my own experience there is no longer much prejudice and particularly not in Truworths I can't think of one job in our company that's not open to women but I do believe our attitude is fairly informed and relaxed'

JUNE KRITZINGER, marketing director of Clicks, said that her company had in the past been forced to realise their need for women 'We're an equal opportunity company but I think that in general the issues need publicity to get everybody thinking along these lines The big problem remains taxation — we'll believe the change when we see it'

'I do believe that people's attitudes have changed but there's always room for even further scrutiny,' said advertising agency director BERYL GILROY. 'Many well-qualified and competent women would like to return to work at the age of 55 and this is met with huge resistance Taxation is still the great disincentive in general, however.'

VALERIE MICKLEBURGH, marketing manager of Total SA, said that while there were problems in changing the present tax structure, 'I have no doubt that the tax system is militating against productivity'

For Foschini MD HUGH MATHEW the recommendations are very much in line with his company's present philosophy. 'Women are essential to our workforce at all levels but **we would expect a change in the present tax structure to reduce or remove the disincentives.** We already employ women on a part-time basis and the application of flexitime is under consideration at the moment.'

Director of the Chamber of Commerce BRIAN MACLEOD provided a succinct summing up of the somewhat confused reaction to the recommendations **'They're all valid but it is the extent to which they can be carried through that's going to make the difference.'**

DALE LAUTENBACH
SUE GARBETT

	MN	LUA	WN
Fathers working as migrants in towns	85%	82%	76%
Fathers deserted	70%	26%	18%
Fathers contributing	14%	66%	71%
Average monthly amount from contributing fathers	R4-50	R11-00	R9-00

(b) Severe and almost universal poverty in all groups with most units having less than R3/person/month, which was the price of paupers rations at trading stores in the area at the time of the survey. In this respect, the WN group were clearly better off than the other two.

THE EFFECTIVENESS OF ALTERNATIVE METHODS OF MANAGING MALNUTRITION

The management of childhood malnutrition described in this paper is based on the view that it is an expression of family and social disorganisation and economic depression rather than simply or mainly a medical problem. This view, in turn, is based on experience and investigations in the Keiskammahoek area of the Ciskei, which is part of a rural homeland, and a city hospital in East London whose patients come in about equal numbers from town and country.

A list of these is appended and will be discussed at relevant places.

In the Kalekamanoek area during the course of more than 5 000 interviews with the guardians of malnourished children, as well as many conversations with

'Blacks needed to fill room at the top'

A greater share of top level management must be taken by black, coloured and Indian people if the country is to progress, says a new report analysed by DREW FORREST.

'A 45 percent shortfall in engineers . . . one doctor for every 20 000 people in the homelands . . . 19 percent of posts for physiotherapists unfilled . . . a need for twice as many graduates in forestry — the catalogue of shortages is endless.

And yet, according to the National Manpower Commission's new report on High Level Manpower (HLM), no less than 70 percent of South Africa's managerial, professional, semi-professional and technical personnel are recruited from its white population

If the four million workers in agriculture and domestic service are included, blacks, coloureds and Indians — representing 82 percent of the population — contribute less than 20 percent of the country's top manpower.

LINK

Repeatedly underscored in the report is the crucial link between HLM and economic progress.

"The rapid reconstruction of West Germany after World War 2 emphasised the relative importance of trained manpower vis-a-vis other production factors such as capital and raw materials," it states

And although the HLM component of South Africa's workforce rose from 8,9 percent of total to 12,1 percent between 1965 and 1979 (7,3 percent if agricultural workers and the unemployed are included), the report stresses that the figure for the United States is close to 30 percent.

The heavy reliance South Africa has placed on whites — and especially white males — for its executive, professional and technical personnel cannot continue, the report emphasises

PRIORITY

"It is clear that the highest priority is increasing the contribution of the non-white groups to the country's HLM, since the contribution that can be made by whites is apparently already realised."

The report shows that an "upward movement" of black, coloured and Indian people is already under way — a trend which "needs merely to be accelerated."

Among blacks, there is an annual growth rate of six percent in clerical workers, nine percent in sales workers and 6,7 percent in foremen and supervisors Projections prepared by the Economic Planning Branch of the Office of the Prime Minister indicate that "non-white" professional and clerical groups will double in size between 1977 and 1987.

PREDICTIONS

Predictions for the 10-year period include:

○ A sharp decline in the percentage of whites in the professions — from 62 to 54 percent of total. By 1987, blacks will make up 33 percent of this HLM category.

○ A sharp increase in the number of black artisans and apprentices — from 25 000 to 70 000 — so that by 1987, 17 percent of employees in this category will be black

At the same time, the white component will fall by 13 percent from 70 to 57 percent of total.

○ A 7,2 percent drop in the white share of the clerical job market

Despite these changes in the racial composition of South Africa's HLM, the report predicts little or no change in the traditional pattern of white managers and black production workers

lived in extended family groups, each of whose components was self-supporting and whose members shared resources of manpower and money.

Undernourished children were also usually the primary dependants of their fathers, but typically lived in nuclear family units and relied entirely on their fathers for cash and their mothers for any farming activity undertaken.

Only one in ten malnourished children lived with both parents and in nearly all of these the father was unemployed. 70% were living with old relatives, usually deserted by their fathers, and sometimes by both parents. These old

.../3.

Illegitimacy rate	62%	30%	26%
Children in mothers personal care	44%	92%	90%
In mothers care but not supported by father	66%	33%	22%
Unsuitable guardians (eg senility, defect, abuse)	25%	0	2%
Mother working because father not supporting	30%	4%	5%
Abandoned by mother or father or mother dead	13% (9/4)	0	1% (absn.)

.../2.

Women's World



Mrs AUDREY MULLER . . . "women like to discuss their banking and financial matters with another woman."

More women behind managers' desks now

By YVONNE STEYNBERG
Woman's Editor

BANKS in Port Elizabeth seem to be following in the footsteps of travel agencies in the Friendly City, where women have long been accepted as managers

Now more and more banks are appointing women in managerial or responsible financial positions — it may not be too long before some burly men have to discuss their overdraft with a pretty lass behind the manager's desk

At present Nedbank has no less than five woman managers within a short radius of each other — at Greenacres, Newton Park, Rink Street, Commercial Road and Walmer branches

And one to whom I chatted proved just how feminine women remain, even if they are bank managers

"No, it just never bothers me that there can be any trouble in a bank with women only, but then I do have my husband virtually next door," Mrs Audrey Muller of the Greenacres branch said

This must be a very nice feeling, because not so long ago Mrs Muller actually did call on her husband when she faced a difficulty with an aggressive defrauder

By coincidence, when Mrs Muller was appointed manager of the branch, her burly husband had already been appointed security officer at the hypermarket next door

And being a feminine woman, I am sure it does give one that "nice warm feeling"!

Mrs Muller feels that women prefer talking over their banking or money matters with another woman

"More and more women are realising the importance of having their own banking facilities, and they have no compunction in coming to ask my advice," she said

She considered that the recent change in bank charges were welcomed by some women

"The woman who operates a banking account for, say, merely her household expenses, was often not sure what she should allow for some bank charges — now she knows that up to R100 her cheque will be debited at 15c, and so on," Mrs Muller said

The first woman who became a bank manager in the country, Miss Ramona Terblanche, a well known golfer, is still in Port Elizabeth

She was at first Barclays Bank manager in Walmer, but now she is one of the managers at the main branch of the bank

The bank has a number of women in responsible administrative positions, but so far Miss Terblanche is the only manager here

A spokesman for Standard Bank said there were a few women managers in Johannesburg and Durban, but unfortunately none in Port Elizabeth

However, there were some women in very responsible positions, but to a large extent women were hampered from obtaining managerial positions because of their immobility

"It is different transferring a man," the spokesman said

If this problem did not exist, there would have been more woman managers, he said

A spokesman for Volkskas said they had one woman accountant in Port Elizabeth, but as yet no managers

All the bank officials to whom I spoke agreed that a competent woman could manage a top financial position as well as a man, but that they were often hampered in advancement because of family commitments

Women invariably placed their families first if a transfer for advancement came up

co-operatively, they would build up production to a scale where they can secure a marketing contract outside the village.

However, the majority of people in an area would earn too little from their limited capital to justify the labour involved in membersh[illegible] cover their share of the collective cos[illegible] still retain some profit. Thus very fe[illegible] become and stay involved, the costs per[illegible] increase, and the aim of reaching suffi[illegible] stable production to secure an extra-vi[illegible] market is not realisable.

Because of the general poverty of peopl[illegible] co-operatives cannot fulfil their inten[illegible] function, and the resources solicited f[illegible] are generally used by a few richer more[illegible] people for their own production.

4 Whether or not corruption by the richer occurs, new techniques and institutions introduced into the present system (exc[illegible] perhaps in consumption-orientated projec[illegible] communal gardens) can generally benefit the richer people, and may serve mainly the gap between rich and poor.

PART II

8 Introduction

In the first section of this paper, I have looked at the way in which structural features of the reserve [illegible] from being able to suggest

Big swing to work force is forecast

By GERALD REILLY
Pretoria Bureau

THE labour force will increase by 7-million in 20 years — and the overwhelming majority will be black, according to a survey by the vice-president of the Human Sciences Research Council, Dr P Smit.

Dr Smit puts the work force in 20 years' time at 17-million

His findings support the views of economists who claim the country's economy will have to lean progressively more heavily on blacks if reasonable growth rates are to be maintained between now and the close of the century

In an interview yesterday, Dr Smit said that of the 7-million additional workers, 81% would be black, 8,1% white, 8,8% coloured and 2,1% Asian

This meant the ethnic make-up of the work force would change drastically

It was clear whites could not make the big contribution to executive posts which would be needed if the economy was to continue to grow

Dr Smit pointed out that a slower white population growth meant whites were becoming rapidly older and the burden on economically active whites was increasing

Last year 6,3% of whites were older than 65, compared with the 2,5% for Asians and 2,6% for coloureds

The signals clearly were flashing, Dr Smit said

If a relatively high growth rate were to be maintained to provide work, particularly for the black and coloured population groups which were growing fast, blacks, coloureds and Asians would have to be trained as quickly as possible for executive positions

Dr Smit said the coloureds had moved out of the explosive phase of population growth and were growing at a significantly slower rate

It was a fact that 37% of coloureds fell into the age group below 14. Only 28,5% of the white population was in this age group

The provision of work and training was, therefore, basic for coloureds

The black population increase remained very high

A large 43,7% of the black population was under the age of 14 — and the percentage was even higher in the homelands

Black pupils would rise from 4-million to 7-million in the 20-year period

And even if South Africa had the funds to provide all the necessary facilities, there would not be enough teachers

Dr Smit said the South African population showed an increasing tendency towards redistribution and mobility

The redistribution would have to be taken carefully into account in the future provision of schools, hospitals, sport and other facilities

Commenting on the number of whites at universities, Dr Smit said this had shown a drop

This in itself was not a bad development After the United States, South Africa had the greatest percentage of its population studying at universities or education colleges

(a) the class aspect

(b) the general problem of how to mobilise a peasantry so that people become committed to participation in development projects.

(a) I have already discussed the way in which projects in South Africa (and many underdeveloped countries) are directed to the richer people in the society, and also how in many cases, it is people with the most resources who can benefit most from projects. Even if a government tries

SA bosses at bottom of salary league

S. Times 5/7/81 (172)

SOUTH African chief executives in manufacturing companies are still at the bottom of the ladder in the international salary league

They also lose out on bonuses — usually consisting of a 13th cheque although stock options are becoming common — whereas many overseas companies are now setting aside 5% of annual taxed profit in a bonus pool for chief executives

That practice has its dangers, as top men in the US's huge loss-incurring car and airline companies have discovered Their cash income has been drastically reduced because there may be nothing in the pool for a few years

South African chief executives in the manufacturing sector earned an average of R50 000 a year plus an average bonus of R6 200, according to salary survey data for June 1980 compiled by the PE Consulting Group

This leading firm of management consultants emphasises that it does not release current salary data, nor, because it acts as consultant for many of South Africa's top companies, does it release data about individual groups

The average figures given to Business Times therefore give an approximate picture of the salary scene for chief executives in manufacturing companies with equivalent sales of between $50-million and $100-million a year to compare with overseas salaries in a similar category

At the June 1980 rand-dollar exchange rate this is equivalent to a salary of $64 500 and a bonus of just under $8 000, making the South African top man's total cash package $72 500

Top men in UK firms earn a trifle more in salaries at $65 454 a year (but their tax rate is high) However, the average bonus is much more generous at $16 363, adding up to a total cash package of $81 817

Top earners (see table compiled by US consultants for International Management) are naturally the Americans, with an average total cash package of $165 000, followed by the West Germans with $152 380, Japanese with $119 047 and French with $105 000

By Elizabeth Rouse

US management consultants say that US companies pay phantom salaries largely because so much goes in tax that companies seek ways round it What Europeans often forget is that Americans pay three income taxes, federal, state and city That can add up to 74% of total income

The US chief executive is ahead of his West German counterpart only when the average annualised value or cost of long-term incentives is added to what he gets through basic pay plus bonus, concludes International Management

Cars feature among all major international companies' benefits and perquisites In South Africa, 94% have companies cars — of which 34% are Mercedes, with Jaguars, Rovers, BMWs and Audis making up the rest of the mix

In the UK and West Germany chief executives' pensions are augmented, in the US the company pays club fees and expenses and in Japan top men get free housing and liberal entertainment allowances

Annual vacations range from 20 to 30 days (how many South African top executives were able to take 30 days' leave during last year's boom?)

South Africans appear to be less concerned about job security than their counterparts overseas, where fiercer competition induces chief executives to demand greater security

Some chief executives are undoubtedly on contract, but PE Consulting Group reports that 68% are subject to one month's notice

An interesting development in the total benefits category is the switch away from rewards that were purely stock-market-related to bonus-type schemes such as performance units

These depend on pre-established performance goals, such as earnings a share, being met, usually over a period of three to six years These units are assigned an arbitrary value and payment is made in cash, shares of common stock or a combination of both

Ford pays over two years and General Motors over four years Ford's top men will get nothing for 1980 because of losses

International Management reports that an executive in one car company who earned $250 000 salary and bonus in 1979 is now down to a basic salary of $75 000

AVERAGE COMPENSATION OF CHIEF EXECUTIVES IN MANUFACTURING UNITS WITH SALES OF BETWEEN $50-MILLION AND $100-MILLION

These benefits are not included in the pay figures given left

COUNTRY	BASIC PAY	TYPICAL BONUS	TOTAL CASH PACKAGE (2)	MAJOR BENEFITS AND PERQUISITS (3)	ANNUAL VACATION	CONTRACT OR NORMAL NOTICE PERIOD
SOUTH AFRICA	$64 500	$8 000	$72 500	Car	30 days	1 month (68%) or contract
UK	$65 454	$16 363	$81 817	Car Augmented pension	25-30 days	6 months to 2 years
WEST GERMANY	$128 571	$23 809	$152 380	Car Augmented pension	30 days	Minimum one year but to calendar year end
FRANCE	$89 000	$16 000	$105 000	Car	25 days	Legally none as a director but informally 6 months
US	$110 000	$35 000	$165 000	Car Club	20-25 days	3-12 months
JAPAN	$80 952	$38 095	$119 047	Car Housing Liberal entertainment	25-30 days	6-12 months

May I draw your attention to the fact that nearly all these financial statistics are somewhat old. These, just given, Interestingly, during the follow-up, these facts

Staff time, 2 865 visits @ 2,07 dollars a visit.

Black business 'to boom

Mail Reporter

BLACK businessmen must mobilise capital and management skills through the formation of companies and partnerships to share in the expected black disposable income of R19 000-million by the year 2000, banker Mr Llewellyn Mehlomakulu said yesterday

Mr Mehlomakulu is the business development manager for the international section of Barclays Bank

Addressing the Inyanda Chamber of Commerce conference in Madadeni, Newcastle, Mr Mehlomakulu said a recent survey had shown that black incomes, which now total R9 000-million, will rise to R19 000-million by the turn of the century.

Partnerships would enable blacks to make a significant contribution to black development

Mr Mehlomakulu said his bank's responsibility did not end with making profits It also had a moral obligation to contribute to the development of the communities in which it operated

Profession plan put to the vote

By J S MOJAPELO

MORE than 4 000 black and white students studying under the Institute of Personnel Management (IPM) will vote by postal ballot on whether personnel management should get professional status.

The result will be announced on September 23, at the institute's annual convention in Pretoria.

If IPM students vote in favour of professional recognition, voluntary registers for personnel practitioners and technicians will be established.

Actual registration will not begin before March 1982, and it is expected personnel management will become a profession within three to five years.

IPM, which enrolled its first student in 1973, conducts a correspondence diploma course

Management 1981

BLACK MANAGERS

THE THIN END OF WHICH WEDGE?

On the face of it, the new breed of black management people have fallen with their backsides well and truly in the butter Expense accounts, fancy cars, fat salaries . and half the time all they've got to do for it is to look distinguished for the benefit of visiting VIPs But beneath the surface things look different In fact, to say that the black managers are having a tough time is a gigantic understatement By Denis Beckett Pictures by Ingrid Hudson

PERHAPS Eric Mafuna put his finger on it when he challenged the members of the Black Management Forum "Why don't you get up at 4 a m to watch the rugby tests from New Zealand?"

Most of his audience gaped *Rugby? At four in the morning?!* Hardly any of those people would bother to turn on their TV sets for a rugby test even on a Saturday afternoon with nothing else to do

That s Mafuna s point The black managers are aiming to make it in what is essentially a white man s world If they take it seriously, they'd better get used to the white man's ways They d better be able to get in there at the cocktail parties and the coffee-break discussions and play their part in the chat about Naas Botha s boot and Ray Mordt s speed

Mafuna takes it further He goes to the motor-races he says even though they bore him half to death He s even learned to play tukskei That s part of the whole deal You want the responsibility you want to be in on the big decisions . then get in on the social conventions that surround them

Which is precisely what worries the critics Aren't these black managers becoming white men with black skins? Aren't they selling out the black cause?

A young (black) student at the Graduate School of Business jumps up and says as much Black culture must remain intact It has its own way of doing things and whites have got to respect that s way Look at the Japanese, they d o things their own way, and their industries are as good as the white man's, any day

"You miss the point" Mafuna replies "The Japanese own their own businesses We don t We're fooling ourselves if we think we're going to be making the rules What we need to do is get our voices heard"

But the student has touched on a raw nerve One after another the black mana-

PLEASE TURN OVER

CONTINUED

gers stand up to rehash the standard defences of their positions Of course there must be a black middle class, it's the thin end of the wedge, getting blacks in to the benefits of the economy What s there to worry about, it's always the middle classes who pilot the progress of the oppressed . What good will majority rule be if there are no blacks with the experience to manage the practical features of society

So it goes on There's a note of repetition in there, sure enough And it s not hard to detect a note of desperation as well.

They looked behind the rosy facade

SIX MONTHS ago the Black Management Forum Inc. was set up as a registered, non-profit company Its president is Mafuna, a director of the J Walter Thompson advertising agency Its chairman is Windsor Shuenyane, a public relations manager for S A Breweries It has roughly a hundred members including virtually a clean sweep of the most prominent black executives.

At its launch, the BMF produced a rather extraordinary manifesto.

To people whose idea of black advancement is obtained from the media this manifesto would look unduly gloomy

The public picture is a glowing one Success stories abound, of new black management appointments, promotions . more and more blacks making it to the big time So why should this new outfit be talking of such things as the difficulty blacks have in identifying with their companies the reluctance of the black managers to accept competition, their tendency to look on their jobs as 8–5 matters . ?

Largely because the whole issue suffers from a gap as large as the Blyde River Canyon a gap between reality and public information. There is an unspoken media conspiracy to gloss over the almighty warts involved in the whole process of black accession to management jobs, and to play up the superficials.

In fact, it was a big step forward merely to produce that manifesto in the first place People aren't *meant* to look behind the flimsy everything-rosy facade They're *meant* to keep on smiling, pretending all is well, brushing the evidence to the contrary behind them

The BMF's manifesto gave a clear indication that it had every intention of smashing the customs, and of coming to grips with the problems Two of the problems anyway - the problem of the black managers' own enormous traumas, and the problem of their relations with their white bosses

However, that early manifesto was interesting not only for what it said, but also for what it left unsaid Which, namely was anything to do with any possible third problem there may be, such as the matter of relationships with other blacks

In his speech at the BMF's launch, Mafuna cheerfully announced that the BMF was going into operation with the enthusiastic support of the black community'

Yes'

Mafuna now concedes that that was ' a little optimistic" That's one way of putting it It might also be a "little optimistic' for Dr van Zyl Slabbert, say, to suggest that the PFP had the enthusiastic support of the white mineworkers

The fact of the matter is that a very large proportion of the so-called "black community' looks on the black managers with around the same degree of affection as a mielie farmer looks on a swarm of locusts

The talk of stability brings traces of trouble

IN THE long run, every South African has more than one reason to want to see flat-out development of black management capacity

There's the sheer productivity factor,



SEBESHO – looking for pawns

for a start Practically every week some learned professor comes up with yet another doom-and-disaster projection about the terrible things that will happen to the economy if it continues to rely on the management skills of only a quarter of the population Dire warnings abound as to the numbers of black accountants/engineers/managers/whatever who will be required by 1990/2000/2010/whenever merely to keep the economy afloat

And although the projections conflict with one another, they have a common overriding feature – whatever numbers they predict are necessary those numbers are vastly higher than what we seem to be about to acquire

Then there are the human considerations After centuries of a prevailing assumption from those who ran the economy that what blacks were good for was doing the work the white man didn't want, times have changed Nobody, not even the HNP, now denies for a moment that the black man should be able to aspire to whatever his own potential enables him to reach The sky's the limit Of course, there's a certain lack of agreement as to precisely what sky we're talking about – the sky over cities or the sky over the homelands – but the general principle is unquestioned People should be able to progress as far as their abilities take them

But then the sociological factors – which is where the first traces of trouble may be sniffed

Whites want to see a black middle class emerge, as such leading lights as Nic Wiehahn and Harry Oppenheimer constantly point out, in the cause of stability – will de-polarise the issue It will blur the racial lines of identity between haves and have-nots

That kind of thinking flies like a balloon as far as the black political movements are concerned. They have exactly the opposite ideas about polarisation and stability Nonetheless, they too have a need to expand the complement of skilled, qualified, trained blacks – or what will the liberated society they envisage consist of?

"Ask them if they've fired a white man"

HOW MANY black managers are there in the white-owned companies which are the centre of the economy? It depends on how you measure People with impressive offices – titles on the door and carpets on the floor? Plenty A few hundred anyway Quite a few, even maybe 30 or 50 – with a Mercedes in the company basement



MAFUNA — misled by Congressmen

But people who actually hold down real decision-making management jobs, with the same practical responsibilities as whites who are nominally on the same level? That begins to get tricky And how many of those people have jobs which do not depend on their blackness – jobs somewhere other than *black* advertising, *black* marketing, *black* personnel ? Maybe five, suggests one BMF member More likely none says another

Mostly, the black managers do not have any whites reporting to them, which is perhaps the biggest bugbear of all

To whites, that tends to sound outlandish *What the hell? A couple of generations ago, these guys were living in mud huts Now they've got budgets, quotas, targets – we're pushing them as fast as we can, there's plenty of room for them, still, to learn to manage their own people*

Outlandish or not it's there In fact, it's everywhere At every turn, the matter of white subordinates comes up The black managers are called "boss-boys" by their detractors, because they're only in charge of blacks "Ask them whether they've fired a white man," runs the standard line "Until they've done that, they're not managers at all

There's a deep split in perceptions here Whites argue that the issue is the development of black management competence The first step is for black managers to manage blacks and as a rule they're not doing that particularly effectively yet Blacks counter that the issue is the de-racialising of South Africa, and that unless there are black bosses with white subordinates nothing has been achieved Anyway, they say, as long as black managers handle only black staff and black clients, they're being prejudiced in comparison with their white counterparts, who handle both black and white

"The companies want to Bantustanise us" says BMF director Reuel Khoza "They say we must deal with our 'own people' What are my 'own people'? There's no such thing as my 'own people' The human race is my own people"

A certain title of a future history

THE THIN end of the wedge Someday, someone is going to write a history of South Africa in the late 20th century, and call it "The Thin End of the Wedge" That is the catchcall of the era

Everybody's worried about some or other wedge Everybody's seeing thin ends everywhere

We've been hearing the white conservatives for decades now We still are If blacks get hold of "white man's work in the cities that is the thin end of the wedge leading to white downfall If blacks actually get to be in *charge* of whites well, that's unthinkable, but if it should happen that would be the wedge halfway in

Now you hear it at Regina Mundi, and black political meetings The creation of a black middle class is the thin end of the wedge that whites are trying to drive between blacks – their attempt to create a buffer, to buy off the best black brains and voices to give those brains and voices enough of a stake in the system to want to see it perpetuated

You hear it at BMF meetings too. From the mouths of such people as Grey Mbau, for instance Mbau, a director of the Urban Foundation, has no qualms about "elitism" Elitism is dead right, he says It's the thin end of the wedge which is creating progress for blacks It's only wrong if it becomes arrogance, or snobbishness

There's no doubt that those black managers do make up the thin end of some wedge or other But which wedge?

Achievement is seen as social leprosy

WINDSOR SHUENYANE waxes poetic "There is no such thing as the black middle class We're all blacks Legally, we suffer from the same restrictions, economically we're standing on the pavements watching the mainstream go by, socially even the cocktail set still go back to the ghettoes So why is there this cry that we're selling out Is it a cry from the frustrated hearts of mediocrity from the forces of low-standards and of non-achievement – the forces of laziness?"

Michael Rantho, who stands so big that you wonder whether the floorboards will take the strain and is chairman of so many black community organisations that everybody's lost count raises a similar question "What's wrong with achievement?" he asks "What's wrong with aspiring?"

His own answer is clear Nothing In fact, far from resenting achievement, it's high time that blacks pulled their fingers out and made achievement a universal objective instead of a kind of social leprosy Rantho climbs into everyone in sight, including the managers themselves Top management is reluctant to let blacks anywhere near real responsibility he says The black managers are in a "crying syndrome – we're obsessed with our own plight, afraid of our neighbours and afraid of our bosses" In his own field, says Rantho, it's all but impossible to get responsible black social workers to take responsible decisions And why do other blacks keep carping? It's a myth that progress means that blacks turn their back on their own blackness – it is the person who's struggling to keep body and soul together who is the one who ignores social and political issues – the person who's achieving is the one who pursues them the one who makes *more* progress for everyone

The patterns merge, with good results

SOMEDAY, when the government finally starts to tackle the real, practical problems of achieving a joint society we'll have a Department of Debunking Racial

PLEASE TURN OVER

172

CONTINUED

through inability to come to terms with the psychological and sociological stresses

Merely by addressing itself to the matter of how and where whites should recognise the demotivating effects of actions they think are harmless and how and where blacks should stop using racism as an excuse the BMF has already put itself light years ahead of the run-of-the-mill fancy management seminars, which haven't even discovered the questions yet, let alone started trying to find an answer

Managers of Meeting and Greeting

AROUND Soweto Eric Mafuna gets called nearly as many bad names as David Thebehali. One thing that not even his worst enemy could accuse him of is evasion

Is it so that blacks blame practically everything on white oppression and use this as a handy excuse for every failing?

"It is so, but it is entirely understandable Every time you let someone down you blame it on your poor education, and then you blame the white man for having provided you with that poor education Blacks believe that the white man cut off their access to education They blame the white man because they have to look for their pass every morning before going to work They blame the white man because black buses are full and infrequent and make them late for work while empty white buses sail by The ultimate source of the whole multiplicity of handicaps is always *white*, and finally it all comes back to the white man taking their education away"

What do you say to the charges that the black managers are sell-outs?

"We're as black as anyone else We still have to say "baas' at the pass office We still have to strip for petty officials. We get all the same treatment as our most down-and-out fellows, and for us its more painful There's no sane black man who doesn't believe there's going to be a violent end to this whole thing We know it too What are they scared of? That we're going to end up fighting on the side of the whites? They must be crazy"

What do you say to the proposition that when blacks get into a classy job they tend to think that is the end, they've got what they've been battling for, now they can rest?

"It's true and it s a big problem It s partly because we are so few We've been through so many obstacles by the time we get to that job There were 100 of us who started school, and only one who made Std 5, then 100 who started high school, and only one who made matric, then 100 who started university, and only 1 who graduated By the time we're finally free of writing exams, we think we must be superstars We get into the job thinking we're God s answer, now we can cool our feet In fact of course we have to run twice as fast bu we don't like to recognise that"

What of the problem whereby so many black managers think they're doing much better than their bosses think they re doing?

"That is also partly because of being so few We get invited to welcome some visiting US Congressman, and we show this guy around, and he takes us to lunch, and he ends up singing our praises about what great guys we are The German government sends us on a tour of Germany Some ambassador invites us for dinner and we impress everyone fantastically Then we think wow, all these VIPs think I m fantastic They're not even interested in my white colleagues, I must be really wonderful

"We get to judge ourselves by our ability to socialise Then we get back to work and the boss says what's happened to the XYZ account? Why haven't you fixed the such-and-such contract? We think the boss is dumb because he doesn't seem to see how great we are Then some guy who's been working till 8 every evening poring over plans and projects gets promoted to general manager and we say "see, that shows you, this is a racist company!" We won't recognise that it's good enough for the company to have just a Manager of Meeting and Greeting They don't need a General Manager for that"

Joe in the stores and Sam in the warehouse

"BALONEY" says the chairman of a chain store group "There s absolutely no problem Our black managers are doing 100%" "We're wholly satisfied with the progress that is being made" says the general manager of a bank" "We have six times as many blacks in management jobs as we had in 1976," says a manufacturer

Strange Could it be that there is a whole vast field of trouble-free development taking place unbeknown to the types who populate such circles as the BMF?

Not really Further investigation reveals two explanations Firstly, there is the information gap again That is the "public" line Secondly what the people are talking about is something quite different to what the black managers are talking about They are thinking of Joe managing the warehouse Sam managing the store, Peter managing the Umtata branch Mostly, they talk of the black ceiling going up, thinking that as long as it's going up that's progress and it is immaterial that it is going up more or less the same rate as the white basement

What the black managers are talking about is *Mr* Khumalo and *Mr.* Zwane bringing black participation to the effective, decision-making process

The government keeps them in their place

THE LITANY of black complaints about the black managers is a long one

The Sowetan s labour correspondent ZB Molefe, breaks it into four "In the first place, you must remember what the Wiehahn Commission said 'there is a danger that blacks will no longer merely reject the whites, but also their philosophies, institutions, and systems' That has come to pass In the second place, the ordinary workers denounce the black managers as tools of management In the third place, the intelligentsia say they are only there as window-dressing In the fourth place, the political organisations say they are there to create a buffer against the masses"

Molefe's points are common enough So are one or two others, such as the accusation that they have "too much to lose"

The black managers have their answers

Reuel Khoza "It is usually the professional people and the educated people who shout the loudest against us when they are in exactly the same position They want to distract attention from their own comforts, but the point is people say of them too that they are "living like whites" They're not living like us"

Martin Sebesho, also a BMF director "There is a lot of hypocrisy Some of the people who have always been saying that Mangope has sold us out are now buying farms in Bophuthatswana Similarly the people who say that the managers are selling out would jump at the job if they had a chance"

172

CONTINUED

Stereotypes or something like it

One thing that Department might do is to send people to a meeting chaired by Eric Mafuna

After all, pretty well everyone, of every colour, believes in some corner of his mind that blacks are actually second-rate performers at organisational-type matters. Watching Mafuna in action would be a healthy inspiration to blacks, and a healthy jolt to whites

Mafuna's style of chairmanship is certainly *different* It has no reliance on constitutional niceties, no conventional long and lukewarm speeches of chairmanly thanks It is marked by punchy, pithy one-line observations such as "You had just got to the point of becoming boring when you stopped," and "I'm not sure what you were trying to say, but you've just taken three other people's time saying it"

It sounds harsh in print but it is done so cheerfully that even the victims take it in good part Harsh or not, it is in any case highly effective No-one falls asleep in BMF meetings

It may be something more than that too It may be an example of the way in which a merging of white and black patterns can lead to a better result than either pattern on its own It's good to know there are such examples We don't see them often

The neighbours still catch trains at dawn

A MINOR dispute breaks out One BMF member says that the black managers are "immobilised" Another jumps up and says that's all wrong – "not immobilised, inert"

Yeah, well Either way, the picture is not one of vigorous development And the question is Why not?

A very elegant lady offers one answer "We used to get up at 5 a m to catch the trains Now we're driving to work in our own cars at 8 30 and the neighbours are still catching the trains at 5 They don t like it You can't give your best where you're always thinking of that"

A male colleague disputes this "I worked to get where I've got to If the neighbours don t want to work that s their problem I'm not worried about them What holds me back is the attitude of the whites They say we don't exert ourselves That is so racist so upsetting " He sits down in mid-sentence, overcome with emotion

That is about the sum of it Two strands of thought – one saying the blacks are the problem the other saying the whites are

That is not to suggest that there is no introspection Far from it Speaker after speaker urges the black managers to work harder to stand firmer, to recognise that it is up to them themselves to solve the problems But always the source of those problems comes back to one or two places relations with the black community, relations with white colleagues

It's a tough one A classic no-win situation If the black managers take it upon themselves to represent black workers management calls them agitators if they don't, the workers call them stooges

How do the black managers see themselves anyway? As blacks who have access to the ear of authority, or as managers who happen to be black Should they act as representatives on the bosses, as representatives who do a bit of bossing, or as bosses who do a bit of representing? The question is a recurring one The debate is heated There is general agreement that the black manager is meant to be speaking up for blacks somehow and general agreement that on the other hand he's not meant to be some kind of trade unionist in a three-piece suit But how to reconcile the two ...?

Just to confuse the matter, there is also the almost universal claim that white management uses the blacks as *their* representatives to sell the workers such unhappy pronouncements as that anyone

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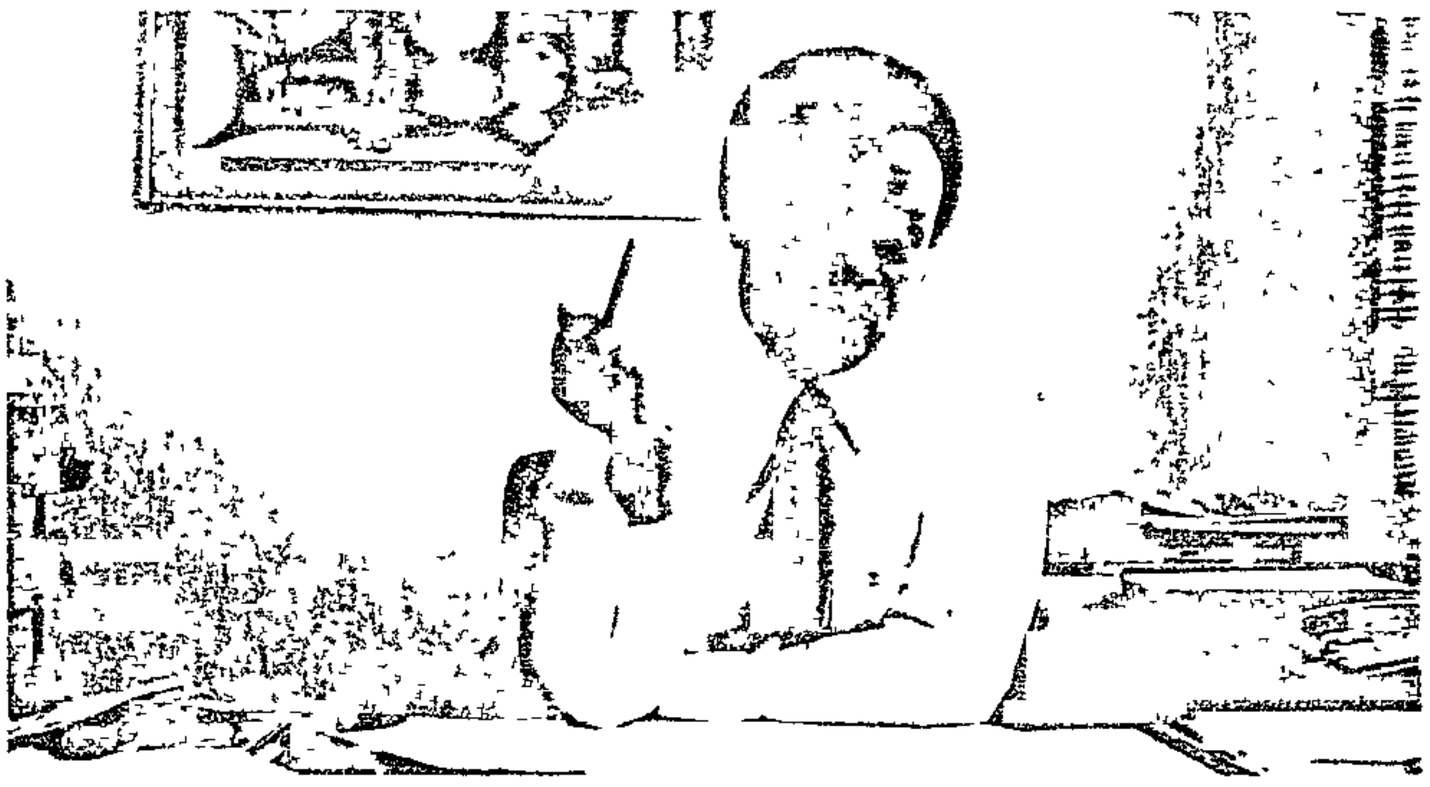


SHUENYANE — the frustration of mediocrity

who stays away on June 16 will be sacked "They — top management — see us as their secret weapon for times of trouble," says Khoza "In times of peace we're not in the picture "

The horror stories cut two ways

THE WHITES Are they actually sabotaging their own Great National Quest for a black middle class?

To some extent, yes

The big-shots are bad enough Every time some chairman is reported as saying that the middle-class creates stability, he drives another nail into the tortured souls of the black managers. "Our hearts sink," says one "It's like when M C Botha called on whites to have more children Blacks haven't believed in birth control ever since "

Middle management is worse Often, white middle managers see the role of the black executives as being to pass on unpopular decisions to blacks

And then there's the whole range of horror-stories Every black manager has his personal collection of tales of discrimination — the time he was abused in a seminar, the time he had to have lunch separately, the times he was snubbed by a secretary, a receptionist, the boss's wife.. whoever

Nonetheless, there is plenty of room for a suspicion that the racism and the discrimination is often grossly exaggerated

Frequently, for example, it is hard to see the horror in the horror-stories A white man asks his black colleague where he got the money to acquire all that education, or whether he comes from America Is that all that demoralising? Insensitive, maybe but it's difficult to understand how that kind of question justifies the use so many blacks make of it, which is to illustrate the depth of prejudice they face and to show how hard it is to work effectively under such conditions

Then there s the 'window-dressing' argument, the one place where the black managers see more or less eye-to-eye with their critics The critics say the managers are being duped — used as window-dressing kept on show to be wheeled out to shake hands with visiting foreign dignitaries and impress them with the breakdown of apartheid, but that they're kept away from real responsibility The managers themselves tend to dispute the "duped" but they sing the rest of this particular song with quite as much fervour as even the most vehement of the critics

Yet there is no lack of top executives who say with feeling that they're giving their black executives just as much responsibility as they show that they're able to handle, and quite a lot more than any white person with identical abilities would get

Above all there is the story of the Sneakthief Supervisor — a story which is about as common in black management circles as the parable of the lost sheep is in Sunday schools

The black man does the work, the story goes, *and puts in the ideas Then his immediate boss takes the project to top management, and grabs all the credit He gets promoted and the black man remains unrecognised*

As to quite why the immediate supervisor does this, interpretations vary Straight greed is naturally a recurring answer So is innate racism But the most common one goes something like this "The white middle-manager is scared of up-and-coming blacks They threaten his position He doesn't want to be surrounded by black colleagues, especially since his white friends would think he's in a kaffir job, and it would be a big blow to his ego to be actually surpassed by blacks So he s got a vested interest – sometimes subconscious – in suppressing evidence of the capability of blacks who are close to his rank and in undermining his black colleagues Accordingly there is rampant racism at the middle level and top management remains totally in the dark both as to this racism and as to the quality of work that the blacks are putting in "

True, there is racism everywhere – and it s not even bounded by the Limpopo surprising as that may seem It stretches to around the North Pole and so does greed Still there are many white middle managers to whom it would be news that they re undermining their black colleagues, and pure fairytale that they re doing so because they are scared of being outdistanced

In fact, these days there's a whole sub-culture of white managers whose specific responsibility is to provide for black promotion, and whose own promotion depends on doing it well and those people have plenty of horror-stories of their own Stories of covering up for black colleagues who weren't where they ought to have been of burning the midnight oil to do work that should have been done during the day, of rewriting botched projects and then passing these on in the name of the original author and so on

What about stealing their subordinates' ideas, and hogging the credit? There's a school of thought that says that happens all the time, it s an integral part of the rat-race Yet there are plenty of white managers who claim that the only place it *doesn't* happen is in the case of black subordinates It's all in the game to stab your white deputy in the back now and again, but it's considered very non-U to do it to the blacks, like knocking over little old ladies in the rush for the bus White managers of this type tend to scoff at the blacks allegations and dismiss them as pure escapism But then this is not the only type of white manager and in any case they have the happy advantage of looking at the matter from outside and not from the receiving end

There is undoubtedly a lot more substance to the black complaints about sabotage and demoralisation than whites would like to admit Nonetheless, the black tendency to see these things as the whole explanation is a little like seeing coal as the explanation for fire

Perhaps this is where the BMF has its greatest role to play

The BMF is working on setting up management training courses Which is fine except that for several years now it's been the height of fashion for everyone and his uncle to provide black management courses, and there's not much evidence that the overall impact has been anything other than to get a lot more people appointed to jobs from which they flunk out a year or two later

PLEASE TURN OVER

Clearly, much of the animosity is based on sheer jealousy, which is logically enough a far bigger factor in the circumstances of black South Africans than of whites It has sad implications, though Is the underlying belief that *nobody* ought to "live like whites" until *everybody* is living like whites"? One can't see much other than a lot of disillusionment ever coming out of that attitude

Still, there is much more to it than irrational jealousy There is the gripping fear of the destruction of the much-vaunted "black unity" There is the fear of the creaming off of the top talent There is resistance to the creation of class splits which did not exist before There is wide scepticism as to the managers' oft-repeated argument that it is the middle-class who spearhead fundamental changes

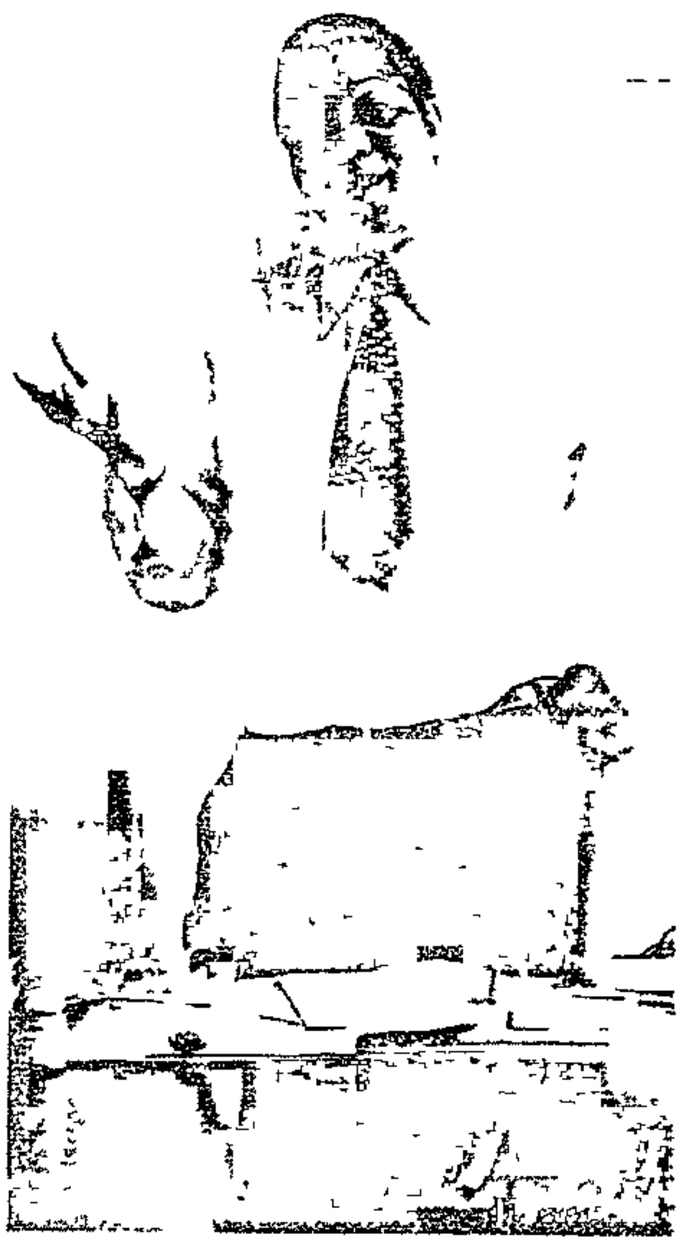
All that is understandable Even then, though there is a huge dilemma facing the heavyweights who argue that the black middle class is retarding 'the struggle' What do they expect their liberated society to look like? The same old situation of blacks wielding pick and shovel and whites monopolising the think-work" From the perspective of the political heavies as much as of anyone else, the need for black expertise in management is big

If there is so great a fear that the people who succeed will then sell out, it might be more constructively dealt with by encouraging the success and exerting pressure against the selling out, rather than by exerting pressure against the success in the first place Azapo, in fact seems to have come to some such conclusion recently It came up with a statement to the effect that it was time to stop alienating the black managers and instead to encourage them to use their positions correctly which was widely interpreted as a significant change of policy

The black mangers too could do a lot themselves to make their positions vis-a-vis the community easier Why aim necessarily for that symbolic Mercedes for example? Why not settle for a Toyota or an Escort?

It may be that the hostility towards the black managers has eased off over the last few years Windsor Shuenyane's journalist brother, Ernest thinks so "Since '76 they've been hammered so hard by the black community that they're much more humble now than they used to be They don't look down on the rest of us any more Also, people are getting used to the idea that there is a difference between the real managers and the personnel clerks The personnel clerks were the first introduction to the idea of 'black managers' They were often bullies and corrupt and all the new generation of managers have been tainted by their image

"But mainly it's thanks to the government that the managers are becoming more acceptable The government keeps



RANTHO — responsible decisions

them living in the townships so we can keep an eye on them And the roadblocks have done wonders The people in flashy cars get the worst treatment of everyone The police accuse them of having stolen the cars They get searched and abused We should thank the government As long as the roadblocks are there, we don't need to really worry that those guys will forget that they're black"

Tackling the issue with guts and vigour

CREATING buffers or spearheading changes? Suppressed and undermined or artificially advanced? Obstructing black aspirations, or giving expression to them ? The black managers are stuck in the middle of the central South African debate "Everybody wants to use us as pawns for some or other great sociological purpose" says Martin Sebesho "They forget that we are living breathing human beings who finally want to live decent lives and make successes of them"

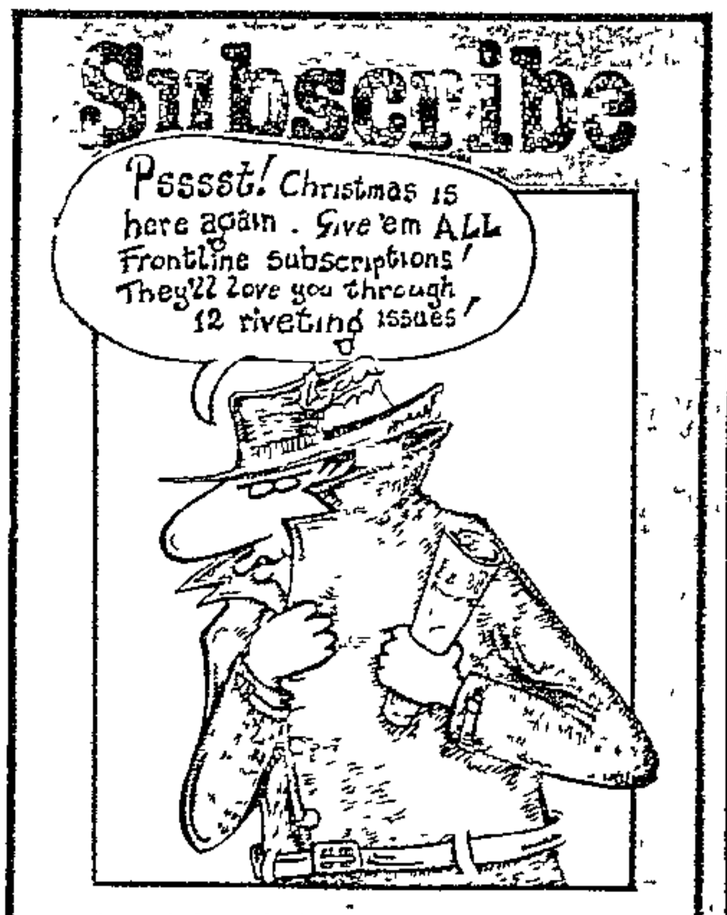
Fair enough From afar, the whole issue can be judged as a matter of social roles and political implications But get to meet the people themselves, and see the intensity with which they are wrestling with the whole set of unique contradictions and conflicts they have landed in, and those big issues become secondary It boils down to a human question How do the individuals who make up the pawns in the board find a way to fulfill themselves?

There's hardly anyone in the Black Management Forum who sees that fulfilment as coming purely from the company car and the overseas trips Not that they are necessarily purer or higher-minded than their white counterparts to whom by and large the size of the salary cheque and the magnitude of the perks are the sole measure of success Rather that they don't have a chance to forget the broader issues, even if they would like to The four-figure cheque becomes hollow after a while, if you're constantly nagged by the thought that it s only being paid for reasons of tokenism The company car becomes slim compensation for the cold shoulders and the backs that are turned by friends and neighbours who think you've turned traitor

Is there a way in which the black managers can find that fulfillment become taken seriously by the whites acquire positions of real authority and use them in the interests of their fellow blacks" A way in which the traditions of ubuntu and the practical demands for black liberation can be tied in with the need to keep the trains running on time?

It s a tall order But then the prospect of making South Africa's future a success consists of nothing but a long list of tall orders

The BMF is at least tackling the issue and tackling it with guts and vigour In that, it is doing something no-one else has even come close to attempting



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172

'Scrap discrimination' call at NDMF talks

Star 21/10/87

122

● ANN CROTTY reports on the National Development and Management Foundation annual conference being held in the Carlton Hotel, Johannesburg, today and tomorrow.

Mr Basil Landau, chief executive, industries, of General Mining Union Corporation said when opening the NDMF conference that the most pressing national problem was the dualistic nature of the economy. This led to an imbalance in standards of living and quality of life.

He said that the greatest challenge is to close the gap between high income and low-income sectors at a faster rate — "not by making the rich poorer but by making the poor richer"

Mr Landau pointed out that by 2000 as many as 20-million of the projected population of 50-million could be outside the prosperous free-enterprise sector of the economy

One of the most effective means of solving the problem was to increase the pace of industrial decentralisation He welcomed the Prime Minister's recent announcement that the government would be introducing a plan to promote decentralisation

Mr Landau said that the discriminatory measures which still exist must be scrapped "By impeding the advancement of black workers discriminatory measure are aggravating an already serious manpower shortage It is this shortage of skilled manpower that is the real obstacle to economic development"

Referring to the economy's fluctuations, Mr Landau said that the government and business have been too sensitive to them

The rises and falls were probably linked to the level of the gold price and that it was necessary to reduce the importance of gold as a factor in economic planning and the business mood

BUSINESS

Housing backlog 500 000

(82) Star 22/10/87 BV

By Frank Jeans

Annual demand from all race groups for homes is about 112 000 units and the current backlog is now more than 500 000 homes.

"Even if the size and quality of the house demanded may be relatively modest, an enormous number of units will have to be provided in the future,' Mr J A Baikie, deputy managing director of Sage Holdings, told the Business Outlook conference organised by the National Development and Management Foundation.

POOR QUALITY

Pointing out that the housing picture was "alarming," Mr Baikie said it also presented an exciting challenge and opportunity for the building industry.

Referring to the chronic shortage of skills in building resulting in "a drastic decline in quality and efficiency," Mr Baikie said "If you want tangible evidence, visit the houses going up in the suburbs of Johannesurg and see for yourself"

With only about R24 000-million to finance 4-million modest homes for blacks by the year 2000, Mr Baikie said the traditional source of money for homes — the building societies — was likely to change

"The societies have dominated financing of home ownership and have generated an enviable reputation in that respect," he said.

"However, following trends overseas, it appears that other institutions and other forms of finance will have to play their part if the appropriate amount of money is to be available

"In the UK there has been a move towards banks and insurance companies providing mortgage finance," he said

Looking at the future of the construction industry, Mr Mike Ridley, group managing director of LTA, urged restoration of the road-building programme which had been affected by government cutbacks in spending

"The capacity of the industry to cope with road-building programmes efficiently will be damaged severely if the drought in work in this sector is prolonged," he said.

Mr Ridley is confident however that the build-up of the infrastructure will go on.

"Indeed, if the country is to avoid disruption and unrest I believe such spending will have to go on, and increase, come what may"

HOMELANDS

The need for infrastructure spending in the homelands and national states could not be avoided or postponed if we hoped to see any slowdown in the flight of people to the cities

"I hope that the way chosen to limit this flight will be in the positive area of promoting local development rather than relying on influx control," said Mr Ridley

172

4/12/81

MANPOWER MERGER

The recently established Manpower Foundation merged this week with the National Development and Management Foundation (NDMF) to form the Manpower and Management Foundation of Southern Africa

The two bodies agreed to pool their resources to avoid duplication of effort in the manpower training field The Manpower Foundation was formed by leading figures in the private sector to maintain the momentum in training which had been created by the Manpower 2 000 project However, the NDMF has also been active in this field and has a well-developed infrastructure

A spokesman for the new foundation says that while it will place great emphasis on manpower issues it will continue to provide the management services previously supplied by the NDMF

In addition the new foundation will be active over a wide area of southern Africa, following in the footsteps of the work the NDMF has done in neighbouring territories and the independent homelands

Office holders of the two organisations are now dealing with practical aspects involved in the merger

(172)

Sowetan 23/12/81

Management and manpower foundations amalgamate

By SELLO RABOTHATA

THE National Development and Management Foundation (NDMF) and the Manpower Foundation, which was in the process of being established to carry on the work of the Manpower 2000 campaign, have decided to convert the NDMF into the Manpower and Management Foundation of Southern Africa (MMFSA).

The procedural and legal formalities were effected at a general meeting of NDMF members on December 1 The NDMF trustees felt the enthusiasm and impetus created by the Manpower 2000 campaign could be effectively continued by the foundation As the NDMF is already engaged in this field through its growing training and other activities, and through its special project, Advancement at Work it was considered the most suitable vehicle to continue the initiative in expanding its activities in the manpower field

The existing NDMF activities relating to management and its extensive services to members via management exposure and development, instruction and training, its library and film library, bulletin service and multi-media packs will continue to expand It is also envisaged that the existing data collection and dissemination will be further developed

The implementation of the future activities will be based on the existing infrastructure of NDMF It is intended to rationalise the various activities of the restructured organisation, like amalgamating Manpower 2000 committees with those in NDMF which have been operating in the manpower field

While details are still being worked out, it is envisaged that the existing committees and command structures of NDMF will remain basically unaltered although adjustments such as those indicated above may be found necessary and in the interests of effective functioning of the new foundation Existing committees including the Board of Trustees will, however, be broadened to include a wider spectrum of representation from all popular groups

Investigations are now being undertaken to set the additional objectives and work out organisational and financial details related to incorporation of the new and enlarged tasks in manpower The plan will be

MANAGEMENT —

1982 — 1983 — 1984 — Oct.

Too few blacks at the top —V d Ross

ARGUS 22/4/82

172

Argus Correspondent

JOHANNESBURG. — There were still too few 'people of colour' in the upper echelons of management, the rector of the University of the Western Cape, Professor Richard van der Ross, told businessmen in Johannesburg yesterday.

Addressing the annual meeting of the Furniture Traders' Association, Professor van der Ross said, "When I come to a meeting like this I say to myself 'Too many white faces'".

He added: 'It is common cause that in the interests of South Africa's economic growth, management skills cannot be provided by white people only, as has traditionally been the case'

Professor van der Ross urged those present to 'stretch standards' and 'if necessary, use people who were not quite qualified' as a means to greater black participation in the management field

'BE BOLD'

'I am not advocating economic capitulation', he said 'I am asking you to be bold enough to accept that changes in attitude will not threaten white prosperity, but rather guarantee the prosperity of all'

Emphasising the need for "an aggressive policy of training for people of colour', Professor van der Ross called on the furniture trade to give more bursaries for study, greater assistance to technical colleges, technikons and universities and more attention to the in-service training of employees

The Star Thursday June 3 1982

Not enough chiefs

That's one major problem facing the economy

Sheryl Raine of The Star's Pretoria Bureau looks at the results of recent research into South Africa's management structure.

Increasing pressure from international companies for equal job opportunities, recommendations of the Wiehahn Commission and the commitment of the Minister of Manpower Utilisation to the training and use of manpower, regardless of race, have all led to a more realistic approach to labour relations in South Africa

Brought about by economic necessity, this approach is likely to alter existing employment policies and open some doors for black personnel

It has been predicted that the decade of the eighties will achieve a level of assimilation of blacks in South Africa greater than at any other point during this century

The slow erosion of the walls of apartheid in the business and industrial worlds would appear to signal success for black employees, particularly at management levels

But recent research by senior researcher Dr Linda Human at the School of Business Leadership at Unisa has shown that this is not necessarily the case

To date, research in both South Africa and the United States has shown an almost pervasive underperformance among black managers and middle level supervisors despite the breaking down of racial barriers

Underperformance has traditionally been attributed mostly to lack of education cultural differences and racial discrimination

Now for the first time the School of Business Leadership is looking at other important factors which prevent black managers from reaching their full potential and filling the holes in the country's management structure

That there are holes cannot be denied

While Britain and the United States boast that 14,7 percent and 24,7 percent of their respective working populations can be classified as professional, technical, administrative or managerial workers, only 5,5 percent of South Africa's workers fall into these categories

The significance of these figures is obvious South Africa has too few chiefs to direct the economic activities of the nation

We have only one manager to every 42 workers Our closest companion in the industrialised world is Australia where the ratio is 1 11

Using a sample of 300 English speaking, Afrikaans-speaking and black managers Dr Human has not only compiled profiles on each of these managerial types but has also highlighted ambiguities and conflicts which seem to sabotage the black manager in the workplace

The results of her research take into account the history of discrimination against the black manager as well as his present situation.

To reduce inconsistence in the workplace she has placed emphasis on the need for teamwork rotation of shop floor staff and the definition of key performance areas which would give black and white managers a clear and comparative idea of their respective responsibilities

Dr Human has warned however that changes of attitude will lag behind actual changes For this reason she sees the need for training programmes for whites and blacks as imperative so that each might begin to understand the problems and fears of the other

Ends here

The black manager has to function effectively in three worlds" Dr Human said in a recent interview

His three worlds concern the black township, his "no-man's land" as a non-white in a segregated society, and his workplace where he is expected to function as an equal with his white colleagues

Taking these inconsistencies into account it is small wonder that such a manager's performance may suffer, said Dr Human. Beyond the conflicting roles already mentioned the black manager or supervisor also had to contend with

- Little previous exposure to white informal networks
- Tokenism at work
- Inadequate exposure and consultation
- Unequal pay
- Hostility from the shop floor
- A top management policy of non-discrimination but discrimination at lower management levels
- Unwilling secretaries
- Poorer promotion prospects
- Discrimination on a social level while at the same time being encouraged to be creative and individual

istic as a manager/supervisor

There are some who believe that until the entire political and social structure of the country is changed black managers and those in supervisory capacities will continue to encounter problems

Dr Human believes a few key solutions could be implemented in the interim

Many of her suggestions focus on a controversial concept of making the job fit the person rather than trying to fit the person to the job.

Top bosses help reform education

172 ~~123~~ ~~50~~ ~~179~~

18/1/83

understand work

THE Manpower and Management Foundation (MMF) of SA has formed a study committee to investigate education and training, consisting of some of the country's top businessmen

The committee, set up to look into ways of utilising educational and training facilities for all races, will be chaired by the MMF's executive director Dr John Burns

On the committee are Dr Zac de Beer, chairman of Anglo American, Theo Shippey, director of the Cape Technikon, Amod Tayob, chairman of Amod Tayob, Alf Leveson MD of Pilot Furniture Manufacturing, Jack Clarke, MD of IBM and Wilby Baqwa, industrial consultant for Barlow Rand

Staff Reporter

The Foundation has pinpointed education and training as a priority in



David Thebehali . . . more money needed for education.

providing an adequately skilled workforce, essential for economic growth and stability

The committee will conduct an in-depth study into the full utilisation of educational facilities, following this they will make recommendations to the Government

Burns said the Government must ensure that black educational facilities are fully utilised

"Taxpayers have invested heavily in such facilities and they must be productively utilised into the night to provide for adults, unemployed and all who wish to receive training and become qualified to fill a job,' said Burns

David Thebehali, chairman of the Soweto Council said the existing educational facilities were "a drop in the ocean" when compared to the need

"We would like to see the Government providing more money for education and the private sector increasing its contribution

"We are already seeing a move in this direction, but it's not enough"

Thebehali said that vigorous training programmes were needed to develop black entrepreneurs

"There is no other way to guarantee economic development We want a direct role in the overall economic development of this country"

MMF aims to combat mistrust with new mediation service

172 Industrial Week 1/2/83

By Lynn Carlisle

MISTRUST of State machinery by Black workers underlines the urgent need for a national mediation, arbitration and conciliation service operating independently of the public sector and its institutions

Making this point to Industrial Week, Dr John Burns said that the Manpower and Management Foundation (MMF) of which he is executive director - saw itself as a link or catalyst in the formation of such a conciliation service

The increasing statutorisation of conflict conciliation machinery in the labour field has caused a decrease in the use of the latter by employers and trade unions, he said

"Various bodies see the need for an independent service and the MMF is searching for experts who can form such a body

"Otherwise the Foundation will probably establish the structure to set up this service," said Burns

He said the independent service would comprise of experts having no ties with any trade union, government or quasi-government organisations It would not compete against existing services, such as the national industrial council boards

The MMF would draw up a register of experts in various disciplines connected with conciliation who may run the proposed service on a national scale and at plant level

"Above all, the service should have and maintain the highest degree of credibility, trust and acceptance in the labour world, demonstrating at all times the necessary sensitivity for those factors conducive to such credibility, trust and acceptance," said Burns

He said that the service could play a vital role in the field of solving problems which had previously lead to serious labour unrest and retrenchment

To quote Prof Nic Wiehahn at a recent MMF seminar "If the tide in the present development of labour affairs in SA is taken at the floor, such a national conciliation service in the private sector will not only lead to a fortune for those with such entrepreneurial initiative but also be an important contribution to labour peace and stability"

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Black power for industry

172 Sowetan 11/2/83

By JOSHUA RABOROKO

ABOUT 6 000 people employed in personnel management in the country's top companies have formed a group to advise the Government and authorities on manpower policies and labour practices.

The group, the Institute of Personnel Management (Southern Africa), has been set up to promote the profession of personnel management in the country by defining codes of professional conduct in this job category

On the committee are Mr Wilby Baqwa, industrial consultant for Barlow, Mr James Seautloadi, manager of human resources for Empro, Mr Adrian Harland, group personnel manager for Murray and Roberts Holding Limited, Mr Mohale Mahanyele and Mr Martin Sebesho who are both employed in marketing companies

The institute has a sub-committee designed to put out workshops and seminars to teach black and white scholars to help them upgrade their education

Mr Harland said that the institute was particularly concerned with teaching black scholars subjects such as mathematics, science and the English language

Blacks will also be taught technological subjects so as to enable them to be trained and to do skilled jobs to help uplift the country's economy, especially now when the economy seems to be undergoing a slump

Mr Seutloadi said the institute was a major breakthrough for blacks to learn more about personnel management and industrial relations in the country

~~250~~ (172) ~~80~~ Hansard
Q. Col. 197 18/2/83

Coloured managers in White areas

*26 Mr C W EGLIN asked the Minister of Community Development

(1) Whether any officials of his Department have informed employers that action would be taken against them in the event of their employing Coloured managers in businesses situated in proclaimed White areas if so, in what towns have these warnings been issued,

(2) whether any action has been taken subsequent to such warning, if so what action?

The MINISTER OF COMMUNITY DEVELOPMENT

(1) No

(2) No

20/2/83 S Times (172)

Social responsibility

THERE are definitions aplenty of social responsibility, some more illuminating than others

The one I prefer comes from Mr A A Sommer, formerly a member of the Securities and Exchange Commission in the United States, who defines it crisply as meaning that a corporation "voluntarily expends its resources to do something not required by law and without immediate economic benefits"

A definition, of course, is not a justification and, to my mind, the case for doing something that brings no immediate financial return and which anyway you do not have to do is that an investment in the future well being of your society and of your country must in the long run be of benefit to your business

Moreover if we believe in private enterprise system we must believe that private initiative has a part to play in the welfare, education and culture of society as well as in business

Without corporate support this role cannot be performed and society's progress will suffer as a result So too, will society's awareness of, and regard for the potential of private enterprise and individual initiative to the obvious detriment of the whole private sector We come full circle

Having thus defined the subject and justified the activity we would be well advised [illegible] to be clear in our minds as to the first obligation of management

It is [illegible] a profitable business that meets its customers [illegible] as efficiently and honestly as it can, pays good wages and offers satisfying opportunities to its employees

If it passes that test it is serving its shareholders, its community and society as a whole

In that sense I would argue that from the beginnings of commercial enterprise there has always been a social responsibility upon business, over the years the perception of how far it should extend has widened considerably and there has, of course, been considerable debate, if not dissension, as to where that responsibility should end

But there can surely be no question that the making of profits comes first

I recall that in 1972 we in Anglo American Corporation, dissatisfied with the progress being made in improving the wages and opportunities of black employees in our group, issued a statement of policy designed to accelerate the pace of change

It was signed by the chairman, Mr H F Oppenheimer, on behalf of our executive committee, and ended with these words

"In approaching all these matters it should never be forgotten that the process which above all others can improve the conditions of low paid workers is economic growth, with the consequent multiplication of employment opportunities

Middle way

Similarly, in an individual enterprise the condition most favourable to any form of improvement in labour conditions is one of expansion

It follows that the continued endeavour to run all enterprises in the most efficient and profitable manner for Professor Friedman and cherish the function he so happily fulfils of concentrating our minds on the fundamentals I do not accept his statement in full and believe that a middle way must be found

Perhaps Friedman has himself left the door open to compromise Ethics are concerned, as Emerson put it, with the system of human duties commencing from man, and there can be no question that the ethical framwork in which a business operates today assumes an acceptance of social duties significantly broader than was the case a half-century ago

There must be, naturally, a limit to the cost and extent of a corporation's social responsibilities in the wider sense

Obscene

Peter Drucker is clearly right in defining that as being the point at which the resources a company expends on social goals impairs its ability to fulfil its economic purpose

The most obvious example of this arises when a company goes bankrupt It then ceases to be able to serve its customers, it ceases to be able to do anything for its employees, it ceases to pay any taxes, and if nobody can be found to take it over as a going concern much of its capital plant may be lost, involving an actual destruction of wealth

No peripheral service which a company could offer to society would compensate for the damage it does to society if it fails

Who was it who said that it is losses — not profits — that are obscene? Hence, the limitations on what companies can do in pursuing their social responsibility — in addition to the creation of wealth — are not only considerations of self-interest, they



GAVIN RELLY



Chairman of the Anglo American Corporation

charts a course for business

that the danger a board must be alert to is of a gradual, insidious dissipation of management's energy that is only indirectly and imperfectly reflected in the profit and loss accont

How much should it cost, how much should you invest" In Anglo American, certainly, we are never sure that we have arrived at the 'right" ratio between profits and corporate giving

Need tends to increase in times of recession — when a company usually is least able to be more accommodating — and vice versa

tions to this through the tax which they pay and they can not be expected to make the same contributions over again voluntarily

Where the government does not make such provision companies can and should do more, but under-developed countries have less elaborate welfare systems than developed ones primarily because they do not have the necessary resources, and there is no way that private enterprise can do in this field what it is impossible for a government to do

To my mind the importance of corporate giving is precisely the other way around, it stems from a recognition of the inevitable limitations on state activity

I am not now speaking primarily in a financial sense Whether the network of social services provided by the state is more or less comprehensive, it still carries the hallmarks and shortcomings of bureaucracy rigidity, slowness, uniformity and insensitivity

Above all, the state system is unlikely to inspire, let alone act upon the imaginative, "way-out" means of tackling a social problem that a private organisation could conceive of and carry through

We shall always have a need for private voluntary activity if we are to do justice to the immense complexities of human society, and to my mind the major purpose of corporate giving is to ensure that the resources for that activity are available

Emphasis

Obviously the emphasis will depend on the conditions of the society in which the company is operating In a very under-developed society the greatest need may well be for health services, at a higher level for education and training, and in highly



ued endeavour to run all enterprises in the most efficient and profitable manner possible, so far from being in conflict with the desire to improve the conditions of the poorer section of our community, is in direct support of it, hence efficient and profitable operation, while not being our only objective, remains our principal objective"

That much all businesses have in common, then, in fulfilling their social responsibility — the successful, that is the "long term", creation of wealth

There are some who assert that profitable and efficient operation defines the entire responsibility — in the words of Milton Friedman, that "all business firms serve total society best by trying to earn the greatest return possible within the existing legal and ethical framework"

And, just in case we missed the point, he concludes that there is nothing that would destroy the private enterprise system more than a real acceptance of the social-responsibility doctrine

While I have great regard for the sincerity of those who espouse this doctrine, I can only regard it as fundamentally subversive

It is subversive because it is based on misconception, and because it is paralysing in its implications

The misconception is that business operates in a social vacuum

Business does not operate in a social vacuum

Business is a social institution, and its every action is a social action

Business is a social institution because it is dependent on society for its existence

Business is a social institution because it is dependent on society for its profits

Business is a social institution because it is dependent on society for its employees

Business is a social institution because it is dependent on society for its customers

Business is a social institution because it is dependent on society for its shareholders

Business is a social institution because it is dependent on society for its suppliers

Business is a social institution because it is dependent on society for its creditors

Business is a social institution because it is dependent on society for its bankers

Business is a social institution because it is dependent on society for its lawyers

Business is a social institution because it is dependent on society for its accountants

Business is a social institution because it is dependent on society for its consultants

Business is a social institution because it is dependent on society for its advertising agents

Business is a social institution because it is dependent on society for its public relations officers

Business is a social institution because it is dependent on society for its security guards

Business is a social institution because it is dependent on society for its cleaners

Business is a social institution because it is dependent on society for its gardeners

Business is a social institution because it is dependent on society for its drivers

Business is a social institution because it is dependent on society for its messengers

Business is a social institution because it is dependent on society for its receptionists

Business is a social institution because it is dependent on society for its switchboard operators

Business is a social institution because it is dependent on society for its typists

Business is a social institution because it is dependent on society for its secretaries

Business is a social institution because it is dependent on society for its managers

Business is a social institution because it is dependent on society for its directors

Business is a social institution because it is dependent on society for its chairmen

Business is a social institution because it is dependent on society for its presidents

Business is a social institution because it is dependent on society for its vice presidents

Business is a social institution because it is dependent on society for its executive vice presidents

Business is a social institution because it is dependent on society for its senior vice presidents

Business is a social institution because it is dependent on society for its group vice presidents

Business is a social institution because it is dependent on society for its corporate vice presidents

Business is a social institution because it is dependent on society for its assistant vice presidents

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Business is a social institution because it is dependent on society for its assistant to the

Which bosses preferred

S. Times 27/2/83

By Vera Beljakova

URBAN blacks prefer working for South African companies rather than foreign firms, according to a Market Research Africa (MRA) study, whose details are now being released

The survey shows that 59% of urban blacks prefer to be employed by local companies and that, of these, 26% consider salaries paid by South African firms to be superior to those offered by foreign firms

Another 22% believe that local concerns give better treatment, while 6% assume that no discrimination is practised

About 3% would feel more secure with an SA company, and 2% prefer the working hours adhered to by them

The survey also indicates that 41% of urban blacks would rather discuss their problems with a black personnel manager (44% males against 37% females), and that the desire for a black manager is perceived particularly strongly among the 16-49 age group

The 50-plus age group, however, would rather discuss matters with a white personnel manager

Blacks in the A-income group have no preference about the boss's race (25%), as against blacks from the B-income group (17%), the C-group (16%) and the D-group (13%)

In Natal and the Eastern Cape, black personnel management is preferred when workers seek help or advice — particularly so in Natal, where 47% of blacks want to talk to a black boss against 21% who would rather confide in a white superior

The reverse, though, is true in Pretoria and the rest of the Transvaal, where both white and black personnel managers are equally acceptable to the black worker

The Sotho ethnic group, however, is split while North Sothos prefer another Sotho, the South Sothos would opt for a white personnel manager

"It has become apparent that equitable solutions are sought increasingly by local concerns to satisfy the needs of the black workers"

tional and technical assistance were rendered by the Department

(3) No

(4) Falls away

(5) Falls away

(6) Should my Department be requested by the S A Rugby Board to assist in the presentation of courses in future the request will be considered in the light of the means available

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TUESDAY, 15 MARCH 1983

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†Indicates translated version

172 Hansard Q 61 655–
For written reply 15/3/83 677

Carlton/Good Hope conferences

314 Mr J J B VAN ZYL asked the Prime Minister †

(a) Who are the businessmen who attended the (i) Carlton and (ii) Good Hope conferences and (b) which business undertakings did they represent?

The PRIME MINISTER

(a) The businessmen who attended the (i) Carlton conference and (ii) the Good Hope conference respectively and (b) the business undertakings they represented are contained in annexures "A" and "B" attached hereto

"A"

BUSINESSMEN WHO ATTENDED THE CARLTON CONFERENCE

Mr E G Blohm EWG Finance & Investment Corp (Pty) Ltd
Mr A H Bloom Premier Milling Company
Mnr G D Bornman, LPR Johannesburg
Mnr J A Botha Bonuskor Beperk
Mr W G Boustred Anglo-American Coal Corporation
Mnr Jan Bouwer Credit Guarantee Insurance Corporation of Africa Ltd
Mr S Boyazoglu Roberts Construction
Dr S S Brand Kantoor van die Ekonomiese Raadgewer van die Eerste Minister
Mr A C Briggs Sabrita
Mr R Alexander Camerer SA/German Chamber of Commerce
Mr Bhoola Chhita Golden Era Printers
Mr G Clark General Mining and Finance Corporation
Dr W B Coetzer Federale Mynbou Beperk
Mr J H S Ebrahim Pretoria
Mr E Ellerine Ellerine Holdings Ltd
Mr D Etheredge Chamber of Mines of SA
Dr Charles Ferreira Mercabank Beperk
Mr J R Ferreira Johannesburg
Mr D Fletcher Caltex Oil (SA) (Pty) Ltd
Mr R E Foxton Group Editors Co (Pty) Ltd
Mr K L G Geeling Shell (Petroleum supply) Ltd
Mr H Holdberg Johannesburg
Mr D Gordon Liberty Life Association of SA
Mr R J Goss SA Breweries Ltd
Mr Harry Gottlieb J H Isaacs & Co Ltd
Mnr O W Grinaker Grinaker Holdings Ltd
Mnr Peter Grobbelaar Calan Beperk
Dr J P Kearney Amcor Limited
Mr S Kerzner Southern Sun Hotel Group (Pty) Ltd
Mnr D R Keys National Discount House
Mr R C C Kirton BP Southern Africa (Pty) Ltd
Mnr J J Kitshoff NOK Beperk
Dr L B Knoll Massey-Ferguson (SA) (Pty) Ltd
Mr B Landau Union Corporation Ltd
Mr F J H Le Riche Sentrachem Limited
Mrs M Lessing Lessing Adverto
Mnr P J Liebenberg Finansbank Beperk
Mr A Louw Gold Fields of SA Ltd

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Mr Leslie Lulofs Nedbank and Syfrets UAL Holdings Ltd
Mr R Lurie Johannesburg Stock Exchange
Mr B C McCarthy McCarthy Rodway Limited
Mr Ben Mokoatle 3M South Africa (Pty) Ltd
Mr V Moodliar City Metal Products
Mr D H Moosa Willowton Oil and Cake Mills
Mr Peter Morum Firestone South Africa (Pty) Ltd
Mr Omar Motani Motani Industries
Mr S M Motsuenyane African Bank of SA Ltd
Mr G S Muller Nedbank Group
Dr T F Muller Yskor
Mr H A D Murray The Readers Digest Assoc SA (Pty) Ltd
Mrs L Myubelo National Union of Clothing Workers
Mr A R Naidoo Pakco (Pty) Ltd
Mr J Nel Union Acceptances Limited
Mr J Ogilvie-Thompson Anglo-American Corporation
Mr G M Olla Artful Lady
Mr H F Oppenheimer Anglo-American Corporation of SA Limited
Mr J M Reunert Reunert & Lenz Limited
Dr H J J Reynders Gefedereerde Kamer van Nywerhede
Mr J D Roberts Murray & Roberts Holdings Ltd
Sir Albert Robinson Johannesburg Consolidated Investment Co Limited
Mr A M Rosholt Barlow Rand Limited
Dr P E Rousseau Federale Volksbeleggings Beperk
Dr A J A Roux Raad op Atoomkrag
Dr A E Rupert Rembrandt
Mr H Rupharam Kashmere Products
Mr C J Saunders The Tongaat Group
Mr P W Sceales Barclays National Bank Ltd
Mr R S Scowby African Eagle Life Assurance Society
Mr P M Searle Volkswagen
Mr A Searll Desiree International Ltd
Mr A C Suleman Khatani Products
Mr D Susman Woolworths (Pty) Ltd
Mr J B Sutherland African Oxygen Limited
Mr Peter Swarts Eswic Investments (Pty) Ltd
Mr Aboo A Tayob Amod Tayob Group Organisation (Pty) Ltd
Mr W Templer BP SA (Pty) Ltd
Mr D N Thebehali Johannesburg
Mr Ephraim Tshabalala Tshabalala Enterprises
Prof C H J van Aswegen ASSURA Beperk
Mnr J G van der Horst Die Ou Mutual
Dr Sandra van der Merwe Graduate School of Business Administration University of the Witwatersrand
Mr Ben van der Ross Wilkinson Van der Ross & Joshua
Mnr D P S van Huyssteen Volkskas Beperk
Mnr R van Rooyen Pep Stores Beperk

VOORSITTERS/PRESIDENTE BEROEPSORGANISASIES

Mr L Dison Civil Engineers Association
Dr E P Drummond SEIFSA
Mnr J H van Huyssteen Motornywerheidsfederasie

"B"

BUSINESSMEN WHO ATTENDED THE CAPE OF GOOD HOPE CONFERENCE

Mnr H P Adboll Spes Bona Bank
Mr R Ackerman Pick n Pay Stores Limited
Mr C S Adcock Toyota SA Limited
Dr I J Adendorf Ekonomiese Ontwikkelingskorp
Dr L Alberts Nasionale Instituut vir Metallurgie
Mr A R M Aldworth Barclays National Bank Limited
Mnr G Anderson Motornywerheidsfederasie
Mr K V Andre SA Association of Consulting Engineers
Lt-generaal R F Armstrong SM SA Vloot
Dr L T Badenhorst Mark- en Menings opnames
Sy Edele P J Badenhorst LV Adj Minister van Binnelandse Aangeleenthede

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Mr D E Baker Murray & Roberts Holdings Ltd
Mr A M Ballenden Appeltiser Pure Fruit Juices (Pty) Ltd
Mr F H Y Bamford British Steel Corporation of South Africa (Pty) Ltd
Mr W Baqwa Barlow Rand
Prof John Barratt South African Institute of International Affairs
Mnr L A P Barth Stellenbosh Wine Trust Bpk
Mr G J Beck Mobil
Mr W F de la Harpe Beck SA Stigting
Mr H Beier Beier Group
Mnr Fred Bell Produksiebestuurder Krygkor
Mr A Bellamy Edgars Stores Limited
Mnr D V Benade Sakeman van Kaap (Paarl)
Mr Alan Benn Isaacs Geshen & Co (Pty) Ltd
Mr J Berardo Johannesburg Mining and Finance Corporation Limited
Mnr H O Bester Posmeester-generaal
Mnr T Bester Bester Beleggings Bpk
Dr T Beukes Direkt Mineraal en Energiesake
Mnr W D Beukes Die Burger
Admiraal H H Bierman SSA OBE Kaap-Kunene
Mr C D Beynon Johannesburg
Mr R C E Bird Transvaal Coal Owners Association (Pty) Ltd
Mr H C Blersch SA Institute of Civil Engineers
Mr E G Blohm Volkswagen SA
Mr A H Bloom The Premier Milling Co Ltd
Mr D Bolton Cargo Carriers
Mnr G D Bornman Jhb-Stadsraad
Mnr W Bornman Sekr SA Konfederasie van Arbeid (SAKVA)
Mr S Borsook Sakers Finance and Investment Corporation
Mnr J A Botes Kantoor van die Stadsklerk Munisipaliteit van Pietersburg
Sy Edele G F Botha Kommissaris-generaal van die Swazi Volkseenheid
Mnr J A Botha Bonuskor Beperk
Sy Edele J C G Botha Administrateur van Natal
Sy Edelagbare Raadslid L J Botha Stadsraad Kimberley
Sy Edele L J Botha Administrateur van die OVS
Mr P K Botha Kantoor van die Stadsklerk Munisipaliteit van Port Elizabeth
Professor P R Botha Universiteit van Pretoria
Sy Edele R F Botha *DVD* LV Minister van Buitelandse Sake en Inligting
Mr W G Boustred Anglo American Coal Corp
Mnr Jan Bouwer Kiedietwaarborgverseke ringskorporasie van Afrika Beperk
Mr S A Boyazoglu Murray & Roberts Holdings
Dr C F Boyce Tegniese Adviseur van die Posmeester-generaal
Councillor H Bradfield Mayors Parlour Municipality of Durban
Dr S S Brand Voorsitter Ekonomiese Adviesraad
Mnr H F Breytenbach Boer en Sakeman Lydenburg
Mr A C Briggs SABRITA
Mr D Brindle Frankipile (SA) (Pty) Ltd
Professor A J Brink President Mediese Navorsingsraad
Mnr A Brock President Fedhasa
Dr G W G Browne Vorige Sekr van Finansies
Mnr J J P Brummer Nasionale Intelligensiediens
Mnr A M Brynard Nasionale Parke raad
Mr D A Buchanan Zimro (Pty) Ltd
Mnr D J Buester Agricor
Mnr A P Burger Kantoor van die Stadsklerk Munisipaliteit van Johannesburg
Mr J S O Burger Parow
Mr A Bury Unilever SA (Pty) Ltd
Mnr H A Butler Goodwood
Mr R Alexander Camerer SA/German Chamber of Commerce
Dr C Cameron President Vereniging van Staatsamptenare
Mr D G S Campbell Chairman Frasers Ltd
Mr W L Campbell-Pitt Norton & Co
Councillor D J Card Mayor's Parlour Municipality of East London
Mr Bhoola Chhita Golden Era Printers.
Mr Neil Chapman Board of Executors
Sy Edelagbare Raadslid H van Z Cillié Port Elizabeth
Professor P J Cilliè Departement van

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Joernalistiek Universiteit van Stellenbosch
Mnr E A Cilliers Direkteur-generaal Mannekrag
Mnr N Claassen Uitenhage
Professor N D Clarence University of Natal
Mr G Clark General Mining & Finance Corp
Sy Edele H J Coetsee LV Minister van Justisie
Mnr M J R Coetzee Pretoria
Dr F J Coetzer Strand
Advokaat J P J Coetzer Direkteur-generaal Justisie
Dr W B Coetzer Federale Mynbou Beperk
Mr B H Cohen Director Tuna Marine Food and Association Corporations
Mr K C Comins Barlow Rand
Mr A C M Cornish-Bowden Hermanus
Mnr G P Croeser Hoofdirekteur Finansies
Dr F J C Cronje Nedbank Bpk
Mr J P Cronjé Cape Portland Cement
Sy Edele P Cronjé LV Adjunk-minister van Gemeenskapsontwikkeling
Sy Edele W A Gruywagen Administrateur van Transvaal Mr B A Cullen Pinelands
Mr B L Currie Indierraad
Mnr F J Davin Die Ou Mutual
Mr L E Davis Executive Director Building Industries Federation
Dr J de Beer Direkteur-Generaal Gesondheid, Welsyn en Pensioene
Dr K de Bruyn Prolekon
Mr J de Canha Johannesburg
Mnr M E de Jager Hoof Uitvoerende Direkteur Jhb Kamer Koophandel
Mnr P J de Jager Hoofbestuurder Vetsak
Sy Edele F W de Klerk *DVD* LV Minister van Mineraal- en Energiesake
Professor J N de Klerk Voorsitter Mediese en Tandheelkundige Raad
Dr Willem de Klerk Die Transvaler
Dr G P C de Kock President SA Reserwebank
Mnr R S de la Bat KWV
Professor J P de Lange Randse Afrikaanse Universiteit
Mnr R de Lange Burgemeester Oos Londen
Dr J H de Loor Direkteur-generaal Finansies
Mnr P Delport Stadsklerk Munisipaliteit van Pretoria
Sy Edele Dr D J de Villiers LV Minister van Nywerheidswese Handel en Toerisme
Dr D P de Villiers Voorsitter Sasol
Mnr H P de Villiers Standard Bank
Mnr J S de Villiers Transvaal Munisipale Vereniging
Dr J W L de Villiers President RAK
Mr R P de Villiers Managing Director Sonarep (SA) (Pty) Ltd
Mnr S de Villiers Direkteur-generaal SAUK
Mnr A J M de Vries Buro vir Ekonomiese Ondersoek Universiteit van Stellenbosch
Professor M J de Vries Rektor Universiteit van Stellenbosch
Mnr J C de Waal Uniestaalkorporasie
Mnr M T de Waal NOK
Mr L B de Wet Huletts Corporation Ltd
Mnr H B de Witt Hoofbestuurder Merino Koop Beperk
Mr A B Dickman Anglo American (Ekonoom)
Mr L H M Dilley Simonstad
Mr L Dison Civil Engineers Assocom
Mr A S Dockrat Indierraad
Mr Louis Donelly Grosvenor Investments Ltd
Mnr J P Dreyer Hoof Ekonomiese Beplanning
Dr E P Drummond Seifsa
Mnr A J du Plessis Voorsitter Ingenieursgenootskap van SA
Mnr C J du Plessis United Tobacco Co
Professor D J du Plessis University of the Witwatersrand
Dr F du Plessis Santambank Beperk
Dr F J du Plessis Voorsitter Bankkorp /Sanlam
Dr J E du Plessis Direkteur-generaal Kantoor van die Eerste Minister
Dr P G du Plessis Hoofstad
Sy Edele P T C du Plessis LV Minister van Landbou en Visserye
Mnr S J P du Plessis Direkteur-generaal Mineraal en Energiesake
Dr T A du Plessis Direkteur-generaal Nywerheidswese Handel en Toerisme

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Mnr A P du Preez Kaap-Kunene Beleggings Bpk
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Mnr C W H du Toit President Gefedereerde Kamer van Nywerhede
Mnr P du Toit Vleissentraal
Mr J H S Ebrahim Indierraad
Mnr A B Ilksteen Direkteur-generaal Vervoer
Mr E Ellerine Ellerine Holdings Ltd
Mnr A P Ellis Lid Kommissie vir Administrasie
Mr C D Ellis Dorbyl Limited
Professor F Eloff SA Natuurstigting
Sy Edele J J Engelbrecht Kommissarisgeneraal van die Xhosa Volkseenheid (Ciskei)
Mnr C G Erasmus Johannesburg
Mr A T Essack Sealake Industries
Mr D A Etheredge Anglo-American Corporation
Mr G A Farr Daily Dispatch
Mr C T Fenton Goldfields of SA Ltd
Dr Charles Ferreira Mercabank Beperk
Mr J R Ferreira Johannesburg
Mnr E J Fivaz Durbanville
Mr D T Fletcher Caltex Oil SA (Pty) Ltd
Mr J G Foggitt TFC Tours (Pty) Ltd
Mnr L Fouche Direkteur-generaal Gemeenskapsontwikkeling
Dr B G Fourie Direkteur-generaal Buitelandse Sake en Inligting
Professor P C Fourie Universiteit van OVS
Mr R E Foxton Foxton Communicating (Pty) Ltd
Mr L F G Frankel Simpson Franke & Kruger
Mr R L Frankel Tiger Oats & National Milling Company
Professor D G Franzsen Departement Ekonomie Universiteit van Stellenbosch
Mr C R Freemantle Max Pollach & Freemantle
Mr Errol Fyfe Executive Director Institute of Directors
Dr C F Garbers President WNNR
Dr J G Garbers President RGN
Mr K L G Geeling Shell (Petroleum Supply) Ltd
Professor F G Geldenhuys President Mediese Vereniging van Suid-Afrika
Generaal M C W Geldenhuys Kommissaris SA Polisie
Mr Rex Gibson Sunday Express
Professor J H Gilhomee Universiteit van Stellenbosch
Mr Leon Glaser President Bifsa
Mr A M D Gnodde Johannesburg
Mr H Goldberg Afgetrede Priv Sakeman
Mr J Golden Clicks Stores
Mr S O Goodwin Ascom—Hoofbestuur
Mr D Gordon Liberty Life of SA
Mr R J Goss SA Breweries Ltd
Mr Harry Gottlieb J H Isaacs & Co Ltd
Dr D J Gouws Besturende Direkteur Personeelkonsultante (Edms)
Dr J de V Graaff Graaf s Trust, Kaapstad Lid ER
Mnr J F Greebe Sekretaris NPA (tans SWA)
Dr D C Grice Bitumen Assoc of SA
Mr C J L Grittith Anglo American Corporation of SA Limited
Mr O W Grinaker Grinaker Holdings Ltd
Mr Arthur Grobbelaar General Secretary Trade Union Council of SA
Mnr P Grobbelaar Uitvoerende Direkteur Calan Beperk
Dr B P Groenewald Suid-Afrikaanse Behuisingsbond
Mnr J F W Haak Priv Besigheidsman
Mr I S Haggie Haggie Rand Limited
Mr W F Hamilton Dir Building Industrial Fed
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172

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CURRENT ISSUES IN INDUSTRIAL RELATIONS

MARCH 1984



– That sinking feeling –

INDUSTRIAL RELATIONS UNIT

UNIVERSITY OF PORT ELIZABETH

T A B L E O F C O N T E N T S

Page 2 : Accentuating the Fundamentals.

Page 15 : Black Taxation : A Yes or No Vote.

Page 19 : The Industrial Court

Page 23 : Advanced Executive Programme

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The Industrial Relations Unit was established at the University of Port Elizabeth in 1981, following the grant of a Chair in Industrial Relations by Volkswagen of South Africa.

The Unit is responsible for (mainly) post graduate teaching in industrial relations at U.P.E. and for research and documentation in related areas. A limited amount of non-curricular training and other assistance is also available to both employer and employee parties in certain aspects of the subject.

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ADVANCED EXECUTIVE PROGRAMME
IN
INDUSTRIAL RELATIONS

DATES : 25 SEPTEMBER – 4 OCTOBER
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See page 23

In this issue, the often emotive and widely misunderstood concept of "Management Prerogative" is discussed. To set the stage, the article by van den Berg (referred to previously) is reproduced, together with a reply from the Unit, which also appeared in the Financial Mail. Some of the issues raised, and others, are then analysed in more detail in the discussion which follows.

MAAS VAN DEN BERG

The rights of the employer



Maas van den Berg is an attorney practising in Johannesburg. The following article by him is one in a series being carried by the *FM* on the Industrial Court and labour law.

The interpretation by the Industrial Court of the definition of the concept "unfair labour practice," and its application of Section 43 of the Labour Relations Act, have evoked a paralysing sense of frustration at the inability of employers to exercise their traditional prerogative to lawfully and reasonably order the behaviour, composition and discipline of their workforces

Section 43 is the "*status quo*" section, under which a dismissed employee may claim reinstatement pending the final resolution of the dispute arising out of his dismissal A Section 43 application must be brought in conjunction with a reference to the industrial council, where one exists, or with an application to the Minister for a conciliation board, where a council does not exist. If a board is established and reaches deadlock, or the council reaches deadlock, the disputed dismissal, if *alleged* to be an unfair labour practice, is referred to the court for compulsory arbitration in terms of Section 46(9) A result of this may be that the employer is compelled against his will to keep the employee in his service permanently

In recent judgments the court has adopted the attitude that a *status quo* order in terms of Section 43 is a purely temporary order to provide interim relief and will therefore be granted more readily than the permanent relief that would follow upon an employee's success in arbitration proceedings under Section 46(9). In consequence, where conflicts of fact arise in the affidavits filed on behalf of the dismissed employee and the employer respectively, it is the court's policy not to hear oral evidence to resolve such disputes. Furthermore, the court tends to accept the version of the employee seeking reinstatement in preference to that of the employer

It is natural for anyone to view his own behaviour through rose-tinted spectacles If a dismissed employee does so, or is deliberately mendacious in describing the circumstances of his dismissal in his affidavit, he can thus be reasonably assured that his often well prepared, written evidence will not be tested in cross-examination and that he will obtain a reinstatement order The effect of this kind of example on the integrity of the entire workforce and on labour relations is incalculable

It need hardly be said that conflicts of fact in Section 43 applications are the rule rather than the exception, and that the emergent unions have been quick to recognise the value of Section 43 for the advancement of their aims.

Temporary order

The court does not appear to have taken into account the psychological effect on the remainder of the workforce of a temporary order for reinstatement. When an employee who has been fairly dismissed on sufficient grounds is temporarily reinstated, his co-workers often do not appreciate the fact that his reinstatement is only temporary and does not represent a final judgment on the dispute arising from his dismissal. The reinstatement, although temporary in law and theory, is therefore likely to engender in the entire workforce a sense of contempt for disciplinary rules imposed by the employer, with a resultant undesirable slackening of discipline and morale.

Furthermore, the argument that a *status quo* order for reinstatement of a dismissed employee is a temporary order to provide interim relief is often fallacious. In most cases, the employer who is ordered to reinstate the dismissed worker would be well-advised to resign himself to permanent reinstatement. To conduct an arbitration to contest such a reinstatement in which the employer's adversary is a person who remains in his employment while the arbitration is proceeding would, in most circumstances, be unthinkable. The incentive to plant sabotage or other subversive action is obvious

These two factors lead to the following.

☐ The perception by the workforce that the dismissed worker has been permanently reinstated, and

☐ The reinforcement of that perception by an employer who accepts reinstatement as permanent

Both these could, on the occurrence of any slight excuse occurring thereafter, ignite rebellion and unlawful industrial action on the part of the entire workforce.

It has become the practice of the Department of Manpower to defer its decision on an application for a conciliation board to consider an alleged unfair dismissal in respect of which a Section 43 application has been launched, until after the determination of that application And if, as is almost invariably the case, the application is granted, to enquire whether the establishment of a concillation board is still required The department has found that a Section 43 order commonly results in permanent reinstatement — the employer has given up the contest.

The concept that an employer may be required against his will to keep an employee in his employment is entirely contrary to the traditional SA work ethic. That ethic is that your worth in your job must exceed the cost (both tangible and intangible) that your employer would save by dispensing with your

in my opinion

ROUX VAN DER MERWE

Focus on employers' rights

Roux van der Merwe holds the Volkswagen Chair of Industrial Relations at the University of Port Elizabeth. This article by him is one in a series on the Industrial Court and labour law being published by the *FM*.

Maas van den Berg (*Current Affairs* December 2) raises among other matters concerning the Industrial Court, the broad question of "management prerogative," and arising from it the implications for employee assessment I should like to comment on these two issues because, regrettably, so many employers will routinely and uncritically murmur their approval of his sentiments.

The average SA manager, given our rather conservative business climate, sees little reason to question those prerogatives which he has taken as given for so many years When they also are representative of the norms of the larger society in which he moves, and are plainly convenient if not indispensable to his traditional style of management, then arguments for their retention must appear attractive.

Unfortunately what is personally convenient and desirable is not always in the best long-term interests of the rapidly changing society in which we live It is thus particularly important that issues in labour relations are viewed against the criterion of constructive accommodation to the changes we have already seen, and those which are still to come.

To begin with, it is necessary to point out that once free trade unions are permitted to operate in a "free enterprise" context, employers can no longer lay any unilateral claim to previously accepted prerogatives. In fact labour relations could be succinctly defined as "continuous negotiation about re-adjustment and accommodation of the boundaries of control in the work situation"

Depending on the power of the union, some or all of management's rights to unilateral decision-making become negotiable and unions *will* use their power to erode prerogatives wherever they can Management in turn should use its not inconsiderable power to counter this challenge. What it should *not* do is react reflexively to seek an alliance with the State to help to enforce the employer's interests, for therein lie the seeds of rejection and overthrow of the system itself. We should all be grateful that the unions *are* using the courts to the extent that they do, a belief in the legitimacy of the system is a precondition for it to work and if a court's decisions are not always pro-employer, this should not be a cause to ring alarmbells By all means let us debate and question the Industrial Court, but in terms of legal drafting and procedure, rather than pious calls about management prerogatives.

The origins of these "prerogatives" — namely that authority arises out of the rights of ownership of property — can of course be questioned The employer is not an island, he operates as part of a complex and inter-dependent society.

Where his actions may have a negative effect on that society, such as the unfair dismissal of an employee who loses everything which he may have worked for over many years or the retrenchment of a large number of workers who may then become a burden on social security — it is appropriate that his "prerogative" be questioned Not to the extent that a court may "favour full employment in favour of retrenchment" (as Van den Berg puts it) but at least in calling for agreed procedures for dismissal and redundancy and putting a price on the "property rights" of an employee to his job. Once again, this price is a matter for negotiation.

Secondly, Van den Berg talks of the "traditional SA work ethic" which to him implies that worth in the job must exceed the cost to the employer of retaining an employee Worth, or merit in an employee, is notoriously difficult to measure objectively. Accordingly, where there may be subjectivity or discretion and where the assessments cannot be independently verified, the possibility for injustice and victimisation must be allowed

It is important to note that it is not the principle of assessment that is at issue, but the method Indeed, no employer should easily bargain away his right to discriminate on merit, for it is an important element in motivation. Rather, the argument with the union should centre on methods and criteria of assessment Length of service is one such criterion, which is at least objective, while deficient in many other respects In Germany the method and criteria are agreed with the Works Council, if these are followed, and seen to be followed, the employer is within his rights.

How many employers can honestly say that their appraisal methods are validated, and that their ratings are reliable? If not, there is no "prerogative" to make decisions which are favourable to the employer In such a situation, the role of the State should be no more than to facilitate negotiated procedures, and the role of the court no more than to ask: "Have the agreed procedures been fairly followed?"

Perhaps the court's ruling in the Mwasa case will have reassured Van den Berg For all employers, the message of 1983 should be clear Negotiate effectively and in good faith with representative unions Lay down clear procedures, stick to them, and see that the union does too In these circumstances, it is unlikely that any court of law as presently constituted, can or will make inroads into your rights.

Before proceeding further let's list briefly some of the essentials of a Section 43 Order:-

i) There are three areas where SQO relief may be sought:

a) Suspension or termination

b) A change in the conditions of employment (other than via a negotiated agreement or statutory regulating measure)

c) An Unfair Labour Practice

ii) A SQO is not final — it is only operative until the dispute has been dealt with via a Conciliation Board, an Industrial Council, or the Industrial Court.

iii) It is operative for a maximum of 90 days. There are however provisions for extensions, and the pressure on the Court has meant that the proceedings can and do drag on for many months. This seriously detracts from the intention of the SQO as a short-term interim remedy followed by a speedy settlement.

iv) The employee need only be paid his normal wages (not re-instated in his work)

v) Such payment may be recovered only if the Court finds that there was in fact misconduct on the part of the employee(es).

An interesting dilemma has developed around the SQO and may in part be a reason for some of van den Berg's disquiet. It concerns whether the Court should consider the MERITS of the dispute when an SQO application is made, or merely whether a dispute exists which has a reasonable chance of being settled by further negotiation.

Paul Pretorius (Industrial Law Journal, Vol. 4, p. 167) argues that the facts of the dispute should not be at issue in the Court's decision to grant a SQO. Neither party is on trial at the appli-cation stage. It should only be necessary to show that a dispute in fact exists, or an unfair labour practice, and that the bargaining power of one of the parties has been enhanced or prejudiced by unilateral action.

There is an undeniable logic and equity in such an argument. A practical problem however is that weak cases may very likely receive

more attention than they deserve, and involve the employer particularly in expensive and time-consuming litigation. There is also a tendency to view the granting of an SQO as a "victory", thereby enhancing the Union's bargaining position. In recent practice, the Court has tended to weigh up whether there is an arguable case for the applicant, and has in fact taken a preliminary view on whether the employer has acted correctly or not. But as the court acts only on the papers before it and no oral evidence is led, its task is not an easy one. This may account for the fact that until recently, most applications by employee parties have been granted. Additionally, the Court's guidelines on its criteria have understandably not been very explicit, with the result that many employers have preferred not to risk further litigation, and were prepared to move to an early out-of-court settlement. This could of course be seen as a desired outcome, namely a negotiated settlement rather than a Court decision.

Whatever the details, Pretorius conclusion is however correct, namely that the "Sacred Cow" of management prerogative has been laid to rest, at least in the areas covered by the SQO, but for a good purpose, namely in the interests of industrial peace and to encourage orderly dispute-settling via negotiation. Employers must now take into account that unilateral action against employees may result in a successful challenge by workers, at least in the interim.

THE INDUSTRIAL COURT — THE OTHER BOGEY :

In an address to the Manpower and Management Foundation in Port Elizabeth recently, entitled "In Defence of the Industrial Court", Halton Cheadle (an editor of the Industrial Law Journal) spelt out some useful guidelines. He also offered some reassurance to those employers who saw the Court as a further assault on their prerogatives and on the justice and good order of "the establishment".

No sensible employer need come before the Court, he said, if he concentrated on ensuring fair IR practices, rather than agonising about the legal intricacies of avoiding unfair labour practices.

He points out that all of the concepts which the court has applied to date in its rulings, have already been developed or applied by progressive employers in South Africa, besides being in line with

accepted precedents in major western countries.

A few brief guidelines to employers arising out of Court decisions, are as follows:-

1. Don't interfere with the legitimate organising activity of a trade union in your company. Maintain a neutral and matter-of-fact stance. Take care not to confront individual employees over their trade union membership and avoid victimisation or denigration of employee leaders.

2. Recognise a properly-constituted union which has shown itself to be "representative" of your workforce. Questions of the bargaining unit and what is representative can be tricky, but approach them honestly and openly.

3. "Bargain in good faith" with a representative union. Again, this is a broad injunction, but in particular, employers should avoid settling deadlocks by imposing unilateral wage increases, for example, before all the negotiation procedures have been exhausted.

4. Don't withdraw unilaterally from a collective bargaining relationship, without a demonstrably good cause. Likewise, changes in relationships and procedures which have become "custom and practice" should be regarded as areas for consultation and negotiation should any changes be contemplated.

5. Only dismiss if the reasons can be shown to be both lawful and fair, both according to procedure, and according to the merits of the case at issue.

6. Retrench only on a fair and preferably agreed basis.

(See also page 22 - Star Cutting)

BACK TO THE MANAGEMENT PREROGATIVE

What is the nature and shape and what are the limits of this "Sacred Cow" to which Pretorius refers? Like all sacred cows it is hedged about with conventional wisdoms and uncritical and usually convenient assumptions. John Storey (The Challenge to Management

Control, Business Books, 1981) defines management prerogative as follows:-

> "The residue of discretionary powers of decision left to management when the regulative impacts of law and collective agreements have been subtracted".

What is important to bear in mind in this definition is that there are no absolutes in this "residue", given that both the law and agreements are always shifting as circumstances change.

A specific example of where the limits of prerogative may lie at any point, is this clause from a Transport and General Workers' Union agreement (Storey, p. 20)

> "Nothing in this agreement is intended to operate contrary to the recognised rights of management to engage, direct and when necessary transfer employees; to discharge for just cause; to determine methods, processes and schedules of work; to introduce new or modified plant or equipment; and to lay down standards of quality".

The basis of the "rights of management" have been widely-debated : "Property Rights" are the most frequently-advanced justification and this has already been commented on, see FM article p. **5** and contrasted with workers "job property rights". These are as frequently adduced to counter management's rights to dismissal, retrenchment, technological change, plant re-location and plant closure. Other reasons advanced include "trusteeship" (whatever that may mean) and appeals to "expertise".

The latter bears examination, for it is based on the technical nature of work, and with it the need for "expert authority" to serve the needs of efficiency and hence shareholders, workers and the larger society.

The need for authority in any organised activity rests on compelling arguments. It recognises that persons with superior ability will "float to the top" of an authority hierarchy; deny this, and there is no incentive to perform, to study, to qualify, or to take risks. Another outcome of unclear authority is chaos, or at best gross ineffectiveness. Even Engels expounded on this, and acknowledged the need for experts to lead, to set out and to interpret the

rules in a Worker State!

The trouble is — as Worker States have also discovered — that experts get to privileged positions and use these to advance what they see as the desired outcomes for society; and for themselves. Nor is technology neutral; it too is a social product, directed at the needs and values of those who direct society. As a result, managers, "experts", and those who employ them don't serve "mankind", but rather a set of specific social goals which may or may not be for the good of the majority of the recipients.

One way to counter such a situation is to build checks and balances into the system — which is what pressure groups, freedom of association, collective bargaining and indeed democracy is all about. And to accept that prerogatives based on the expertise of management must be seen for what they are — an ideological stance rather than a basic truth.

Not that there is anything inherently wrong with ideological stances, whether they be those of management or of workers. As we are looking here at management's ideology, however, let us be clear on what is involved. "Embattled" managers need to realise that a wide range of strategic decisions is left in their hands: they control the money, and where to apply or invest it, and, in the words of Storey (p. 177) "The challenge from below always bangs its head against the ceiling of the employer's ultimate control over jobs, since all the wiles in the world are powerless in the face of layoff or redundancies".

Life is of course not quite as simple as this last statement implies, but in the final analysis management still holds extensive power in the IR stakes. It should recognise that set-piece battles of principle along ideological lines, or calls for State support when Sacred Cows are threatened are poor strategy, and that managers would be better occupied in maintaining daily vigilance against erosion of their prerogatives by superior (and legitimate) trade union strategy. Naas Steenkamp (FM, November 18) warns that

> "the worst time to surrender managerial prerogative is when the pressure is on. Looking at the gains unions have made in South Africa lately, these were

> achieved generally when industrial action was either being threatened or already embarked upon. The concession in such a case is made in return for peace, not in return for a concession by the other party, *which helps to draw the line of authority more clearly*". (own italics)

As a number of employers have already found to their cost, it is also all too easy to disregard these principles when the market is favourable, and it appears expedient in the short term to do so.

BACK TO REALITY

When the theoretical and the ideological going becomes rough or messy, it is always good counsel to get back to the reality of what's actually happening out there. In this case, the "out there" is again based on Storey, and on the United Kingdom experience where popular wisdom has it that managerial prerogative is all but extinct.

What issues of management prerogative, are in fact negotiated? Storey (p. 129) suggests that just about anything can and in fact has featured in bargaining. Included are contracting out, production methods, type and price of product (if too specific or too high-priced, jobs are reduced), investment policy, and a host of more familiar areas such as disclosure of information, demarcation and transfer of employees.

Horrified South African managers can take heart however, that the most negotiated issues (in order) are shifts, manning, overtime, transfer of employees, discipline, speed of work and job content, with the others either much less frequent or rare. Interestingly, the prerogative of promotion appears to have been held on to by British managers unlike their American colleagues in the auto industry, where seniority is the only criterion accepted by the union for advancement.

Also noteworthy is that his survey shows that shop stewards (the traditional spearhead of workplace challenge in the UK) generally accept a wide range of management prerogatives (see TGWU p. 9)

and that managers who perceive an ever-growing threat may be unduly pessimistic. Storey concedes that bargaining in non-wage areas has increased however. More encouragingly, he finds that more shop stewards subscribed to efficiency-related options of what a trade union should be, than to radical, conflict-based objectives.

Whether British shop stewards are, in the words of Donovan, "more of a lubricant than an irritant", or whether the capitalist establishment is "regaining control by sharing it" (in terms of radical analysis) remains to be seen, in the UK as here in South Africa.

To close on a theoretical note again : Storey says (p. 163)

> "There is a dialectical relationship between managerial control and worker resistance; between managerial prerogatives and workers' rights; between sophisticated and integrated control systems and workplace shop-steward organisation; between an inexorable production logic and the revolt from below".

In this scenario, he sees the options in terms of three underlying perspectives on industrial relations itself. One is unitarist, and seeks to reassert management's traditional authority and control. There are strong indications of this in the current tone of many UK top managers, and in America too.

By contrast, the pluralist solution would be to strengthen the joint regulation areas, and so to build a better coalition. Alternatively, to make greater statutory provisions for worker involvement in decision making, ranging from quality circles and job-enrichment-type initiatives, through Works Councils all the way to worker representation on boards of directors. An important conclusion is that trade unions are the best medium for such involvement, and that other structures cannot be attempted where they already operate.

Finally there is the Radical option which seeks to displace Capitalism entirely, and to overthrow all class-based structures. Managers can perhaps take comfort from Engels in that there might

just still be a role for them in the "transformed" society!

The important conclusion that Storey's study of present-day Britain comes to, is that reality doesn't support that the radical option will be the chosen one. On the employee side, income and security, with selfish overtones, will predominate. Management goes along with this, and pays up where it is able, for they are "cast in roles which place a premiun on flexibility and pragmatic problem-solving". Management's involvement is also not with trade unions alone. As Neil Chamberlain observed as long ago as 1951 (Collective Bargaining, McGraw Hill) management retains "a unique function which is to engage in multilateral bargaining with a host of stakeholders" — where trade unions are only one party with whom agreement is sought.

So where do we stand on management prerogative? Certainly not before any absolutes, but also not on the brink of a dangerous abyss. Rather the analogy could be that of a slippery road, and linked to an unpredictable and at times unsteady partner. The trick would seem to be to move in the preferred direction most of the time, but to recognise that the route cannot be determined by the employer party all the time. There are likely to be deviations and even bumps, and the route ahead will not always be clear. The important thing would be to keep moving; and in time — although this is by no means a necessary outcome — the partners may learn how better to walk in step.

RvdM

BLACK TAXATION : A YES OR NO VOTE!

Prior to the introduction of the new system of Black taxation, trade unions representing 300,000 workers banded together to call on government to delay the implementation of the new equal taxation system for Blacks. The first reason given by the unions for this stance was that "it perpetuates the inequities of the apartheid system of taxation without representation". (Financial Mail 10.02.1984).

The question therefore that employers were nervously asking in February was whether these political issues would trigger off conflict at the workplace, as happened with the pensions issue. Widespread strike action over this issue resulted in the state withdrawing its proposals for compulsory preservation of pensions. However the veto-function of the demonstration strikes was only one aspect of the action (Schlemmer[1]). It was clear that reaction was based on the different perceptions that Black workers have of pension money.

In their case, pension refunds are seen as a source of income necessary for survival, while between jobs. Figures from the labour turnover survey conducted by the Industrial Relations Unit in 32 local companies over the last twelve years, indicate that while approximately twelve percent of White worker turnover was due to dismissal, for Black workers the figure is approximately fifty-five percent. Thus many Black workers are likely to spend some time out of work before being re-employed. Retrenchments during the economic downturn are equally likely to be followed by long periods of unemployment. The pension refund is obviously an important source of bridging income during this period.

Thus the pension strike should be seen, in essence, not as a political strike but as having its origins in the economic cir-

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1) SCHLEMMER, L., : Do trade unions have an unavoidable or essential political role? Industrial Relations Journal of South Africa; 3, 1, 1983.

cumstances (and social traditions) peculiar to Black workers in South Africa.

What then is expected as a response to the taxation issue?

Firstly various estimates have been made that between 70 percent and 80 percent of Black workers will pay less tax under the new system. The immediate effect is that most Black workers are likely to be better off. This factor, coupled with the recessionary conditions still prevailing, is unlikely to trigger off strike activity, that is if one accepts the argument that unions have a primarily economistic or instrumental goal. Thus far the argument appears to be supported as few tax strikes have occurred. Nevertheless, one area which may still be affected is that where there is a predominance of female labour. Married women and their husbands will carry an additional burden of taxation, as their white counterparts have done for years. Whether Black women will mobilise their collective power to remedy the situation remains to be seen. Certainly, white women have not risen to the occasion.

On the other hand, if one believes that Black workers are prone to take up political issues in the face of economic irrationality, then the taxation issue obviously provides a forum for future extensive action, which could encompass not only unions but organisations such as UDF and AZAPO.

What emphasis then do workers place on political goals?

Schlemmer points out that union organisers are more likely than rank-and-file members to perceive political objectives as a major union objective. In a recent research project on Black worker perceptions, the reasons for possible future strike action were ranked according to their perceived significance.

The table on the following page sets out these responses.

REASONS FOR POSSIBLE FUTURE STRIKE IN WORKPLACE

Expressed as Rank Weight = Relative significance attached to each issue

	TOTAL SAMPLE
Wage issues	100
Worker-management communications or relations	41
Pension related issues	32
Race relations, discrimination	32
Working conditions	25
Political or community issues	3

SOURCE : Indicator S.A. Issue Focus : "Industrial Relations in S.A. : Some Evidence for a Future Scenario" September 1983, Page 5.

As may be seen, political issues were listed as having the least potential for triggering a strike. However, referring to the same table, van Schalkwyk [2] points out the potential problems if the tax issue is not communicated effectively to workers.

At Union Flour Mills, Mobeni, a recent stoppage over the tax issue occurred against a background of a troubled labour history as a result of a poor relationship with the union, namely SAAWU (South African Allied Workers Union). There had already been four work stoppages at the factory in the last four months. Workers had refused to sign the IRP2 tax forms and were thus all taxed as single people. When the workers saw the size of the deductions they came out on strike. Thus, while the tax issue could be described as the trigger issue in this instance,

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2) VAN SCHALKWYK, L., The New Income Tax Act. Indicator Project South Africa; February, 1984.

the poor industrial relations climate appears likely to have been the underlying cause of the unrest.

Even if a company has not had any problem, thus far, with the introduction of the tax system, complacency should be avoided and a follow-up program should be carried out to clarify any misconceptions that might still be held.

While these explanations may resolve some of the 'economic issues' pertinent to the tax system, they cannot resolve the broader political issues implied by the statement 'no taxation without representation'. On the one hand "current speculation has it that, as South Africa reaches accord with its neighbours, internal political forces will come into play, including strike activity for political ends". (Financial Mail 16.3.1984). Alternatively, it may be suggested that the recent accord between South Africa and Mozambique indicates that economic imperatives may override political differences. This occurs where two interdependent parties realise that stability is an important prerequisite for their economic progress. Similarly the economic interdependence of employers and workers is irrefutable and the result is a relationship based on pragmatism rather than idealism.

Bendix in analysing strike trends in 1983 concluded, "in general, workers and unions although more politically aware and more vociferous in their criticism of particularly the constitutional proposals, did not, as predicted by some, become more 'political', nor was there any marked increase of 'political demands' on the shop floor" [3].

It appears unlikely then that the tax issue will become the political issue of 1984, or the focus of worker dissatisfaction.

MF.

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3) BENDIX, S.M., Industrial Relations Trends in South Africa, January, 1984.

THE INDUSTRIAL COURT :

THE USE OF THE INDUSTRIAL COURT

The industrial court continues to be a subject of speculation and debate; however, this has not deterred the use of the court during the past year as the figures below indicate.

YEAR	CASES DEALT WITH BY THE INDUSTRIAL COURT
1983	170
1982	41
1981	20
1980	15

This year promises to be no exception considering the fact that during the first week in January alone, more cases were referred to the court than in the whole of January last year.

The majority of the cases brought before the court during 1983 were concerned with Section 43, Status Quo or reinstatement orders following the dismissal of employees.

The increase in the use of the court has highlighted its need for additional staff so as to avoid long delays between the lodging of a case and the actual hearing.

The court has been seen by both the registered and unregistered unions, who are the major users of the court, as an alternative to strikes. FOSATU, CUSA, SAAWU, and GAWU (General and Allied Workers Union) have been reported as saying that 'their effective use of the court during the last year was prompted by their appreciation of the dangers of striking during a recession' (Sowetan 9.1.1984).

The increased union use of the court has led to a sharp employer backlash and speculation on the Department of Manpower's intention to curb the court's powers by defining more strictly an unfair labour practice. Evidence of this fact is the application by the

Southern African Society of Journalists for the failure to bargain to be included in the reference of a Conciliation Board they applied for in their dispute with the Daily Dispatch. Although the Minister appointed the Board he did not regard 'failure to bargain as an unfair labour practice' even though in a very similar previous case he had. (Rand Daily Mail 10.2.1984).

THE STATUS OF THE COURT

The status and power of the Industrial Court have been put into question by the Pretoria Supreme Court in its ruling that when the Industrial Court decides unfair practices the court is not making a judicial ruling but is merely acting as an administrative tribunal. The Rand Daily Mail (2.3.84) cites the following implications of this ruling on the court; firstly, that the Industrial Court has no power to award costs to parties who win legal action before it. It then goes on to speculate that this could sharply reduce the powers of the court in that the ruling may mean that none of the court's rulings are binding as precedents. It also raises doubts about its power to enforce its decisions. Alternatively, the ruling could have only minor implications for the functioning of the court. These implications, however, remain speculative considering that the right of appeal has been granted and that the Supreme Court's ruling has still to be made public.

INDUSTRIAL RELATIONS IMPLICATIONS

The Industrial Court remains an important mechanism to channel and avert shopfloor conflict. Its use and the resultant involvement of unions in the official bargaining machinery should be seen as indicative not only of the economic recession or a maturation of the unions, but rather as evidence of the ability of unions to control, represent and defend their membership in their rights in the employment relationship. Unfortunately the advantages of the system will, however, be limited by the high costs involved in legal action.

The role of the Industrial Court in labour relations is highlighted in an attached report (Star 22.2.1984). A major factor in its future use will be a greater awareness by both employers and the unions of a knowledge of legal procedure, namely, the taking of statements, the adequacy of evidence and the jurisdiction of the various structures contained in the Labour Relations Act.

PC.

Industrial Court has important role in labour relations

Star 22/2

By Sheryl Raine,
Pretoria Bureau

The Industrial Court has become the centre of controversy and some managerial criticism in the past two years.

Management has become increasingly uneasy over the court's intervention in industrial relations matters and the certain inroads it appears to be making into traditional areas of management activity.

At a seminar in Pretoria on Monday, a leading labour lawyer, who has been touring the country talking to industrialists about the court and its important purpose in South Africa's growing field of labour relations, spelled out the guidelines already set by it in dealing with potential conflict areas.

The lawyer, who may not be named for professional reasons, also dispelled some of the myths and allayed managerial fears regarding the court

"Certain employers believe that South Africa does not need an interventionist court and that the rules of collective bargaining should be left to collective bargaining itself," the lawyer said

"To me that is the same as leaving gynaecology to babies

"In South Africa we have a new system of labour relations being grafted on to an established system and the industrial court has a valuable role to play in thrashing out guidelines to make the two systems compatible and workable"

The South African labour scene, unlike that in countries such as Britain or Germany, involved the mass mobilisation of black workers, partially industrialised workforces, a long history of organised labour and a large proportion of the workforce which was as yet not organised.

"In Britain the union federations themselves have laid down rules to deal with rivalry between trade unions

"Here competition between unions is rife and it is unlikely that such rules to establish clear procedures regarding rivalry will come from the unions or rival federations

"This is an area where the industrial court has an important role to play," the lawyer said

He said the court to date had not been interventionist Most of its rulings and recommendations went no further than labour practices already recognised and recommended by most reputable companies

"The industrial court has not imposed recognition of trade unions on a single employer Most employers had already recognised unions long before the industrial court made its ruling on recognition.

"Employers have changed their approach radically in the last five years. They are now more flexible A good employer is not usually brought before the court The court has generally whipped up employers or those ignorant of the law"

Important guidelines which had been clearly defined by the court in various cases included

- It is unfair labour practice to improperly interfere with a trade union's organising activities
- In a situation of rival trade unions, the employer has to be neutral and cannot influence in any way at all the individual employee's choice of union membership
- Management has a duty to negotiate in good faith with a representative or recognised trade union and any proposed changes which will affect the interest or conditions of service of employees must be discussed with the workers and their representatives
- It is unfair labour practice for an employer or trade union to withdraw from a collective bargaining agreement or procedure without good cause

Management has become increasingly uneasy about the intervention of the Industrial Court into what has traditionally been its areas of activity In defence of its role, a leading labour lawyer talks about the court's importance in South Africa's growing field of labour relations.

- The court has also implied that management is obliged to recognise a representative trade union and the employer must show good cause if he wishes to dismantle the negotiating structures
- The grounds for dismissal include incapacity, misconduct and retrenchment Management has to have valid reasons for dismissal and there must be some kind of inquiry where the employee has the opportunity to put his case
- Retrenchment guidelines have been clearly laid down Management has an obligation to consult with representative trade unions or, in their absence, the employees themselves, before retrenchments begin
- Criteria for retrenchment must be objective and the onus is on the employer to justify his selection criteria.

The lawyer said there was nothing in the court's guidelines on retrenchment that was not already included in over 150 retrenchment agreements drawn up and signed by employers and trade unions

In the near future, he believed the court was likely to rule on these issues

- The establishment of a clear set of guidelines on the relationship between bargaining at industry level versus plant level bargaining
- The powers of discovery and the rights of trade unions to examine the books of companies which claim inability to pay when faced with wage demands.
- The relationship between new unions and closed shop unions within the same industry A case involving the textile industry in Natal is about to come before the court and is expected to result in a clear ruling on this issue
- The exclusion of discrimination on the grounds of sex, race, union activity, political conviction, religious affiliation in job selection

The lawyer said the court should not be seen as part of a process of compulsory arbitration

"Management can avoid being accused of unfair labour practice simply by going through all the procedures laid down for the prevention of industrial unrest in good faith," he said

"Star"
22-2-84.

ADVANCED EXECUTIVE PROGRAMME FOR 1984

The first AEP in Industrial Relations was successfully run in Port Elizabeth in 1983 and will be repeated again at UPE from Tuesday 25th September to Thursday 4th October, 1984.

The objective of the course is to update the knowledge and skills of Industrial Relations practitioners and senior managers. Delegates will be given access to some of the advanced material developed for our post-graduate programmes, and the course is directed at those persons who are unable (usually because of residence outside Port Elizabeth) to participate in the Unit's curricula.

The TARGET GROUP for the course is practitioners in IR (trade union as well as employer); and senior line managers with IR responsibilities and with previous experience in this field. This is not an introductory course, and delegates should already possess some background in IR.

The COURSE CONTENT will commence with a theory input in those areas where practitioners all too often do not have the time to stand back from immediate problems and to consider them in wider perspective. Thereafter a selection of major topics in,or related to, IR will be considered. These would include sessions on economic issues, labour law, trade unions in their current context, and an assessment of management's role, procedures and strategies.

An objective of the course is to avoid the common fault of a series of loose-standing presentations, by providing a clear thread of continuity on the issues facing IR at the moment. The course will therefore work towards an integration of the major areas, leading to an assessment of where IR may be heading in the current socio-economic-context.

Besides the faculty of the IR Unit, contributions will be made by top academics and practitioners in the field. The VENUE will be the University's Summerstrand Campus, with accommodation for delegates at the nearby beachfront Holiday Inn.

A detailed BROCHURE will be mailed to readers of Current Issues in the not-too-distant future. The course was fully-subscribed in 1983, and those wishing to make further enquiries and place provisional reservations should contact Jenny Steyn at (041) 5311-363.

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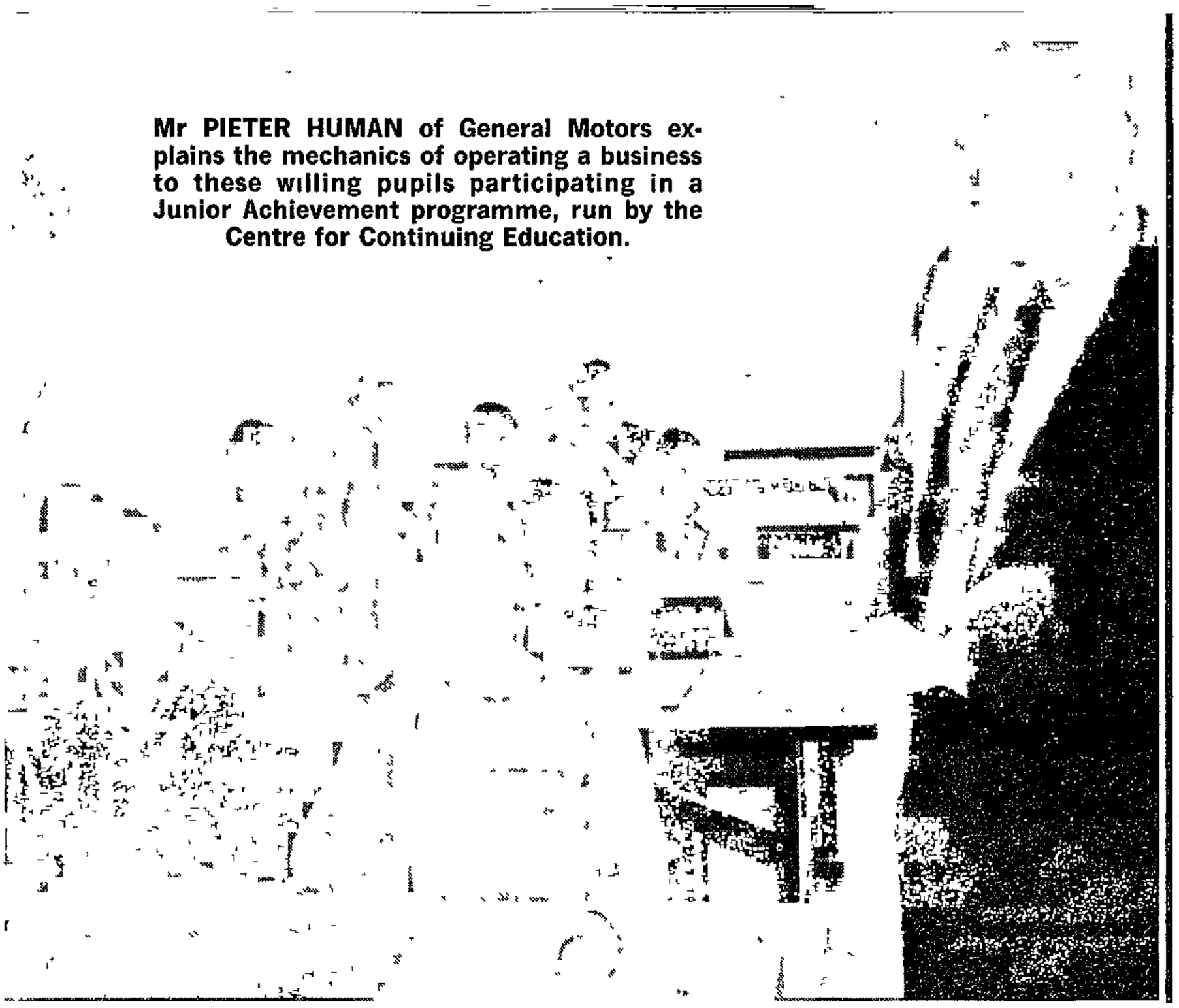


Mr PIETER HUMAN of General Motors explains the mechanics of operating a business to these willing pupils participating in a Junior Achievement programme, run by the Centre for Continuing Education.

Pupils learn to run a business in a tough, realistic way

E. Post
26/3/87
172

By LINDA GALLOWAY

IT pays to learn That's what a bunch of Port Elizabeth high school pupils are out to prove They are running their own business through a programme called Junior Achievement

Their programme, started in America in 1919 to teach high school students the mechanics of business, began this week

The concept, which has developed into an international course over the last 63 years, came to South Africa three years ago and is run here by the Centre for Continuing Education. Two programmes are planned for this year.

Standard 9 and 10 pupils are given details of the course, and groups of 25 to 30 pupils of all race groups are chosen to form "mini companies".

They choose a company name, select a product to manufacture, elect a board of directors and for 12 weeks, 2½ hours a week, they run their own small business

Each participant is expected to purchase a R1 share in the company, and to sell shares to his family and friends Maximum share capital is R200

Sponsoring companies provide extra financial assistance and each Junior Achievement company is assisted by a team of advisers (executive, financial, production and marketing) from the sponsoring company

Raw materials are purchased and a production line is set up The finished products are sold and at the end of 12 weeks the company is liquidated and a final report is drawn up Shareholders are paid out their initial investment and also a liquidating dividend, providing the company has made a profit

Mrs Dolores Naude, regional programme coordinator in Port Elizabeth, said JA gave pupils a real-life opportunity to operate a small business and to face the same problems as those experienced by companies in commerce and industry

"It reinforces the desire of young people to establish goals and to set out and achieve them Since 1980 we have exposed 1 257 students to business in South Africa Our objective is to expand to every centre in South Africa and to reach as many young people as possible," she said.

"In addition to the educational aspects of the programme, pupils of all race groups learn how to work together towards a common goal, they gain self-confidence and learn the meaning of responsibility," she said

It was difficult to choose the right pupils for the course, because there were more black than white pupils and there had to be an equal ratio

"We need pupils with leadership ability who can communicate their ideas well," she said "The sponsorship from companies in the area, especially large motor companies, is invaluable Of course, we are creating their work force of the future."

Schools participating in this year's programmes include St Thomases, Kwazakele High, Victoria Park High, Andrew Rabie, Grey, Collegiate, Newell High, Patterson High and Technical High School.

Practice strike offered to firms

172

E. Post 21/4/83

Weekend Post Reporter

RENT-A-STRIKE, the joke of British satirical magazines, has become a reality in South Africa

Companies can now rent a strike to test their capability in handling the real thing

A Johannesburg-based human resources consultancy, the Contact Group is offering to provide "simulated strike situations" which expose management teams to conditions they could face when dealing with a strike

The consultancy says labour unrest and strikes are something South Africa has to live with and the question foremost in the minds of many management teams is how they will cope with the real thing

For many, the answer to this question has been established the hard way — having to deal with an actual strike and this can be a costly and daunting experience

According to Mr Rodney Wills of the consultancy, the benefit of the course to companies is that the experience provides the opportunity to get to grips with a strike situation without actually being involved in one with the accompanying risks, delays and expenses such situations could hold

Some union leaders have criticised this approach as being 'stereotyped procedure" or an "anti-strike kit'

The managing director of the group Mr Randall Falkenberg disagrees

"Every incident of unrest is unique and we cannot attempt to provide employers with a stereotyped settlement procedure The programme, Strike Management Simulation, is custom designed to specific companies and tests the decision making and inter-active skills of specific management teams," he said

The simulation consists of sequential and escalating incidents while participants are required to make decisions and take appropriate action This takes place under time pressures the innate pressure of the incidents themselves and with varying distracting elements

A characteristic of the simulation is that the strike situation becomes 'real' for the people involved The experience helps to identify weaknesses in industrial relations policies and procedures, so highlighting areas needing to be revised

The strike simulation is followed by a period of action planning in order to improve performance in critical areas

The black manager

By BARBARA LUDMAN

THERE is "only a handful" of fully-fledged black managers in South African business, says UNISA academic Karl B Hofmeyr who has devised strategies to increase the number.

Awarded a Doctorate in Business Leadership last month from the UNISA School of Business Leadership, he spent two years researching his thesis, which formulates a model for the development of potential black managers in South Africa

It is largely due to oddities of perception, a prevalence of stereotyping, the wrong sort of training and restrictive legislation that so few black executives achieve full managerial status, says Dr Hofmeyr . for the black manager is a marginal man

"Our policy of separation has meant that blacks have grown up in a different culture, not geared to success in business The black manager lives somewhere else, he doesn't interact with white people on a social or informal basis

"He's in the business world but he's not part of the business world

"He's not fully accepted as a colleague and as an equal Whites don't really expect blacks to be able to perform"

Because of these attitudes, the training of black managers is faulty and the expectation of failure is a self-fulfilling prophecy

"People are put into jobs as window dressing," he says "There are many blacks who are called managers but do not carry full managerial responsibilities That's just not good enough"

In his thesis, Dr Hofmeyr argues that blacks must be put in meaningful jobs with tasks and career progression clearly defined In addition, the potential manager must work with a fully-fledged manager prepared to coach his subordinate

"He will learn to be a manager by getting experience, not by fancy training courses," he says "Management development occurs on the job

"Feedback from his manager is of critical importance Every interaction with a manager, every discussion or performance appraisal, is part of a developmental process"

The manager as mentor is crucial, but so is a certain clarity which must accompany the entire project

"Black advancement must start with an overall manpower plan," he says A company must decide first whether it wants black managers

If the answer is "yes," then management needs must be defined, the company must state clearly how many blacks should be recruited and trained to fill management positions

Training, he adds, must be designed specifically for the recipient, and it must be relevant to the job at hand He differentiates in his thesis between education — upgrading language and other skills badly taught in black schools — and training, which would include those management skills necessary for the particular job

Training, he writes, "should be made 'experiential' wherever possible, in order that the individual may apply theory continuously to a practical work situation"

Dr Hofmeyr, a senior lecturer in organisational behaviour and personnel management, has a strong business background in London, Canada and South Africa

A trustee of the South African Council for Higher Education (SACHED), he notes a personal commitment to black advancement but says the economy also requires more highly-trained managers.

"South Africa's manpower profile is bottom-heavy," he says "There is one manager to every 52 employees below managerial status In the UK and in America, it's one to 15 Management here is being stretched extremely thin

"At supervisory level, at skilled level, economic necessity is forcing companies willy-nilly to take on blacks and advance them But at the management level companies still argue that they don't really need blacks"

The lack of black managers-in-training is illustrated by the difficulties he faced in finding enough potential black managers to compile a meaningful survey for his thesis

"In order to find a sufficiently large sample," he writes in his thesis, "it was necessary to draw on the more 'progressive' organisations in the private sector

"While this limitation of scope may impose constraints on the extent to which the findings can be generalised, it can be argued that it is only among the more progressive companies that meaningful black advancement will take place"

What he was looking for should not have been hard to find senior black employees who reported directly to fully-fledged managers

But he had to go to 19 companies to find enough managers to make the survey worthwhile

And what he found — even in this highly liberal milieu — was depressing

Managers — most, but not all, of them white — asked to rate the performance of senior black staff said blacks working for them were not sufficiently assertive, did not have a propensity for taking risks and lacked initiative

"When you analyse all the information," says Dr Hofmeyr, "the training needs were quite simply an emphasis on planning, problem solving, decision-making, control and organising skills"

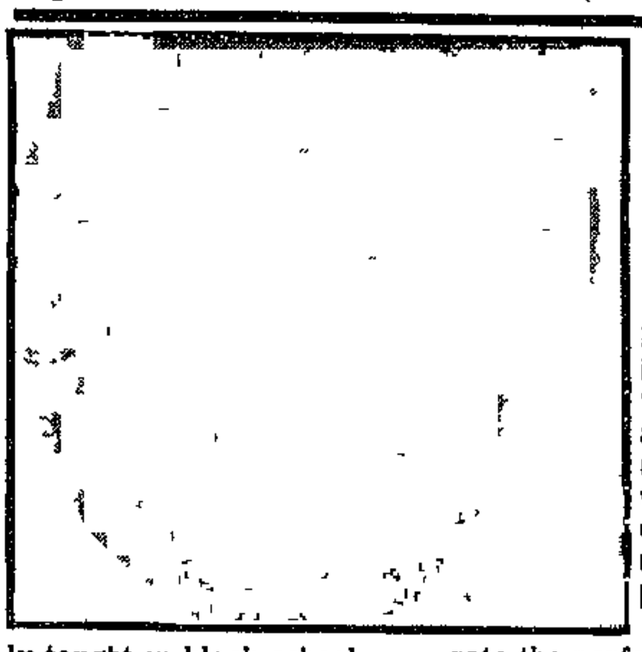
Senior black employees, asked what sort of training they thought they required, asked for on-the-job experience.

"One of the black managers put it well," says Dr Hofmeyr, "when he said 'The reason why we can't plan, organise and make decisions is that we are never given the opportunity to do that in our jobs We're always delegated parts of a job, or given routine jobs. Planning is what the whites do.'

"I maintain that all the methods and strategies devised to train white managers can be applied equally well in the case of potential black managers," he says

"Companies are looking for packaged training programmes which will solve all their problems

"But there are no short-term answers What black advancement really requires is a great deal of hard work, on the part of the company and on the part of potential black managers themselves"



Dr KARL HOFMEYR ... "Black advancement must start with an overall manpower plan"

(b) No

Central business districts permits

*4 Mr P R C ROGERS asked the Minister of Community Development

Whether he has given or will give consideration to reviewing the legislation in terms of which permits are required in respect of Coloured Indian and Black managers taking up employment in central business districts in White group areas if not why not?

The DEPUTY MINISTER OF COMMUNITY DEVELOPMENT

Yes consideration is being given to the matter by the Technical Committee of Inquiry into the Group Areas Act, 1966 and related legislation, under the chairmanship of Judge J J Strydom

Group Areas Act businessmen

*3 Mr P R C ROGERS asked the Minister of Law and Order

(1) Whether any businessmen in Grahamstown have been charged under the Group Areas Act with employing (a) Coloured and (b) Black managers in White group areas, if so, (i) how many and (ii) when if not

(2) whether this matter has been the subject of an investigation by the South African Police, if so, what were the findings,

(3) whether such investigation was instituted as a result of (a) complaints and (b) representations received by the Police, if so, by whom were such complaints and/or representations made?

†The MINISTER OF LAW AND ORDER

(1) (a) and (b) No

(2) Yes The Police investigated the cases and referred them to the state prosecutor who declined to prosecute

(3) (a) Yes The Department of Community Development

MONDAY, 20 JUNE 1983

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†Indicates translated version

For written reply 172

White group areas: Coloured/Black managers

20/6/83 Hansard Q Col. 1605

912 Mr K M ANDREW asked the Minister of Community Development

(1) Whether any applications for permits for Coloured and Black managers to work in White group areas were received by his Department in the latest specified three years for which figures are available, if so how many were (a) received and (b) granted in each such year,

(2) whether any such applications were refused if so (a) how many in each such year and (b) why?

The MINISTER OF COMMUNITY DEVELOPMENT

(1) Yes

(a)	1980	1981	1982
Coloured	3	2	3
Black	—	1	—

(b)	1980	1981	1982
Coloured	2	2	3
Black	—	1	—

(2) Yes,

(a) one refused in 1980

(b) the merits of the case were of such a nature that the application could not be approved

Randburg/Sandton: funds

933 Mr H E J VAN RENSBURG asked the Minister of Health and Welfare

(1) Whether his Department received any applications for funds from (a) the Randburg municipality (b) the Sandton municipality and (c) any organization in the (i) Randburg and (ii) Sandton area in 1982 if so

(2) (a) what funds (b) for what purpose and (c) with what result in each case?

The MINISTER OF HEALTH AND WELFARE

(1) (a) and (b) Yes

(c) (i) and (ii) no

(2) (a) refund on salaries

(b) the appointment of two health inspectors at Randburg Municipality and three health inspectors at Sandton Municipality

(c) the applications were granted

Greytown: automatic telephone exchange

986 Mr P C CRONJÉ asked the Minister of Post and Telecommunications

(1) Whether, with reference to his reply to Question No 613 on 18 May 1982 it is still the intention to complete the automatic telephone exchange for the Greytown area early in 1985 if not when is it now expected to be completed,

(2) (a) how many posts for switchboard operators are there in the Greytown telephone exchange at present and (b) how many of these posts are filled by (i) Whites (ii) Coloured persons (iii) Indians and (iv) Blacks,

(3) (a) how many telephone subscribers are served by this telephone exchange and (b) how many applications for telephones were outstanding as at the latest specified date for which figures are available?

Talks on blacks in charge

13/7/83

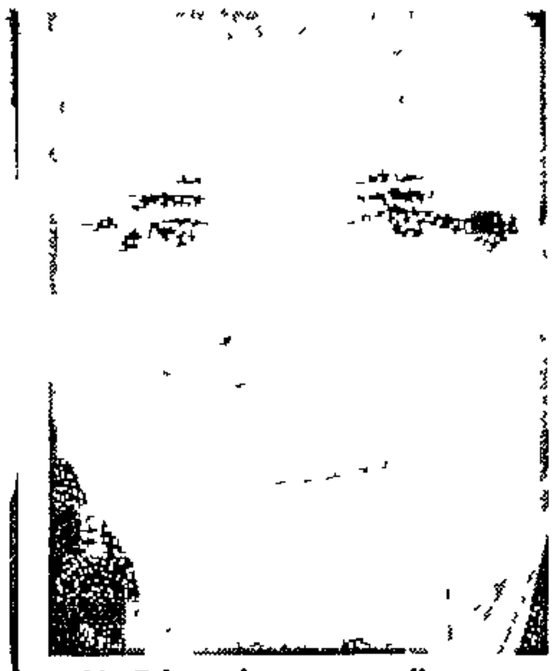
(12) Mail Reporter BDM

A CONFERENCE on black management development and advancement will be held at the Landdrost Hotel, Johannesburg, on July 21

The conference will be attended by black executives and will be chaired by Mr Mohale Mohanyele, managing director of a personnel agency

Mr Mohanyele said the aims of the conference were to provide black managers with a deeper insight into how they could succeed, despite the obstacles in becoming managers in white corporations

The conference will be opened by Mr Denis Etheredge, chairman of the Gold and Uranium Division of the Anglo American Corporation



Mr Etheredge spelling out qualities of a good manager.

Blacks find route to the top tough

By Eugene Saldanha

Black advancement in the managerial field — or the lack thereof — came under the spotlight at a conference on black advancement and development yesterday

While many of the speakers outlined the legal, political and economic constraints which militate against black advancement in the business sector, others attempted to offer solutions to the "impasse" in which the black professional finds himself

At a more critical level, journalist Mr Meschack Mabogoane discussed the extent to which black managers themselves are responsible for hindering the advancement of the black people they manage

The African Bank's managing director, Mr Moses Maubane, outlined some of the constraints "Education and legislation are undoubtedly two of the most important factors which militate against black advancement Blacks are also regarded as under-achievers The social attitudes and perceptions of employers toward black people are also a major problem

"Employers seem to think that a black man lacks a corporate culture because of his African values. In many cases, blacks are given senior positions only because it is a form of window dressing — or because the employer has a social conscience"

He said blacks needed to be part of the decision-making process in industry if they were to play a constructive role in the economy This step had to be taken as a matter of urgency, because many black people — such as the Azapo sympathisers — were becoming disenchanted with the free enterprise system

Personnel consultant and columnist Mr Nimrod Mkele said there was an urgent need to train black managers to use their skills to handle difficult interpersonal situations and to cope effectively with the demands of their functions

Corporation's duty to help advance blacks — Etheredge

By Eugene Saldanha

Hostile white attitudes were still a major obstacle to black advancement in the managerial field, the chairman of Anglo American's gold division, Mr Dennis Etheredge, said yesterday

Addressing a conference in Johannesburg on black management advancement Mr Ethe-redge said there were many legal constraints on black people in the commercial world But it was the duty of corporations to ensure that black employees were offered training and given the opportunity to establish themselves in the managerial field

To this end, the Anglo American Corporation had initiated the cadet scheme, whereby promising black engineering and managerial students were given bursaries and placed under the guidance of a mentor, usually a senior employee at Anglo

"Academic qualifications alone do not make managerial material There are three factors which, in my experience, have been shown to be the most important characteristics of a manager These are his innate qualities, his education and training, and his ability to fit into the industrial environment" Mr Etheredge said

"By innate qualities I mean that he should have drive, leadership ability and be able to motivate These qualities should not be looked for in any particular race, class or sex, but should be applied strictly to any person who seeks to make a career in management"

He said the second factor — that of education and training — should also be considered in the light of the aspirant manager's previous experience in industry

"And finally, the third factor — the individual's ability to fit into the industrial environment — is important, because it will determine how well he will be accepted by the other members of the team he will have to lead"

Black managers in SA 'put in Mickey

IN A hard-hitting address at the Human Resources Conference in Johannesburg yesterday on "Wellness at Work", Mr Ben Mokoatle, manager for education, training and development for the South African subsidiary of the giant 3M Company, said blacks frequently found themselves working in companies where they got "king size titles and are consigned to Mickey Mouse jobs"

Mr Mokoatle said in South Africa it was difficult to identify a black manager

'Not infrequently one finds a black manager with a king size title consigned to a Mickey Mouse job The wails of frustration that emanate from these people are heart-rending, and bring into question the adequacy of black abilities, competence and readiness for full participation in economic enterprise today ' Mr Mokoatle said

Confronted with questions why they did not employ more black managers in senior positions many company executives would retort ' If you can find me a black man with the right qualifications suitable personality and relevant experience, I will hire him tomorrow"

Mr Mokoatle said Of course this is a total rejection of the proposal, since no one else comes to the organisation with all the needed qualities "

He said the careers of black managers often began with resentment The education system that prepared them left them bewildered when on completion they found they could not cope with even the simplest demands and expectations in the work situation

This made them aware of their shortcomings

"He begins to question the value of his education, as well as the institutions that purport to prepare him He is resentful because he identifies with education as a value as well as the institutions that inculcate it, but feels that he has been short-changed on the deal "

The black manager responded by being resentful only because his opportunities and incentives to achieve were blocked

Dr Rita Kellerman, senior lecturer in psychology at the Rand Afrikaans University, told the conference about problems peculiar to women

She wanted to explode the myths with regard to women, health and work

She said companies saw so many stumbling blocks in employing women that they preferred to appoint them to lower positions where they could be easily replaced and where their training would cost the company as little as possible

"What is required is the acceptance of change This would mean that women should become more career committed, husbands should share more household responsibilities, and children should be brought up to accept that both men and women can be breadwinners as well as parents," Dr Kellerman said

A woman might work out of economic necessity, but then enjoy it so much that she became career-committed Or she might not like it and try to keep up the job only as long as the family needed the extra income

'There appear to be reciprocal effects of health and labour force participation among women there are aspects related to women's health which would not keep women out of the labour force or which occur because the woman is working outside her home

"Some aspects which may concern organisations are the gynaecological aspects of women's health, pregnancy, stress and safety in the workplace

"It is not necessary for the manager to become an expert on gynaecology to gain some understanding of the conditions from which women regularly suffer

"Some authors on the subject expect managers to show sympathy towards a woman suffering from these conditions (related to menstrual tensions and menopause), or even to allow her to postpone making important decisions until she feels better," she said

This was unrealistic

No company could afford to have decisions postponed because women were menstruating On the other hand most women seemed to cope adequately with these problems

The problem of younger women falling pregnant was one of the most difficult health issues for any manager, since it might take a woman out of work for a period of about two to three months

This was also the time when the woman might opt for full-time mothering, rather than employment, especially in South Africa

Pregnancy thus became a risk to the manager who needed to get a job done

Women were often seen as unreliable, especially by men, because they fell pregnant Men, however, tended to forget that males played a role in women falling pregnant

"Another factor which may add to women's role conflict is the fact that highly-motivated business executives tend to prefer having a traditional, feminine, dependent wife This may imply that executives would communicate such preferences to their female staff, which may lead to a considerable amount of internal conflict for them "

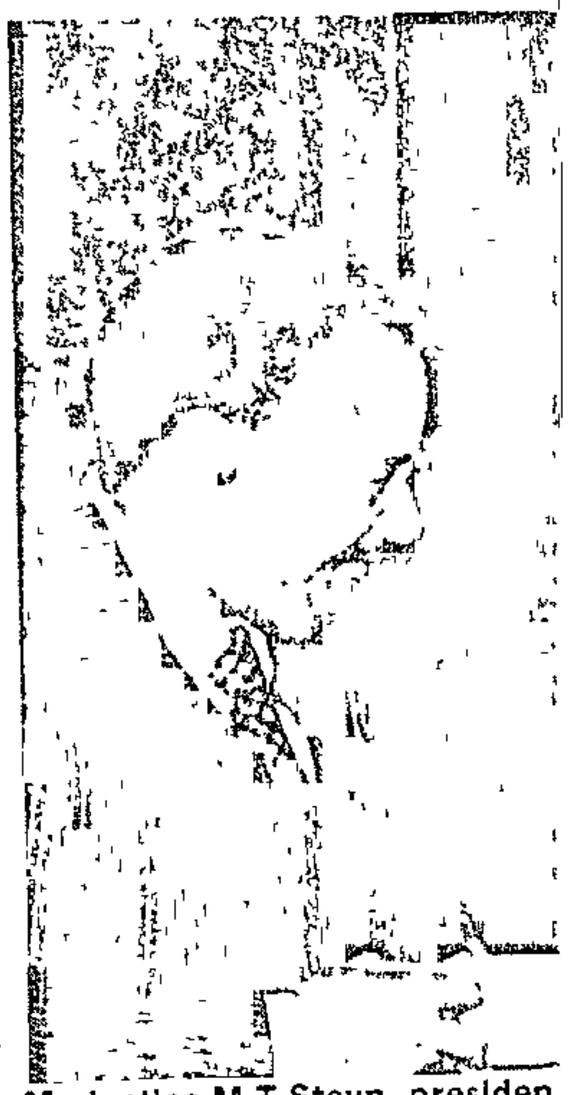
Organisations might decide that all of this was enough to keep women out of the labour force That would be a sad day since "womanpower" could provide significant relief for manpower shortage

On the other hand they might accept the challenge and take steps to integrate women more efficiently into their organisations

Women should, however, also play their part and pull their weight

"If women want to enter the labour force, they should accept responsibility for their choice, they should show more commitment to their jobs, and they must be really willing to work for success," Dr Kellerman said

By GEOFFREY ALLEN



Mr Justice M T Steyn, presiden and Dr Rita Kellerman during

Govt snubs Sabra

Mail Correspondent

CAPE TOWN — The Deputy Minister of Development and Land Affairs, Mr Hennie van der Walt, will no longer officially open the South African Bureau for Racial Affairs (Sabra) conference at Nylstroom on August 23

Mr Van der Walt said although he had accepted Sabra's invitation to open the [illegible]

Killers buried pair, murder trial told

By JOHN MOJAPELO
Pretoria Bureau

A FARMER and his wife were buried in a shallow grave on their farm at Kameeldrift after they were shot dead during a robbery on their farmhouse, the Pretoria Supreme Court heard yesterday

Mr Frans Nxumalo, 20, and bullet wound in the brain His wife died from a bullet wound in the chest

Detective Sergeant J H Smith of the Kameeldrift Police Station told the court he was called to the Steenkamp's farm on the morning of December 29 He found a blood spoor near the house The Steenkamps were missing Mr Steenkamp's car was also missing

mother had died

Mr Molebatsi said the two were driving a white Datsun car They first visited a witchdoctor, Mrs Poppy Mahlangu Mr Nxumalo and Mr Mogapi went into a room with Mrs mahlangu

He said they lost their way to Rustenburg and instead found themselves in Johannesburg where they were stopped by a traffic policeman at a speed trap Mr Nxu

Steenkamp's farm house where he pointed out a door at the house

"He told me that was the spot he stood when he shot a white man who was sitting near a table inside the house He said he later shot the white woman," Lieut Visser said

Lieut Visser said Mr Nxumalo again took him to a mielie plantaiton and showed him a grave where the aged

Taxman won't pay this beer bill

LONDON — The Inland Revenue Department has snookered attempts by Bill Werbeniuk to secure tax relief on the pints of lager he drinks during championship matches, to control a hereditary tremor

Werbeniuk, a Canadian-born snooker ace, is the resident professional at the North Midland Snooker Centre

He drinks several pints on

By JOHN BATTERSBY
London Bureau

LONDON — A letter from a United States aviation personnel placement company implying US collusion in the abortive 1981 Seychelles coup, has been labelled a Soviet forgery

The letter was addressed to Lieutenant-General A M Muller of the South African Air Force headquarters in Pretoria

The letter, dated April 6, 1982, attempts to lend credence to a number of themes covert US SA military arrangements, US-sponsored efforts to overthrow black African governments, and US responsibility for the Seychelles coup bid

The company from which the forged letter purported to

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By GEOFFREY ALLEN

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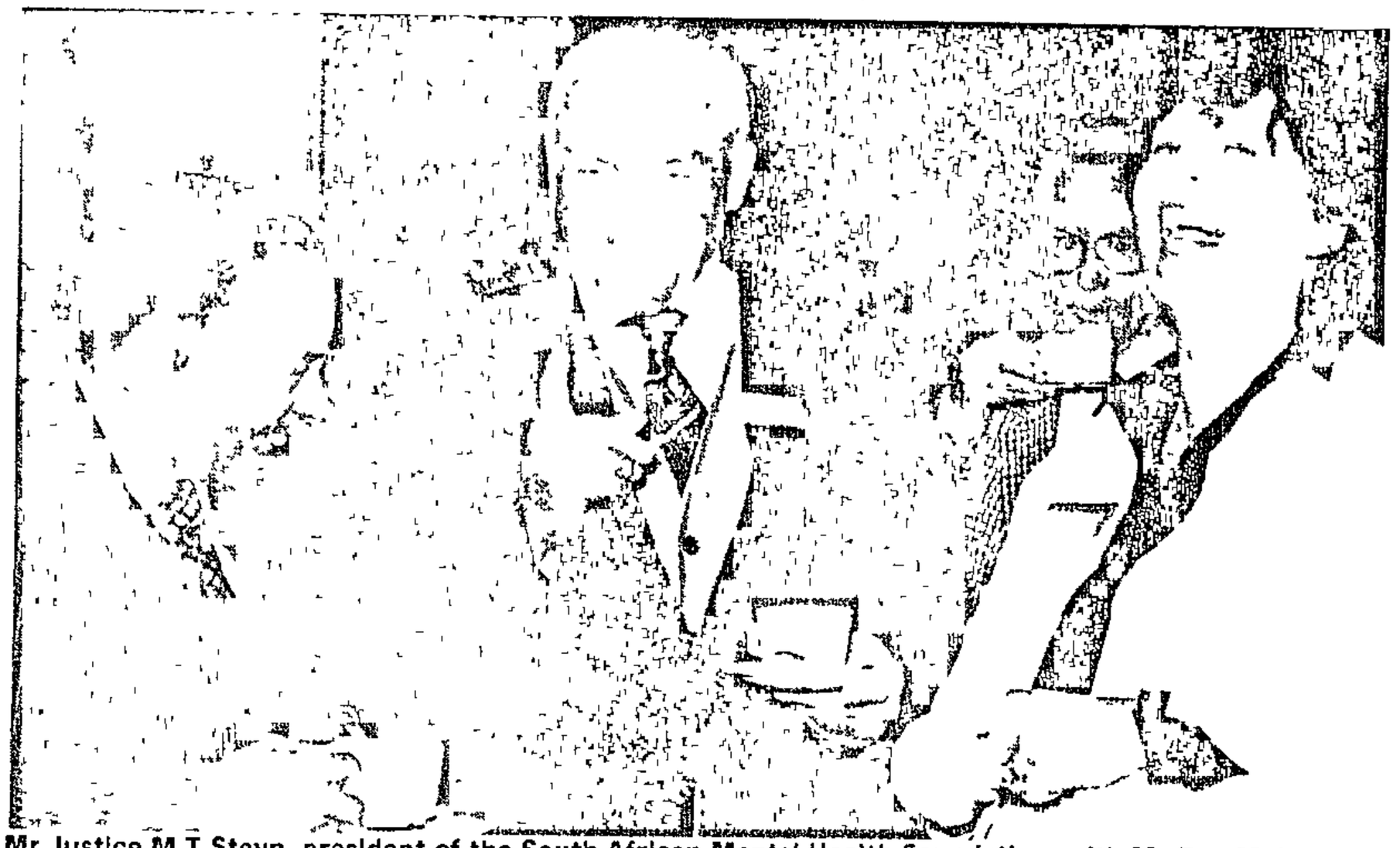

Mr Justice M T Steyn, president of the South African Mental Health Foundation, with Mr Ben Mokoatle and Dr Rita Kellerman during the "Wellness at Work" conference in Johannesburg yesterday

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Soviets behind forged letter to SAAF — US

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The letter, dated April 6, 1982, attempts to lend credence to a number of themes covert US-SA military arrangements, US sponsored letter as the work of the Soviets is contained in a State Department publication on Soviet disinformation measures

The forged letter appeared in several African newspapers in June, 1982

The text of the letter to the SA Air Force refers to the forgeries exposed the lie of claims being made about covert US involvement in the abortive coup at the time

The State Department publication said forgeries had been a staple of Soviet "active measures' for many years and exposes 10 recent examples of forged docuing the embargo on arms sales to South Africa, presumably with the blessing of the US Government

The letter was published in the Paris newsweekly Jeune Afrique, first as authentic on November 17 last year and later with a Northrop denial accompanied by photocopies

Blacks in top positions nothing extraordinary

Any study of South Africa's manpower problem is incomplete without considering the assumption by blacks of positions well up the management ladder. A black management expert gives his views in the fifth article in a series on manpower.

Special Correspondent

Blacks in top management positions in South Africa's socio-political system? "Yes", says Unisa's Carl Hofmeyr, "if that is what the company actually wants."

Hofmeyr, whose doctoral thesis involved establishing a model for the development of black management, adds. "We know how to train and develop managers. The company that wants black managers can have black managers"

He says that at the lower levels, the skills shortage is beginning to bite and companies are being forced to move up blacks simply because they do not have enough whites But at senior levels they can argue away the need to put blacks into these positions

According to Hofmeyr, the starting point for any advancement programme must be to determine the number of people one wants in the business in one year or five years and then determine those who are to be white and the number to be black

After this, the first element is a basic manpower plan, the second is to identify the human sources available. Hofmeyr considers that the raw material resource has not been sufficiently identified and in most cases not enough attention has been paid to this part of the problem.

The next point is to identify training needs. "We generalise about blacks We state that all blacks need to be more assertive or are not prepared to take risks or are group-minded. Such stereotypes are dangerous"

His survey put a lot of stress on what specific training is required by the black if he is to move up in an organisation still dominated by the Western management ethic The five top training needs as identified by potential black managers themselves are

- Decision-making skills
- Planning skills
- Organising skills
- Problem-solving skills
- Control skills

While in the past it may have been true that some blacks were moved into middle and even fairly senior positions for reasons associated with "window dressing", Hofmeyr likes to think that "we are becoming more reasonable about it and that the days of Uncle Toms are numbered". On the other hand he met many black managers who said it was difficult to operate in a white business because "if you want a person to become competent and to advance then in the first instance you must tell him precisely what is expected of him and secondly you must give him the experience to achieve this"

So to the final question — accountability Hofmeyr suggests that blacks are not made accountable and that excuses are made for them "If we are not going to apply the principle of ac countability we'll get sub-minimum performance and we are doing nobody a favour"

Accountability destroys paternalism. Once made to account for his actions, the black is more likely to assimilate into the Western industrial philosophy

Defence the key to SA's future

SOUTH Africa's economic freedom has to deal with the military onslaught against the country and the destabilisation of its security, according to Dr Cornelius Human, chairman of Federale Volksbeleggings

Addressing the University of Stellenbosch's Post Graduate Business School, Dr Human said SA's position in relation to the rest of the world was further hampered by economic bottlenecks resulting from threatened boycotts and the cutting off of supplies

This created its own demands in respect of economic freedom.

As a result, both the government and private sector would have to accept losses and learn to live with it

It was necessary that SA finds a new industrial strategy

In formulating this strategy, known situations and circumstances cannot be forgotten, and it would need coordination between the government and private sector to be successful — Sapa

Bongi's flair has put her on top

Sowetan 8/8/83

(72)

By SINNAH KUNENE



MS BONGEKILE MBILI Manager of administrative section of Ebony Management and Secretarial Services.

Bongekile Mbili's flair for figures has taken her right to the top She is head of the administrative section of Ebony Management and Secretarial Services, a black-owned company which aims at developing all black-owned and run businesses to a competent level

Publicity-shy Bongi spends her time figuring out and planning business strategies for various businessmen, while she also administers the work of six staffers in her department

She receives clients' business information from the directors and allocates it to the clerks She also has to review the work, analyse and interpret financial statements and make necessary recommendations to the directors who complete a detailed report for the client

Bongi worked for an auditing firm for 29 months, and during that time she studied commerce with the University of South Africa She completed her B Comm degree last year, but her thirst for advanced education has urged her to study tax law, a 12-month university course This is an in-depth study on income tax, State duty donations, etc

Born in a family of five in Natal, and with both parents and three sisters in the teaching profession, Bongi believes her instinctive urge to learn has been inherited She believes in spending her free time on constructive matters For instance, time wasted while one is held up in traffic after work could be used at the library and later transport, which is often faster, can be used, she says

Bongi is a typical Tauran, always determined to reach her goal. She went to school in the Golden City, and being separated from her family was a secondary issue, though like any other scholar (she admits) she would have liked to share her schooling tasks with the family

Although she had no insight into her present kind of career, she imagined herself playing around with numbers and becoming involved in business The 1976 unrests at Fort Hare University brought her back home, but her perseverance and determination helped her reach her goal

Her advice to students, especially those doing correspondence courses, is "Try to do all assignments and make sure you go through the whole syllabus before preparing for exams For, if you lag behind, you may be cheating yourself "

Bongi adds that there is a bright future ahead for black women and more opportunities are opening that only need to be explored

"The idea is to be yourself and never give up until you are assured that you've reached the peak," she says confidently

Having male colleagues under her supervision, Bongi has not for a moment felt uncomfortable She also gets co-operation without having to scream for it and treats her staff in like manner

Regarding black businesswomen, Bongi advises that they should not sit back and let their husbands run the show She says there are financial houses which offer courses for owners of small businesses and they should make use of such facilities

(172) S. Times 9/10/83

Black bosses 'under strain'

Business Times Reporter

BLACK managers in white organisations face a host of political and cultural inconsistencies, leading to frustration and strain.

This is the one of the findings of researchers at the School of Business Leadership at the University of South Africa.

The researchers, Linda Human and Karl Hofmeyr, claim in a joint paper on the subject that the introduction of black managers into the white business world can be successful only through a combined socio-economic approach.

The paper adds that it is necessary to devote resources to the part resolution of conflict while at the same time not detracting from goal-achievement aims.

Another of the findings reflected in the paper indicates that black managers are often required to function in three different worlds.

First, he is expected to cope with conditions in a black township and its urban black culture, to function as a non-white in an apartheid society and is still required to function as an equal with his white colleagues.

Unwilling secretaries, poor promotion opportunities, little forward career planning and discrimination on a social level serve only to intensify the existing conflict.

These conflicts and inconsistencies often result in inner strain with respect to their work situation reflected in lower performance standards.

He is often subjected to inadequate exposure, hostility from the shop-floor workers and constant reminders of his ethnic background.

The authors add that the experience of a black manager evades adequate description and cannot be quantified and assessed

But the problems faced by the black manager results not only from the cultural and discriminatory factors.

The experience of being rejected and discriminated against in the one sphere and accepted in another has largely remained unnoticed, the paper states. The general feeling is that black managers lead a schizophrenic existence.

The cumulative effect of these inconsistencies associated with this marginal situation must be seen as an important aspect of the black manager's underperformance.

The situation therefore implies that black people should be employed by companies run and owned by blacks only.

Humaneness and economic reality, however, suggest the diametrically opposite solution, according to the paper.

For South Africa to function viably and peacefully, the effects of the marginal situation on black managers must be examined to reduce conflicts and inconsistencies.

The effect of the marginal situation leaves blacks doubtful of where their loyalties lie and creates a significant level of strain and sensitivity.

Manpower planning, education and training, identification of management potential and training needs should serve as ways of alleviating strains and pressures.

october 14 1983

Financial Mail

E REFERENDUM

ignposts of the future

- the debate on the referendum heats up, attitudes are coming crystallised In recent days we have had diverg- views expressed from within the Anglo American/De ers camp, signalling at the highest symbolic level that era of monolithic responses to government initiatives English-speakers is over

While Anglo chairman Gavin Relly has not actually said uch way he will vote, his comment on the way in which a o" will be interpreted abroad could prove persuasive to ny businessmen Such a vote would "undoubtedly be erpreted by our friends as further evidence of bloody- ndedness and grasped by our enemies as another stick to t us with," he said



De Beers' Harry Oppenheimer, on the other hand, proposes "with regret" to vote "No" His view is that it is likely that "if this new constitution is approved, it will not be long before in the world outside, it will come to be thought of not in relation to what it will do for the coloureds and Indians, but in relation to what it will not do for the black majority"

Such opinions are not actually polar opposites foreign responses, which- ver way the referendum goes, will probably be cautious il the effects can be more fully assessed However, our iew, which we have stated before, is that it would be pping for too much for overseas reaction to filter through "No" votes to discern the political motives of voters in a- ctrum from the Afrikaner Weerstandsbeweging to those the left of the PFP

The crispness with which government has phrased the stion to be posed on November 2 precludes such an ercise That, of course, presents liberals with a small isis of conscience Joyce Harris, of the Black Sash, surely aks for many when she says opposition voters should ote on the merits of the Constitution Bill and not worry out where the Conservatives will be marking their X

But is that, purely, what voters are being asked to ide? Surely not The National Party must be believed hen it says there are no "hidden agendas" for black dvancement in the constitution But *realpolitik* dictates at once coloureds and Indians are participating — how- ver much as junior partners — in the new dispensation, dden agendas will soon come out in the open

Only in Utopia are constitutions cast in concrete The Nationalists, themselves no respecters of constitutions, ave presented us with a piece of legislation about which e should not be too awestruck Yes, its basis is racial egregation, but so are all the laws which have sprung from ideology of that party, and it has as much or little hance of being overturned as they do

The outer limits of the changes implicit in the constitution cannot be known But SA is caught up in the processes of change Remarkably so, when the stasis of the final years of the John Vorster administration is recalled That should be a factor in voters' minds

It is striking that the various arguments for voting Yea or Nay often show a measure of concordance up to the actual moment of decision Very serious issues are being addressed in a serious manner — yet the outcome, for different people, is radically, and inevitably, different Yet now, to muddy the water, a fresh element has been thrown in a small but growing sector of opinion holds that those in doubt should spoil their vote



This *ja-nee* option is being held out as the solution for those liberals who don't want to end up sharing a position with the ultra-conservatives

Frankly, it seems an attitude more appropriate to those years when many voted against the NP while secretly hoping that they would win — and nothing change A vote in central government in SA is a scarce commodity (21m blacks do not have one) and not to be discarded for the sake of inner righteousness This would be the chicken run of the voters' roll

This is pertinent to what is emerging as a key issue of the debate — the constitutional future of blacks Since the Constitution Bill is solely designed to map out the future for whites, coloureds and Indians, government has naturally been angered by the entry of black opinion, and opinion about blacks, into the arena But given its penchant for pushing blacks around without consultation, what else could have been expected?

Opponents of the Nationalists point out that for the first time the homelands look set to become a pillar of the constitution, and not just of ideology But since four of these tribal reserves are already "independent," it is unlikely that their controversial status will be altered an iota after November 2 Quite likely, there will be an intensification of the problem of their isolated existence

Then, the question will not be what is right, or half-right, about the constitution — but how best it can be adapted to take stock of the underlying realities of the country If the constitution, even as it stands, is in force, voices other than those of whites will be heard in central forums

Our feeling is, therefore, that the more leaders with pivotal votes — particularly in business — who make their positions plain, the better That a certain amount of bitterness is making itself felt in the English community is, in fact, a healthy sign Future developments in SA will be determined not by those who sit on the side emulating Hamlet, but by participants

Fm 14/10/83

with them are easier than before and were of enormous assistance in Sorour's visit

The three elements targeted for contact were top business leadership of corporations represented in SA, followed by a crucial target, the largest businessmen's organisation in Japan This is the Kei dan ren, analagous to the American Chamber of Commerce (Amcham) or the Confederation of British Industry As the federation of economic organisations in Japan, it is highly powerful, containing the top private sector leadership and channelling private sector funding into the political field With these established, the political connections are made, starting with the Foreign Affairs department Links are well established The next stage involves encouraging a reciprocal flow of people

But a Japan office won't be opened immediately Contacts will be given time to mature Meanwhile, the foundation's council must be convinced of the feasibility, preparation and timeousness of the operations, and, above all, that it will return substantial advantages, for instance in trade, to business and to SA As the foundation faces up to new options, that remains the test

Ultimately, if economic development is the motor of reform, what's good for business is good for reform Whatever its debates, the foundation knows that

172

sensus on social issues and become less reticent on political and social issues, stating its positions with more punch and assurance of being heard

Whichever way the referendum decision goes, this leverage will increase: a government weakened by a "no" vote will have to ally itself still more strongly with the private sector; while business support is critical to the success of the proposed reform programme

And the foundation, already a very powerful component of the web of organisations formulating and articulating private sector interests, faces the option of expanding that role as well.

So the pending change in directorship takes on increased significance. As Sorour approaches retirement, it's logical that one type of successor might want to grasp a long-term personal endorsement and push ahead with an extensive escalation of operations — internally and externally.

The possibilities have not crystallised fully yet. *FM* sources indicate that one school of thought believes the decision on the directorship should be deferred for a year or longer. In that time, the foundation's council and trustees will work their way to consensus on its developing role — and the increased expense it will entail.

Of the top candidates, Washington's John Chettle stands for a lunge to the next level, a move that has substantial support. Nedbank's Bill Yeowart, who worked for the foundation in the Sixties, is mum on his position in the race, though sources say he's for business as usual.

Powerful lobby

Is it time for a quantum jump in the foundation's role, to a more powerful internal lobby with greatly increased overseas operations? It can't happen overnight, because diplomacy never does work that way. And the directorship won't be easy to fill.

The new director will need a combination of strengths, must not have a background of government service (like, say, an ex-ambassador), but must be well-connected, with entrée and immediate access to top government levels. Further, he must be both old enough and young enough — and he mustn't cost too much.

Sorour belongs to the school of thought that recoils from the notion of the foundation deliberately assuming an internal SA lobby role. He warns: "Our brief is international relations and what affects SA in that field. If we took a series of stands on SA policy outside of that umbrella, factions and differences would grow in our constituency. So would the possiblity of a split — and our overseas influence is predicated on the fact that we're a unified group."

But a strong element within the foundation and its membership believe the opportunity should be grasped, and soon.

The foundation's basic building block is its man-to-man (MM) committees, which operate voluntarily throughout North America and Europe. Members, such as chief executives of foreign subsidiaries in SA and other influential foreign businessmen, meet monthly with their peers to provide briefings on SA.



Outgoing Sorour believes in natural progression

Similarly, local members who travel abroad spread the word, providing an inexpensive but nonetheless effective network of contacts, in countries like Canada (where the base is the Canadian-SA Society) and and on the continent. The foundation's strong links with employer organisations across the board gives further leverage.

The foundation runs a lean operation. It has about 40 staff members here and abroad. It has offices in Bonn, Paris, London and Washington, which reach into neighbouring countries when specific campaigns are needed.

Its total annual budget is a mere R2m. It has no assets and few reserves — perhaps enough for two years' running costs. Its asset and resource is its constituency. if members consider a given project important, well motivated and timeous, then they'll fork out.

Sorour believes that the foundation's next phase will be arrived at "perhaps rather by natural progression than by policy decision, then the right decision will be obvious — on policy and its chief implementer."

The foundation has by no means reached its income ceiling. But income is determined by objectives, and broad-based acceptance of those. One school of thought believes that if the foundation expands rapidly, the relative importance of membership's role, and the process of thorough vetting of each project, will contract.

It will become increasingly professional, say these sources, but its strengths — the constant and direct involvement of its constituents in decisions at each stage — will diminish. The counter-argument goes simply that more scope equals more clout, and that the type of men on the foundation's council aren't about to be pushed aside by any director, however dynamic.

The director's successful visit to Japan exemplifies the way it goes about expansion. Sorour says: "World economic focus is steadily shifting towards the Pacific basin. SA's antagonists are also responding to the shift. This year saw the first anti-apartheid movement meeting in Japan." So the foundation steps in.

The first step was to make contact with the SA Japanese community — relations



Washington's Chettle is a strong contender for the top job

SA FOUNDATION

Gearing for new era

The influential SA Foundation, in choosing its new director, has to decide whether to increase the scope of its operations worldwide and within SA

The SA Foundation has always been an unabashedly elitist organisation. Its membership is the top echelon of the SA private sector and through this it has tapped the old-boy network of the West's power elite, both in political and private sector arenas Now, current SA political and economic developments might indicate that it is poised not only to expand but to venture into new areas of endeavour

Within the last five years, a significant change has taken place As one spokesman candidly put it, the foundation is no longer a propaganda organisation, bulling ahead on the basis of my-country-right-or-wrong

Over the past three years the foundation has been working to consolidate its base Contacts, publications, research and information services have been revamped With gathering momentum, the foundation is nearing a "takeoff point," where it can — if it chooses — make a quantum jump, both internally and externally.

The network has worked reciprocally to influence SA as well as SA's major investors And the foundation's director, Peter Sorour, stresses that it is as much the foundation's business to represent Western attitudes to SA as to represent SA worldwide hence the foundation's critiques of policies like influx control, removals and detention without trial Its immediate past president, Gavin Relly, earlier this year delivered a warning on the effects of the revamped influx control Bill on how SA's reform efforts are viewed More recently he warned that a referendum "No" vote would be interpreted overseas as rejection of reform

Its staffed bases in Washington, Bonn, Paris and London provide springboards for an extended outreach to second-echelon priorities like Holland, Austria, Canada, Scandinavia and Japan, where the network of contacts and connections is already firmly in place

Changes in the private sector's position within SA also significantly affect the foundation's options Increasingly government has wooed the private sector for support in reform and decentralisation Particularly since the National Party (NP) split, the SA business community's leverage has increased exponentially, as government has actively to fight for support

Campaigns like those around the Sullivan and EEC codes of conduct, Sorour points out, played a crucial role in concentrating business's attention on issues of corporate responsibility like wage gaps and labour restrictions Equally, through engagement in organisations like the SA and Urban Foundations, as well as employer bodies, the private sector has developed a core of con-

Fm 21/10/83

172

LABOUR

Political dimension

"Manners makyth man," said William Wykeham in the Fifteenth century The common courtesy he advocated is going to be vital in preserving industrial peace in SA in the Eighties, says Professor Johan Coetzee, manpower consultant at Potchefstroom University's Business School

Speaking at the Computer Placement Agency's (CPL) yearly salary seminar Coetzee said that as workers become more "emancipated," the level of labour unrest will rise. Managing it will become as important as managing labour in general, he predicted.

Quoting from a recent investigation into the cause of the Sasol strike at Secunda, Coetzee said one of the basic reasons was that white workers had been given 45 cm colour TV sets while blacks were given 42,51 cm black-and-white sets. "This was seen as unfair and bad manners," he said

Coetzee warned that political frustrations are likely to be brought to the bargaining table at work. "As a result of the government's acceptance of most of the Wiehan Commission's work, we are moving very fast towards a meritocracy at work But at 5 pm white workers continue to enjoy freedom when they go home but blacks again become prescribed people. This causes a paradox which is leading to anxiety and irritation and which causes labour unrest.

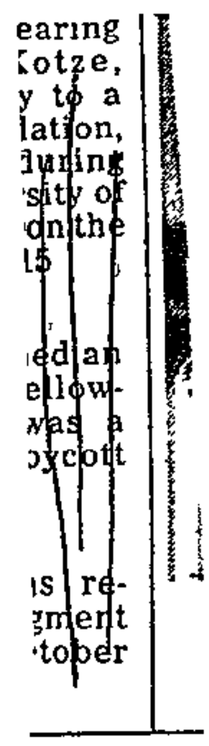
"Influx control, Section 10 rights, 99-year leases and the like are the things we are going to have to manage at work, but they are all political decisions with which management should not have to deal," Coetzee added.

Pointing to the education system which effectively segregates whites and blacks until they get their first jobs, Coetzee asked "Are we not just in time to be too late to get sound labour relations? It is unfair to expect industry to breed sound human relations at work when people's vital formative years have been spent in almost total isolation and prejudices have already been deeply ingrained."

Coetzee also noted the effect of Andries Treurnicht's split from the National Party "July 8 1982 saw the disintegration of Afrikaner white solidarity which was conducive to industrial peace. The referendum is now causing a lot of confusion (among whites) and we have the spectre of a possible white versus white conflict in labour," he said

Coetzee believes the time has come for management to become more involved in politics, as is common in the US. Interpreting Anglo American chairman Gavin Relly's recent remarks as support for the proposed constitution, Coetzee predicted that more business leaders will declare themselves, and by implication, their companies, for a "yes" vote on November 2.

"It has become critical that managers should know party politics and for them to get involved With 55% of the population excluded from the constitutional proposals, they are going to try to act out their political rights at work Managers will have to address these issues and meet with the political leaders to get reform As it is, the credibility of those giving the handouts at work (in terms of the new labour dispensation) is being eroded steadily," he said



Top men pin their faith in future on PW

By BRIAN POTTINGER
Political Correspondent

THE Yes majority in the referendum — confidently predicted when the campaign began — may be severely chopped.

Unless the Government can stem the drift of undecided voters to left and right during the next 10 days, its victory on November 2 could be marginal.

But this weekend, as the campaign entered the home stretch, National Party spokesmen said the pendulum seemed to be swinging back in favour of the new constitution.

And today the Yes campaign received a powerful boost when 131 leading businessmen and other public figures published an advertisement backing the Prime Minister, Mr P W Botha.

Prominent figures — including Dr Frans Cronje (chairman of Nedbank), Mr Ted Pavitt (chairman of Gencor), Mr Dick Goss (chairman of Sun International), Dr Chris Barnard, Mr Charles Fiddian-Green (chairman of Rennies), Mr Sol Kerzner, Mr Tony Factor, Mr Ola Grinaker and Mr Sydney Press — have paid for the advertisement urging a Yes vote.

Following the declaration earlier this week by Natal's most eminent businessman, Mr Chris Saunders (Tongaat Group), that he supported the Prime Minister in the referendum, Yes campaigners regard the impressive roll of signatories as a coup.

It is the latest development in the rival campaigns for endorsements in universities, the churches and business.

● The full list of Yes-voting businessmen appears on page 10.
● A PFP advertisement is on page 6 and an NP advertisement on page 30.

The views of many of the 131 signatories were already known, but their mass Yes endorsement is likely to impact heavily on the referendum battle

The signatories stress that they come from different parties and their stand should not be seen as support for the constitution in every aspect.

"However, we urge our fellow South Africans to vote, and to vote Yes, to enable our country to continue the process of reform — for we believe this will build confidence and create healthier attitudes in South Africa," they say.

The negative effects of a No majority on foreign business confidence has been a central plank in the Government's campaign

Last week's statement by Mr Harry Oppenheimer, retired head of Anglo American, that he would be voting No dented the argument —

□ To Page 2

Top businessmen put their faith in PW

□ From Page 1

but Yes campaigners were quick to point out that Anglo's present chairman, Mr Gavin Relly, had earlier warned that a No majority could make a damaging impact abroad.

This week the referendum campaign reaches a critical phase, with renewed attempts by the Yes camp to halt an apparent drift of support

The controversial statement by Mr Pen Kotze, Minister of Constitutional Development on the eviction of coloureds and Indians from "white areas", has, however, tended to alarm putative English-speaking Yes voters

Nevertheless, NP workers report an improvement in their support after signs that the campaign hit a low spot during the past week

A document circulating in Conservative Party circles and purporting to be the NP's own canvass figures for last week shows a startlingly low projection of 53,8 percent Yes votes on November 2

It also shows expected No majorities in 40 constituencies and extremely high Yes votes — ranging from 65 to 85 percent — in PFP-held constituencies.

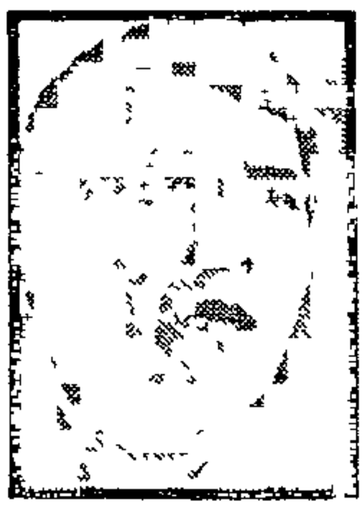
Senior NP spokesmen have disclaimed knowledge of such figures and are still forecasting a 60 percent plus Yes vote.

The CP's figures have also been queried by the official Opposition which — although not essaying a final vote figure — discount mass defections by their supporters. One PFP spokesmen estimated only a 20 percent flow from the PFP to the Yes camp

By the weekend, NP workers claimed that better public responses at meetings, encouraging indications of Yes returns from special votes, and growing business weight behind Mr Botha, all indicated that the tide was turning back in favour of a Yes vote

(Report by B C Pottinger, Van der Stel Building, Pretoria.)

What have these men in common?



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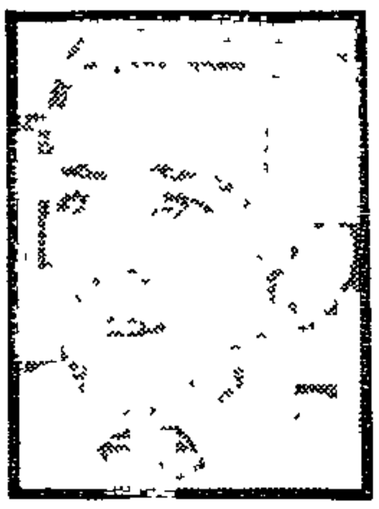

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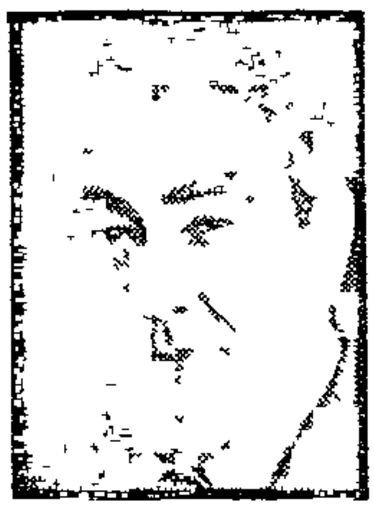

☐ Martin



☐ McCrystal



☐ Marais

They say Yes. . .but it doesn't mean they like the whole deal!

By Eddy Andriés

A YES vote in the referendum is worth at least R175 to each of 135 South African personalities who claim to have privately financed a half-page advertisement to appear in 18 daily and Sunday newspapers this week

Total bill? About R25 000

The signatories, mostly Nationalists and New Republic Party people, sound a very cautious call for the public to support the new constitution

Under the heading "We urge a Yes vote!" the advertisement reads:

"When we cast a positive vote in the referendum it will not imply that all of us necessarily support every aspect of the Constitution Bill"

After appealing for everyone to vote — and to vote Yes — it continues "The realities of South African politics are such that rejection of the Constitution Bill will be detrimental to advances already made in several fields, including labour, housing and training"

It makes no mention of lack of advances in other fields

Inserted by a Mr T I Steenkamp, of 3001 William Nicol Highway, Bryanston, Sandton, whose name is not listed in the telephone directory, the advertisement was compiled by the Grey-Phillips agency

It concludes that an overall No vote will have "harmful political and economic consequences, both nationally and internationally"

It is understood that motor industry big-shot Dr Albert Wessels organised the campaign, approaching — and soliciting contributions from — hundreds of potential signatories, who were asked to deposit money into a banking account established especially for the campaign

Subscribers to the advertisment include Dr Wim de Villiers, Professor Chris Barnard, Mr Aiden Beard, Mr Tony Factor, Mr Dick Gos, Sir de Villiers Graaff, Mr Charles Fiddian-Green, Mr Frank Jones, Mr Sol Kerzner, Mr Sydney Press, Dr Louis Luyt, Dr Jan Marais, Mr Frank Martin, Dr Lawrence McCrystal, Mr Trevor Waite, Professor Marinus Wiechers and Professor Nic Wiehahn

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DIMBAZA BEADCRAFTERS

Address: P.O. Box 324
Kingwilliamstown
5600

Objectives:
Traditional beadwork.

(iii) Cattle project.
(ii) Unemployment project
(i) Research on incomes, formal and informal

Objectives:

Contact: Norman Bromberger

Telephone: (033) 63320 Ext. 313

Address: University of Natal
Pietermaritzburg
3200

DEVELOPMENT STUDIES RESEARCH GROUP (DSRG)

12

Total onslaught to get a Yes for Nats' masterplan

THE PERSUADERS

Promises of more money could be a deciding factor



☐ By PETER MANN
Political Correspondent ☐

THE Government is using a series of hidden persuaders to get you to vote Yes in the referendum on November 2.

Since the referendum was announced the Government has:

■ Announced a 12 percent increase for the country's million public servants.

■ Announced a R200 million housing scheme for lower and middle-income whites.

■ Invited South Africa's top businessmen to another tete-a-tete with the Government.

In addition South Africa's 60 000 teachers have been promised the same increase as civil servants.

And, although announced originally in February by the Deputy Minister of Finance, Danie Steyn, a fuss is being made again over the fact that the Government will not introduce the perks tax, which would have affected mainly civil servants and businessmen before next year.

This means that a sizeable chunk of the 2 700 000 white voters who go to the polls on November 2 will have a Government promise of more money in their back pockets.

And the businessmen, flattered by the Prime Minister's invitation to meet him on November 28 to discuss inflation, may find it psychologically difficult to vote against him.

The Government is also taking no chances with members of the Defence Force. This week PFP spokesman on Defence, Phillip Myburgh, complained that a Government video was being shown to troops in an attempt to persuade them to vote Yes.

The Government is also trying to display "kragdadigheid" to persuade voters on the right that it can be trusted.

Best example of this is the fact that barely a week after the Prime Minister defended himself, at a noisy public meeting in Randfontein, from accusations that the Government was doing nothing to remove Indians from Mayfair, two of his Ministers were threatening to remove the 6 000 coloureds and Indians living in "white" areas of Johannesburg.

The issue was threatening the entire credibility of the Government's referendum campaign with the coloured Labour Party threatening to withdraw its support of the proposals, and highlighting for many the lack of any real "reform" contained in them.

Yet the Government seemed determined to push on — to convince right-wing white voters to support them.

South Africa was also displaying her iron fist in relations with our neighbours. The "pre-emptive" raid against an ANC flat in Maputo was winning accolades from the Conservative Party.

The Government was also strenuously denying that Prime Minister Botha had his personal power organisation in the State Security Council which functioned as a type of "inner Cabinet" as had been alleged by two Rand Afrikaans University academics.

It seemed the referendum was becoming a propagandist's dream with all the stops being pulled out to drag whites into the polling booths and force them to vote Yes.



■ P W Botha . . . cheque book and iron fist

t into two camps



■ Well, what is in a name? PFP leader Van Zyl Slabbert and Minister Chris Heunis at the Assocom meeting. Their name plates had accidentally been put in the wrong places.

Photo by Wendy Schwegman

OUT!

switch sides

the party can afford to go. Heunis was opposed inch for inch in the Cabinet by peopl like F W de Klerk and Viljoen, because of ther fears of a rightwing backlash.

"Even although the President will have unprecedented powers and too few checks, our hope is that it will enable him to steamroller ahead. Because we trust him, we are willing to take that chance."

"The constitution, frankly, is not worth the paper it is written on, but it is just the beginning We have to vote on faith," he said

Another top businessman, who understandably did not want to be named, said: "The greatest progress has historically taken place when one strong man has commandeered the ship of state. Regrettably there may be casualties in the form of civil liberties, Press freedoms and human rights, but eventually all will come right"

One of the few public voices of discord to mar the new harmony between Government and business came from a past president of the Cape Town Chamber of Commerce, Anthony Silberberg, who said in a speech from the floor that he could see no reason to vote for a new constitution when so many changes which could be made under the old constitution had been left undone

"There is little in P W's record to incline me to trust him," he said afterward

This view was supported by one of the few black delegates, Sy Kutumela of Nafcoc "There has been plenty of time for him to make changes

Nothing has happened

"Already we have a difficult task in trying to convince our community that free enterprise is not necessarily associated with apartheid. Now the business community has thrown in its lot with the Government and that can only make our task so much more difficult"

The highlight of the congress, the speeches by the politicians, was very much of an anti-climax There was no constituency to vie for, almost everybody had long decided

Both Heunis and Slabbert made lacklustre, low-key speeches. Whatever the comparative merits of their standpoints, both based them squarely on intellectual and reasoned foundations.

The applause was polite, perfunctory and scrupulously evenhanded.

Significantly, the most enthusiastic response went to a cliche-ridden and intellectually vacuous address by Vause Raw

Looking from the Pretoria City Hall, where the congress was held, across the lawns at the model of a dinosaur outside the Transvaal Museum, one could not help but reflect that that animal was not entirely extinct. Certainly its spirit was alive and well among certain of the delegates.

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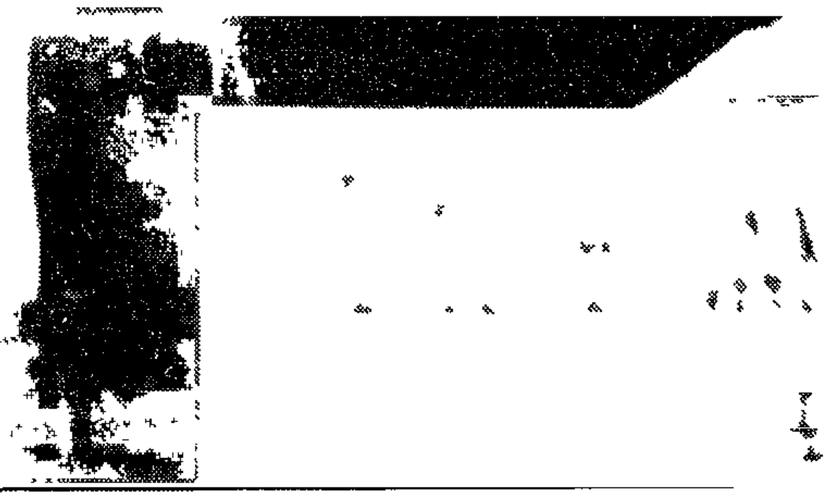
SUNDAY TRIBUNE, OCTOBER 23, 1983

Now the English speaking business world is sp







THE BIG SELL

PFP sees traditional power base



Report by WILLIAM SAUNDERSON-MEYER

THE battle for big business is over. The siege of the most powerful figures in South Africa's top industrial corporations and businesses has ended. And the undisputed winner is the National Party

Years of careful planning by the National Party have come to fruition with the almost total co-option of the business community into the Government fold.

Ironically, the battle was over almost before the opposition Progressive Federal Party realised that one of its traditional power bases, its hold over the English-language commercial world, was under attack

At the Assocom congress in Pretoria this week the four parliamentary parties — two lobbying for a "Yes" in the referendum and two for a "No" — were given the unprecedented opportunity to address the congress to try and sway the business community.

It was clear afterwards that the "Yes" option was endorsed by the majority of delegates But the victory was not won in half an hour of persuasion by the Minister of Constitutional Development and Planning, Chris Heunis, and NRP leader, Vause Raw It was painstakingly gained in a process of secret meetings held between the Government and the chief executives of the 50 biggest South African corporations over a 12 year period

The process became public for the first time four years ago at the Prime Minister's Carlton conference and later with the Good Hope congress A similar conference will be held shortly after the referendum

The result of this wooing has been the carefully worded yet unequivocal endorsement of the Prime Minister's constitutional proposals from the Federated Chamber of Industries and Assocom, even although the Government has totally ignored their call for common citizenship for all, labour mobility and curbs to the powers of the President

It has also split the English-speaking business community into two camps the minority Liberal Old Guard, led by that elder statesman of business, Harry Oppenheimer, and the New Born Pragmatists of the Chris Saunders and Gavin Relly variety

Because of his stature in Natal — the crucial province in the referendum vote — Saunders' defection came as a devastating blow to the "No" campaigners, especially to Chief Gatsha Buthelezi, on whose commission he served. Saunders was a signatory to that commission's finding that any political dispensation which excluded blacks was a recipe for conflict

In commiting himself to a "Yes" vote, Saunders warned that such a vote would have a devastating impact on black thought and political feelings and would be a betrayal of democracy

"We must make it clear that we cannot be destroyed by the persistent and irrational approaches of separate development," he said in his explanation

This kind of intellectual schizophrenia has swept like an epidemic through the business community and was much in evidence at the Assocom congress Delegate after delegate would, in private conversation, concede terrible defects and dangers to the new constitution, but then state blandly that it was a "step in the right direction" and that they were voting for it It was my impression that the division was 80 — 20 in favour of a "Yes" vote

The delegates met in what one might have assumed to be inauspicious circumstances for "toenadering". The Government's general referendum campaign appeared to be faltering as it faced opposition unparalleled since it took power in 1948 and it had just received another blow with the Community Development Minister Pen Kotze's pledge — unrepudiated by the Prime Minister — that the Government would crack down on coloureds and Indians living "illegally" in "white" areas

This conflict between the Government and the very people it is hoping to draw into its new system caused not a ripple in the cosy atmosphere of the congress

Said William Pott, from Nelspruit "There is a strong belief among businessmen, which has filtered from the top, that a "Yes" vote is a vote for change. That it may mean an entrenching of apartheid has made no impression on the businessman

"Through my dealings with the Government I have found that those in the top positions are intelligent and fairly enlightened blokes as a rule One or two steps lower one finds that they are below the intelligence level for the kinds of jobs they are holding So they don't administer what the top fellows are talking about

"Although I don't believe the Government has the intention of ever relaxing things like the Group Areas Act, I have been swayed and am now going to vote 'Yes' "

Businessmen have received quiet assurances that what the Government eventually plans is a federal system, in which blacks will also be included but without the danger of domination over the whites, he said

The belief is widespread among businessmen and industrialists that there is a "hidden agenda" covering things like a federal system and the inclusion of blacks It originates from the secret meetings the FCI has had on a regular basis with the Prime Minister and his "senior cabinet ministers"

At the congress it was carefully nurtured by Professor Jan Lombard's address in which he examined the "business implications of constitutional reform"

Professor Lombard — who is close to the Botha power clique — said he had "no desire to publicly influence other people on how to vote in the current referendum" and then went on to detail the advantage of a federal system the inclusion of all races without domination of minorities

Professor Lombard, who identified the Institute of Race Relations as a "far left" organisation, is a believer in "strong but limited" government This is a concept also much in favour in business circles, where it is equated with "benevolent dictatorship"

According to FCI sources, "there is a great personal trust of P W Botha"

"Along with international businessmen, we view him as being a slave to the conservative pace of his party But the Government has already shown it is not totally rigid, for instance with its labour reforms It is clear there is a substantial degree of pragmatism, even if it is often evinced, at best, in two steps forward, one step back

"We know that the constitution is as liberal as

UNCOVERED! Big business' alliance with Prime Minister Botha

The Big Sell-Out

Secret pact

Blue chips

By William Saunderson-Meyer and Peter Mann

A SECRET 12-year alliance between big business leaders and Government was uncovered this week.

The most powerful men in government and commerce have been working to their mutual advantage in an alliance which has secured massive business and industrial support for the Prime Minister's constitutional proposals

The Sunday Tribune has discovered that the support was secured for the Government by the so-called "Corporate Forum" of between 50 and 60 of the chief executives of South Africa's biggest corporations, who have been meeting secretly with the Prime Minister and his most senior Cabinet ministers

The existence of the group was confirmed by Finance Minister Owen Horwood, who said he found it "extremely useful."

It is the part of the Government's extravagant bid for Yes votes in the referendum, which has also seen

- A 12 percent increase for the country's one million white civil servants,
- A R200 million housing scheme for whites,
- An increase for the 60 000 white teachers, and
- A decision to delay the perks tax which affects civil servants and businessmen

The disclosure of Mr Botha's clandestine affair with businessmen comes in a week which brought him both success and impending disaster

The success was the final endorsement of his plan by traditional opponents within the business community

He won the support of 135 business and community leaders who will put their names to an advertisement to be published in 18 Sunday and daily newspapers

He has also won the support of Natal's leading industrialist, Mr Chris Saunders, as well as endorsements from the Federated Chamber of Industries and the Associated Chambers of Commerce

The impending disaster was caused by Mr Botha's gaffe over threats to the future of coloureds and Indians living in "white" areas

Now the Labour Party — the Government's only coloured and most important partner in the new constitution — has threatened to pull out

And its Indian partner, the SAIC, has called for an end to Group Areas removals

Although most coloured and Indian leaders are blaming Community Development Minister Pen Kotze for the row, it is clear the controversial statement was made with the approval of the Prime Minister

Last week Mr Botha faced hostile questioning in Randfontein about Indians living illegally in Johannesburg's "white" suburb of Mayfair

Mr Botha has since publicly backed Mr Kotze, saying he is a fine minister

The covert relationship between Mr Botha and the captains of industry is bound to have political repercussions

Meetings of the Corporate Forum are held twice a year and last a day

They have never been publicised, no minutes are kept and no reports made.

Participation is only by invitation of the FCI and is restricted to chief executives No substitutes are allowed and the participants agree to secrecy The meetings are attended by the Prime Minister and three or four of his senior ministers

Here the Government "can speak out frankly and explain its problems and policies Business, in turn, can indicate its requirements and make its contribution," one of the chief executives who attends told the Sunday Tribune

Lunch is held with the entire Cabinet so that "private over-the-table discussions can be continued to mutual advantage", a source in the FCI told the Sunday Tribune

Mr Horwood said "It is a group which was formed by FCI to allow it to keep in touch with Government thinking and vice versa I wouldn't call it secret or an alliance with the Government

"I have addressed it and found it extremely useful It has certainly played its part"

The Corporate Forum was formed 12 or 13 years ago in an attempt by big business to influence Government to its advantage Government, however, was quick to realise the reciprocal advantage it held

Former Prime Minister John Vorster regularly attended the meetings, but it was Mr Botha who first realised fully the potential for creating a powerbase among the English-speaking business community

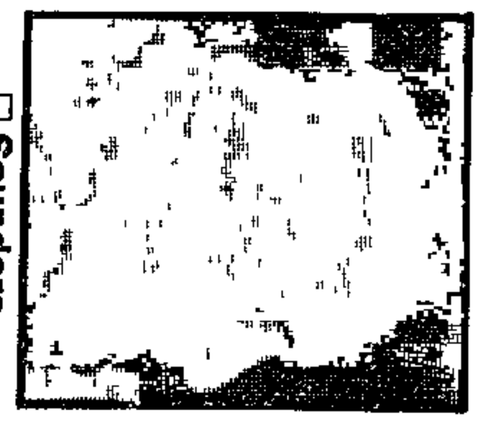
This is where the ideas of the constitutional proposals being "just the first step" and part of a "hidden agenda" were first nurtured by the Government

Divisions in the Cabinet about how far the proposals should go were frankly discussed at the Forum

The Forum has an executive of six which is involved in ongoing liaison with the Government between the bi-annual meetings

Top South African businessmen who were not invited to join the forum, expressed surprise this week at how well the Forum has kept its secret over more than a decade

The Big Sell-out — Page 49



□ Saunders



□ Botha

Black managers caught in political crossfire

By PRISCILLA WHYTE

THE decision by a black to become a manager in the private sector is political, says Mr David de Villiers, the managing director of Nasionale Pers

He told the Manpower and Management Conference in Johannesburg yesterday that when a black joined management in the private sector he excluded himself from trade unionism, although his position required him to be on the best of terms with unionists

While it was the duty of a black manager to support free enterprise, the "Manifesto of the Azanian People", adopted at Hammanskraal in June this year, said the free enterprise system was something to be destroyed

Mr De Villiers said the black manager fell within the derogatory category of the manifesto — "the reactionary sections of the black middle class".

But the black manager was regarded by the private sector as a supporter of peaceful reform towards a just society.

The special challenge facing the black manager was to demonstrate that, "he is a staunch campaigner for the removal of discrimination, creation of equality of opportunity and securing of fair sharing for all ... but at the same time that he and others like him are achieving the results by peaceful reform via and in the free enterprise system"

Mr De Villiers said the rapid development of more black managers was the key to economic growth.

Sowetan

Newsman speaks on the black manager's role in SA

172

By JOSHUA RABOROKO

TO BECOME a black manager in South Africa is to make a political choice, the managing director of Nationale Pers, Mr David de Villiers, told a conference yesterday.

Addressing delegates at the Manpower and Management conference in Johannesburg, Mr De Villiers said that the black manager joined the management class in the private sector, thus "excluding himself from trade unionism"

"Indeed, his position as manager requires him on the one hand to be on the best possible communication terms with the trade unionists but on the other hand to represent the interests of management where they may come into conflict with those of a union

"Yet, as is well known, some of the unions are the articulators of many black aspirants His position requires him to be an upholder of the free enterprise or free market system and at the same time he has to be liberated from racial capitalism which holds the people of Azania in bondage," he said

"In political terms a choice is not only made by the black manager but, to a large extent for him, by the way in which political forces are being aligned among black people relative to the very economic system in which he finds himself"

Another speaker, Mr Reuel Khoza, said black managers were those who are employed in terms of the unwritten corporate mandate that they should approximate their white recruiters as far as possible in general outlook

"Black token managers are those whose cardinal function in the corporation is to educate and advise whites about black people Fundis or gurus on black employees, black consumers and black other things," Mr Khoza said

Such managers, he said, never questioned the rightness of whiteness. They could not afford to be angry, and were not allowed to be angry within the corporation

So what?

172

JSE

RDM

on the

4/11/83

yes vote

IN spite of the optimistic reaction of business leaders to the referendum result, the Johannesburg Stock Exchange responded indifferently to the news with primary consideration given to the lower gold price.

Analysts said that a no vote would have had a significant impact on the market. Some suggested that considerable amounts of foreign capital could have left SA.

The yes vote merely confirmed the expectations of most investors, although the margin of victory for the supporters of the constitution was higher than expected.

"We knew it would be like this," said one dealer. "Had it gone the other way we would have seen reaction from abroad."

Some dealers suggest that the market may respond positively in the longer term now that one source of uncertainty for investors has been eliminated. But with many black leaders disappointed at the referendum's outcome, the possibility of insurgency may raise doubts about the stability of the SA economy and discourage foreign investment.

Reuters reports that the Minister of Finance, Mr Horwood, said he hoped foreigners would be subjected to less pressure from anti-apartheid groups to disinvest now that the Government was ready to give some power to non-whites.

"The assessment from abroad must also be that this strengthens stability and should give a fillip to investment through the stock market," he said.

Business leaders confirmed Mr Horwood's opinion, saying the referendum result would dispel the uncertainty lingering in the minds of foreign investors

But spokesmen of black trade unions, the main avenue for voteless black workers to voice their grievances, believe racial friction will not disappear when the recession ends.

However, gold and rand movements remain the primary concern of most investors, as confirmed by economists at major banks who said a yes vote would be more welcome overseas but the economy would benefit far more from an improved gold price and a steadier currency

"At least a yes vote does not saddle the business community with another new unknown," was the comment of Mr Andre Hamersma, Standard Bank's economist

With dealers' attention focused on the breaking results, the JSE had a quiet day, gold shares softer in response to the lower gold price and the firmer rand

Dealers stressed that although the results had laid to rest any worries that overseas investors might have had about a no vote, the gold price was likely to prove the most important factor in determining the market in coming weeks

Referendum brings a tentative step into the political arena

Business out of the funkhole

BY BERNARD SIMON

A REFRESHING feature of the referendum campaign has been the eagerness of many business leaders to tell others how they will vote on Wednesday and to encourage others to follow suit

To a public accustomed to being told that chairmen and managing directors do not comment on political matters, it is a welcome change to know that such prominent South Africans as Mr Harry Oppenheimer, Mr Tony Bloom and Mr Max Borkum will be voting no, and Mr Chris Saunders and 135 others are publicly urging a yes vote

South African businessmen normally shy away from public pronouncements on issues which they consider to be political In the heated and polarised context of politics, they are scared of offending colleagues, customers, suppliers and the Government Political loyalties are more rigid in SA than in many other countries and the danger of losing business through expressing political views is thus greater

Even in the run-up to the referendum, there are some notable names who have stayed on the sidelines Only two Barlow Rand directors — Mr George Bulterman and Mr Derek Cooper — signed the yes advertisements The company's chairman, Mr Mike Rosholt, thought by some acquaintances to be a closet yes, apparently believes that his position as Chancellor of the University of the Witwatersrand and head of a large, diverse company precludes him from speaking his mind

Mr Oppenheimer, who is Chancellor of the University of Cape Town, has no such aqualms

The American Chamber of Commerce decided after lengthy debate not to take a stand on the grounds that many of its members do not have the right to vote

The outspokeness of many businessmen on the constitution issue raises some important questions Why are they publicising their stance on the Constitution Act of 1983 when they normally insist that their political views are nobody else's business?

To put it differently, why has Assocom not invited political leaders to address its congresses during normal election campaigns, as it did two weeks ago?

Dare we hope that the referendum will be a turning point in South African business's reluctance to speak out on political issues?

The business community has given its own explanations for taking a stand on the constitution Mr P W Botha's initiative, the captains of commerce and industry are saying, has a vital bearing on South Africa's future business and investment climate

Ironically however, there is no agreement on what the bearing is The yes voters insist that rejection of the new system will flash a warning of instability to foreign investors, the no section says that outsiders will sniff instability until blacks are brought into the machinery of government

But it is questionable whether the importance to companies' bottom lines of the Constitution Act is the only reason why businessmen are making their voices heard Perhaps the referendum debate is a sign that South African businessmen are losing their inhibitions about arguing over political issues in public?

Since Mr Oppenheimer and later Mr Rosholt began speaking out on labour issues in the mid- and late-1970s, the stigma of voicing one's political views in public has slowly slowly been fading Even such touchy issues as detentions without trial are no longer altogether taboo Mr Fred Ferreira, Ford's industrial relations director, has several times protested in public against bannings The Border Chamber of Industries has strongly criticised Ciskei's handling of the East London bus boycott, and the Midland Chamber of Commerce in Port Elizabeth took a stand on the labour dispute in the docks last year, urging SA Transport Services to talk to the General Workers Union

Mr Gavin Relly and Mr Rosholt broke new ground recently by pointing to the costs of the pass laws

These examples are still exceptions Mr Ferreira works for a big US-owned company, and can thus arguably afford to be more outspoken than other SA businessmen Criticising Ciskei is unlikely to make one enemies at the moment

Even the referendum debate has not entirely swept away businessmen's coyness FCI president Mr Rod Ironside — who is also a General Motors executive — is said to have made himself unpopular with some members for making a public stand for industry on some aspects of the constitution

Even in the referendum campaign there is some evidence of a reluctance among businessmen to suffer the perceived commercial consequences of voting the "wrong" way The number of declared yes votes far exceeds the noes, and none of the noes has been willing to put a name to an advertisement

That may be because most businessmen intend voting yes, but there is little doubt that opponents of the new constitution hoping to win Government contracts are hesitant about publicising their vote It is still easier for a businessman to say yes in public than no, although — in a neat twist — rumours abound that several Afrikaner supporters of the Botha plan declined to sign last week's advertisment for fear of upsetting their ultra-conservative business contacts

Nonethelss, the referendum debate has been marked by an unusual openess and tolerance of opposing standpoints One reason may be that views on the new constitution cut sharply across party lines and even through office and family loyalties, allowing business colleagues and acquaintances to disagree without drawing their swords

Furthermore, with the referendum being a one-off event differences on this issue will almost certainly be forgotten far more quickly after November 2 than deep-rooted party splits

But, who knows, perhaps the lively debate on the new constitution has whetted business appetites for political controversy One legacy of the recent campaign may be a heightened awareness among business leaders that their views on political issues carry a good deal of weight

Premier Group's boss presses for open trading

By MIKE JENSEN

BUSINESS had a vital role to play after the referendum, said Mr Tony Bloom, chairman of the Premier Group, yesterday

Since Mr John Vorster's stern admonition not to meddle in politics a few years ago great progress had been made in the relationship between commerce and politics This had culminated in most businessmen supporting Mr P W Botha's mandate for reform

"The political dispensation has moved out of a boring log-jam into a fascinating scenario The referendum was clearly a stunning victory for the Prime Minister

"While there has been broad support for the reform initiatives of the Government I do not believe that business has issued a blank cheque," Mr Bloom said

He was speaking in Johannesburg at the awards ceremony made annually by the Chartered Institute of Secretaries and Rapport for the best company annual reports

Mr Bloom said the Group Areas Act, in relation to trading and industrial rights, was something businessmen should have scrapped

"In the current atmosphere of reform there can be absolutely no justification whatsoever for the retention of restrictions on the right of any person, of any colour, to practise a profession or trade freely

"It is totally indefensible to allow whites to trade in black areas and to deny that same right to blacks in white areas

"How does one justify to a black businessman, who finds a white-managed chainstore opening next to him in Soweto, that he cannot open a store in Johannesburg where most blacks shop?

"How does one explain to the African Bank, unable to open branches in Johannesburg or Pretoria, for example, that Barclays, Standard and the rest of the white banking establishment are permitted, and indeed encouraged, to open branches in Soweto and Mamelodi?

"Who is being protected by this absurd anachronism? Does the the sophisticated and experienced white business establishment need legislative protection of this kind to survive? Are we afraid of the competition?"

There would be little chance of most black businessmen accepting the 51 49 partnership concept for black areas unless they had at least a reciprocal opportunity in city centres

"After all, estimates are that something like over 80% of black spending takes place in white-reserved commercial areas Surely anyone who can afford rents in the CBDs should be free to trade there?"

Mr Bloom said the concept of removing this glaring iniquity from the statute books had a lot of support

"The Rieckert Commission, for example, recommended the abolition of Section 17 of the Group Areas Act which regulates so-called free-zones by permit I don't believe there is any significant support among businessmen for the retention of this affront to one of the principles of free trade in a capitalist society"

With the serious slap in the face given blacks by the referendum decision it was important to show them that the new constitutional developments were a step in the right direction Removal of section 17 of the Group Areas Act would be the perfect opportunity to demonstrate that the process of reform was for real, he said

"The present system of entrenched trading discrimination causes enormous frustration and bitterness amongst blacks It becomes very hard for them to identify with Western capitalist values and to feel part of the free enterprise system if they are denied one of the fundamental principles of that system"

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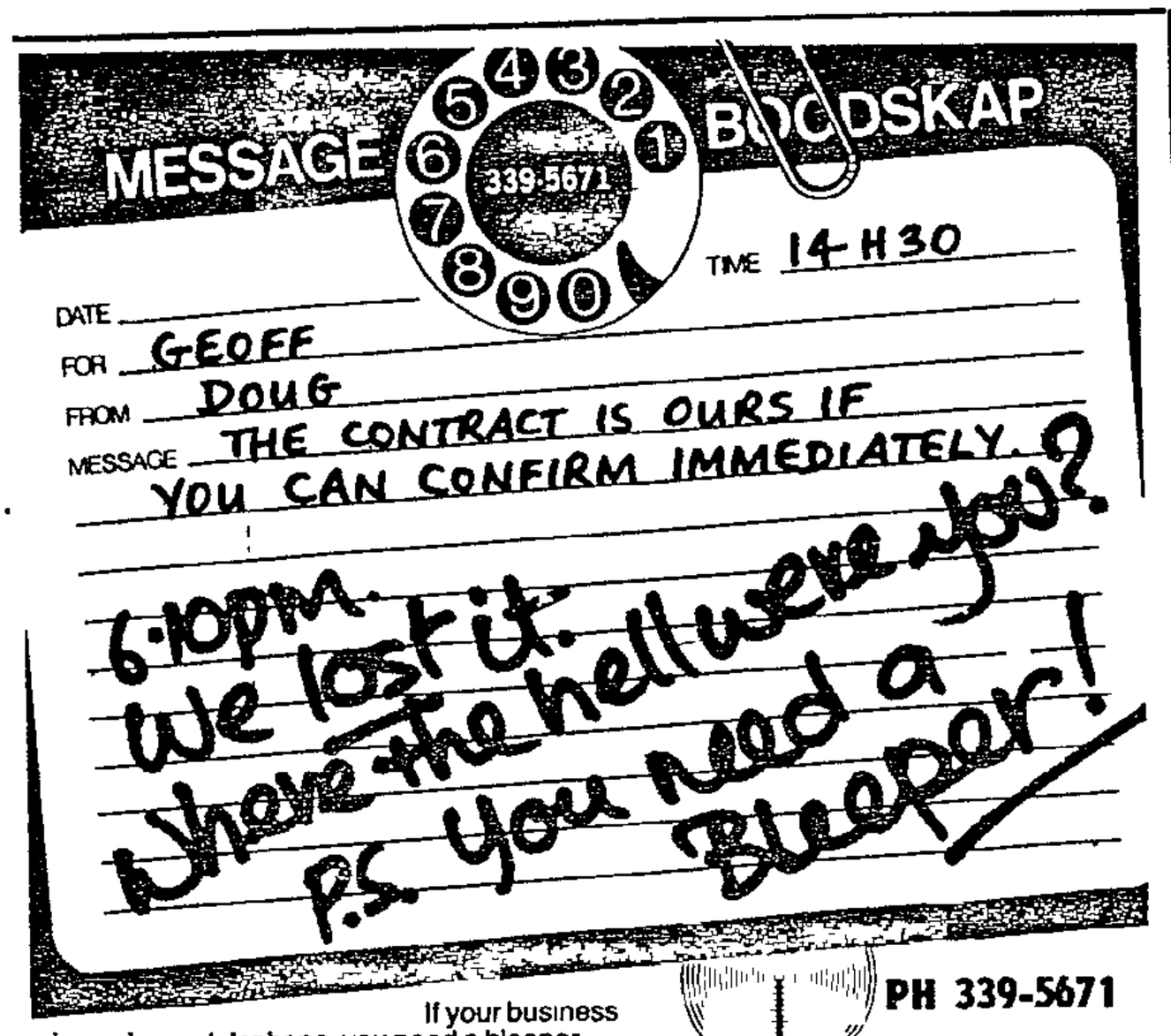

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Bankovs' driving ambition

By BERENICE MARGOLIS

BANKOVS is paying R75 a month into the accounts of clients' whose cars are used for advertising

The bank also offers life insurance equal to the balance motorists keep in their accounts provided they allow promotional decals on vehicles

This is part of Bankovs' strategy to increase market share in car finance

Mr Ben van der Berg, the managing director, described the advertising project as fun and said it would give motorists the opportunity of a welcome increase in income

"The company believes the medium is the message and will contract only models not older than 1980 in top condition The vehicles must also be used daily and cover at least 1 000km a month."

Just a single hiccup as State meets Business

BY ARLENE GETZ

INFLUX control and other labour restrictions came under fire cautiously at the Prime Minister's glittering anti-inflation conference in Pretoria this week

However, the brief criticism by several of the country's business leaders was only a small hiccup in the equilibrium of the slick public relations exercise organised to foster goodwill between state and business

"It is and always will be the job of the government to combat inflation," the Minister of Constitutional Affairs, Mr Chris Heunis, assured the 300-strong gathering

There had to be agreement between the private and public sectors over the importance of breaking the inflationary pattern, he said

Mr Heunis was the last in an array of Cabinet Ministers paraded before the conference to express concern about South Africa's inflation rate, currently running at 10,7%, and reaffirm the government's commitment to free enterprise

Controls

"In the official view, the answer to inflation does NOT lie in generalised direct controls over prices, wages, dividends, interest, imports, capital movements and so on," said the Minister of Finance, Mr Owen Horwood

His announcement of the abolition of the 5% import surcharge was one of the few concrete decisions to emerge from a conference. Some observers criticised this as dodging the real issues

Divided in six groups, delegates spent two hours discussing various monetary and fiscal policies Later group chairmen briefly pointed out to Mr P W Botha that measures such as influx control created "unnecesary hardship" and could contribute to inflation

The managing director of Old Mutual, Mr Frans Davin, reported that his group felt some aspects of influx control could be abolished

Political

Anglo American head Mr Gavin Relly described the financial requirements of influx control and the homelands as two of the "structural" causes of inflation and Dr Simon Brand, executive director of the Development Bank of Southern Africa, said his group was concerned about the effect of expenditure for political purposes

Top South African economist Dr Daniel Franzsen — a deputy governor of the Reserve Bank for 15 years and now a professor of economics at Stellenbosch University — reported concern over the government's failure to implement principles of the Riekert commission.

Although most of the Wiehahn commission's recommendations on labour legislation had been put into practise, little of the Riekert report— which included a recommendation that business areas should be non-racial — had been implemented, said Dr Franszen

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Those at Pachsdraai most enthusiastic about the removals appear to be the tribal elders and the more affluent subsistence farmers

The clan leaders are given 15ha of arable ground each while the higher status inhabitants get allotted land on a sliding scale

But for the less affluent it appears that Mogopa with its easier access to major employment opportunities in the bigger towns is a better prospect.

For most of those interviewed the removals were inevitable because "The Law" had said they must go.

For many, the comparison is between what Mogopa is at present and what Pachsdraai promises to be Comparisons between what Mogopa would be like had the same development resources been pumped into it as at Pachsdraai and the existing Pachsdraai drew blank expressions

Johannes Andrews summed up the situation pertinently when he observed "The Government must be obeyed It is the father and the mother It is the giver of things"

Times 11/12/83

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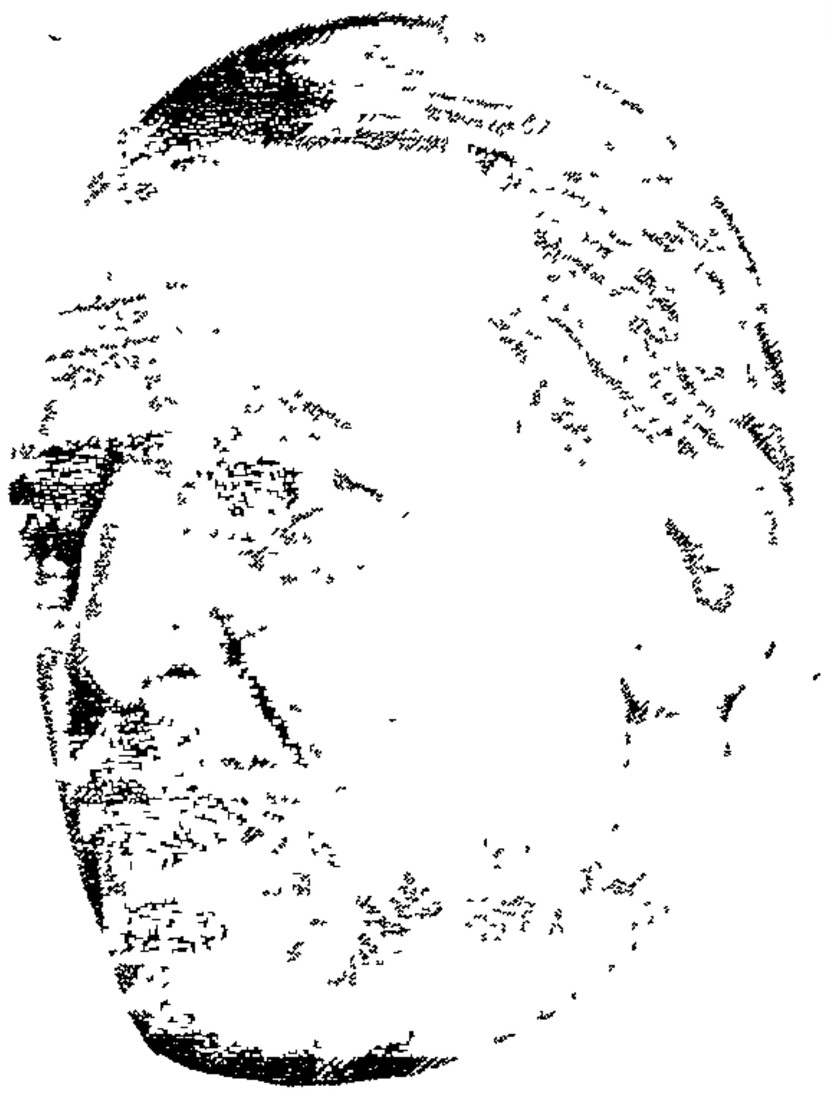

Mr Pik Botha ... influence could be far-reaching

Protest halts human rights group

Times 11/12/83

By PETER DENNEHY

A FUNCTION to commemorate the signing of the Universal Declaration of Human Rights was disrupted yesterday by a union protest

When Mr Tony Bloom, chairman of Premier Milling and a director of South African Breweries, stood up to speak on "The Right to Trade", 14 poster-bearing protesters from the Insurance and Allied Workers' Union burst into the Wesley Hall in Smal Street, Johannesburg

They held up the posters at the front of the hall

One of the protesters claimed Mr Bloom had been party to the firing of 106 workers in denial of their right to the freedom of association

"I disagree with everything they say but would defend to the death their right to say it," quipped Mr Bloom, quoting Voltaire

After his speech, he said he was prepared to meet the unionists' leader "at any time", and had written a letter to this effect

The protest lasted only a minute, and most of the protesters took seats in the 80-strong audience afterwards

Incident

Mr Bloom proposed that unionists and management should work together for the removal of restrictions preventing black businessmen from trading in white areas

Two other speakers later referred to the protest incident

Mr Phiroshaw Camay, general secretary of the Council of Unions of South Africa, said "the rights of workers to pursue their claims non-violently, as the protesters did this morning, should not be interfered with"

Mrs Lindy Myesa, a teacher and community worker, said "picketing" such as that which took place at the meeting "needs to happen, and we need to discuss it"

Mr Jules Browde, the chairman of Lawyers for Human Rights who chaired the meeting, said the issue would

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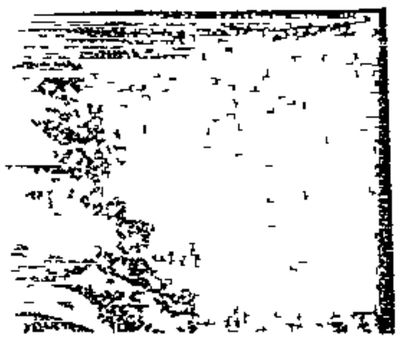

Boycott threat to Croft video sponsor

By RENE DU PREEZ

IN another behind-the-scenes twist to the incident-plagued Windies tour, black-owned video outlets this week threatened to boycott films supplied by a company which is sponsoring Caribbean paceman Colin Croft

The company — Dazzle Video — is sponsoring the Windies quickie to the tune of R300 for each wicket he takes in the six one-day and four four-day tests

But it has brought strong opposition from some black consumers.

Owners of video outlets said they had received many calls this week from customers urging the film boycott.

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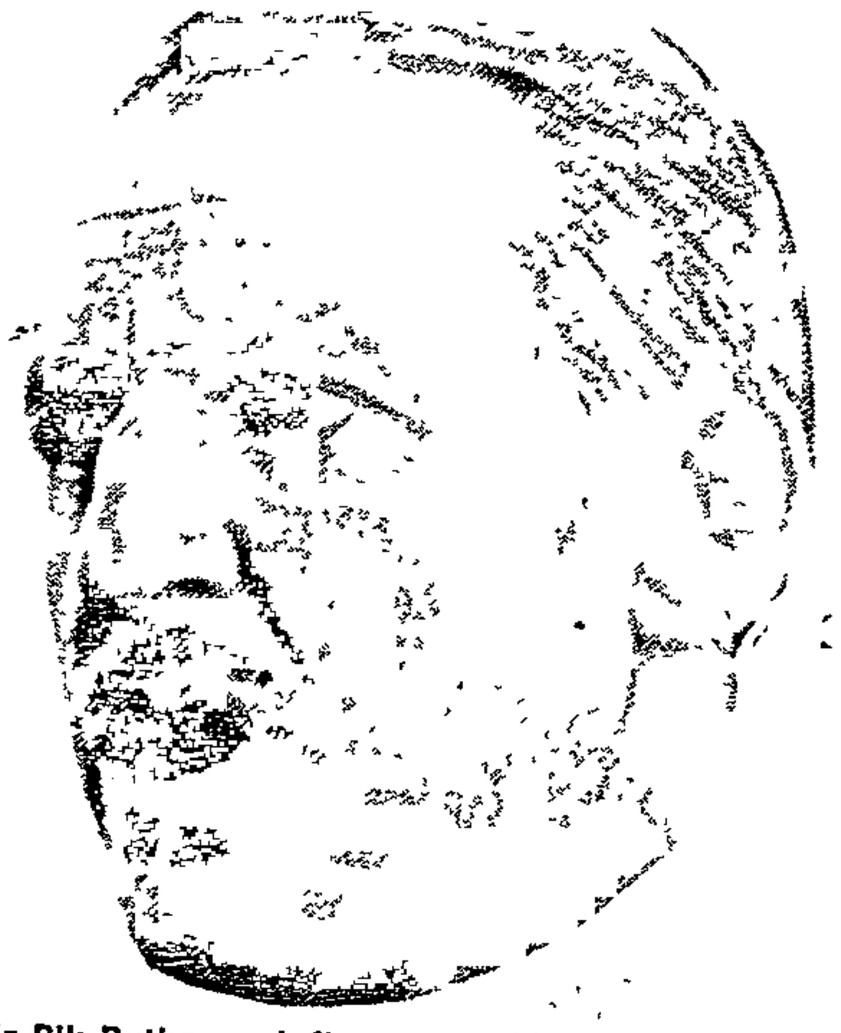

Mr Pik Botha ... influence could be far-reaching

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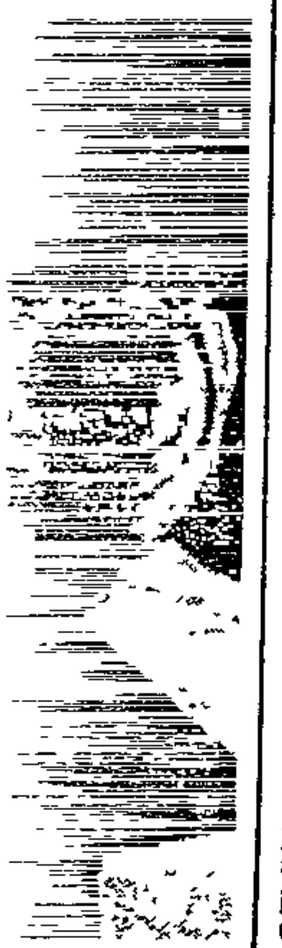

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By RENE DU PREEZ

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Mr Anees Samsodien, assistant secretary of the Western Cape Traders' Association (WCTA) — which has a membership of about 2 000 black businesses, including most of the Cape video outlets concerned — said:

Repugnant

"We condemn these mercenary tourists who have shown themselves prepared to endure this country's repugnant discriminatory laws and laugh them off — as happened in the Croft train incident

"We will support any of our members in whatever legal way they wish to demonstrate their disgust"



But the managing director of Dazzle Video, Mr Manne Padowitz, said the, video store owners who were adopting this attitude were "ill-informed" and were viewing the sponsorship in the "wrong light"

About the threatened blacklisting of his distributing company, Mr Padowitz said: "These video owners threatening to discontinue stocking Dazzle videos will just fizzle out

Delicate

"My company agreed to sponsor Croft because of this player's willingness to take a chance with a delicate operation (for a pinched nerve) so as to fulfill his obligation to the South African Cricket Union.

"And as the South Africa Cricket Union has gone to great expense in helping to keep international cricket on the road for the benefit of all South African cricketers, I believe any assistance, however small, would help to make this an on-going thing

"My company does not regret in any way its decision to sponsor Croft as it is of benefit to all in this country."

Mr Shaflek Jangoodien

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CHETTY

Councillor,
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new tricameral Parliament.

"These rumours are being spread to discredit us and to prevent people from supporting the party we are going to form.

"Since we made it known that we were going to form a new party, scores of influential people from Natal, the Transvaal and the Cape have told us that they would actively support us

speak on The Right to Trade", 14 poster-bearing protesters from the Insurance and Allied Workers' Union burst into the Wesley Hall in Smal Street, Johannesburg

They held up the posters at the front of the hall

One of the protesters claimed Mr Bloom had been party to the firing of 106 workers in denial of their right to the freedom of association

"I disagree with everything they say but would defend to the death their right to say it," quipped Mr Bloom, quoting Voltaire

After his speech, he said he was prepared to meet the unionists' leader "at any time", and had written a letter to this effect

The protest lasted only a minute, and most of the protesters took seats in the 80-strong audience afterwards

Incident

Mr Bloom proposed that unionists and management should work together for the removal of restrictions preventing black businessmen from trading in white areas

Two other speakers later referred to the protest incident

Mr Phiroshaw Camay, general secretary of the Council of Unions of South Africa, said "the rights of workers to pursue their claims non-violently, as the protesters did this morning, should not be interfered with"

Mrs Lindy Myesa, a teacher and community worker, said "picketing" such as that which took place at the meeting "needs to happen, and we need to discuss it"

Mr Jules Browde, the chairman of Lawyers for Human Rights who chaired the meeting, said the issue would not be pursued, but he felt sure Mr Bloom would discuss it afterwards with those involved

Heritage

Professor Johan van der Vyver of the University of the Witwatersrand said South Africa's legal heritage itself did not conflict with human rights

But legislative deviations from these legal principles made South Africa the target of international condemnation

Mrs Deborah Mabiletsa, director of community affairs for the Urban Foundation, said South Africa's record regarding human rights had "got worse", and was bound to do so as long as apartheid policies were pursued

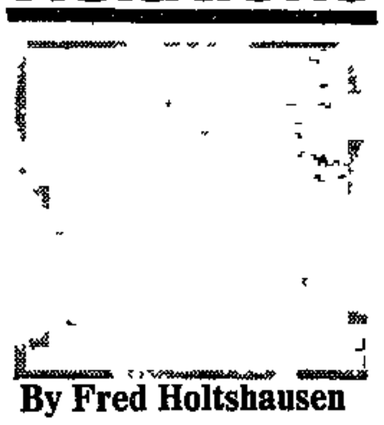
Mr Cassim Saloojee, a member of the Transvaal executive of the United Democratic Front, spoke on the right to shelter

He said withholding shelter was a powerful means of control,

"Only when the land belongs to the people and the people govern will we be able to establish the right to shelter," he said

Industry has left supervisors out in the cold too long

Industrial Relations



By Fred Holtshausen

Supervisors, industry's front line managers, have been left out too long in the cold Now South Africa is paying the price Neglect of the shop-floor communication process has allowed conflict to escalate quite unnecessarily.

Many grievances and disciplinary problems which should have been dealt with at shop floor level have by-passed the supervisor and turned into severe conflict situations

Many have culminated in strikes and some ended in the Industrial Court, often to the detriment of management

It is basic to industrial relations that conflict be resolved at the lowest possible level.

That makes the supervisor vital

As the man in the middle, he is daily called upon to solve problems to the satisfaction of the worker and top management At least, he should be

A point which most managements would do well to ponder in most cases trade unions do not make a first-time approach directly to an employer.

Research indicates that unions usually become involved after they are approached by workers who have not been able to obtain satisfaction for their grievances More often than not, these grievances could and should have been settled on the shop floor.

The supervisor has to decide whether to handle an issue himself or refer it elsewhere But he has little experience or training in problem-solving and even less in the management of conflict.

In fairness to the supervisor, management needs to take the following basic steps

- Clarify the supervisor's job, the scope of his responsibility and the extent of his authority
- Up-grade the status of the supervisor and establish the job as a launch-pad into a management career, rather than a dead-end
- Attract and retain better qualified supervisors by improving salaries and reducing the differences in privileges and prestige given to other functional managers and to senior management itself
- Ensure that the supervisor is involved in the procedures set up to deal with grievance or discipline and in any discussions to set up such procedures.
- Inform supervisors of what is happening in the company — and why — and consult with them on matters of work methods, productivity, IR, product changes, their own jobs and any other matters on which they can relay the probable reaction of their work groups.
- Train supervisors not only in the traditional planning, leading, organising and controlling activities· give them training in negotiating skills

Negotiation is not just the collective bargaining process for wages and recognition undertaken by specialists at the top of the organisation (unless you particularly want toilet paper issues to be discussed at board level)

Atkinson, author of "The Effective Negotiator", correctly points out that "negotiation is to confer with another, with a view to compromise or agreement"

Perhaps the senior manager should take another look at why he appointed his supervisors. Was it because the supervisor was qualified in the functions mentioned above (or suitable to become qualified)?

Or was it, instead, because he is a long-standing employee with whom you feel comfortable?

Fred Holtshausen is an industrial relations consultant

More boardroom battles for succession expected

ARGUS 4/1/84 172

By PETER FARLEY

THE emergence of corporate South Africa into a 1984 fraught with economic uncertainty poses more far-reaching questions than those offered by the world economy and the gold price

A subject close to the hearts of many JSE-watchers is the question of succession in the country's leading business giants

The withdrawal of Mr Harry Oppenheimer from centre stage in August 1982 presented easily the most significant shift of power, but many more undercurrents of change are beginning to surface

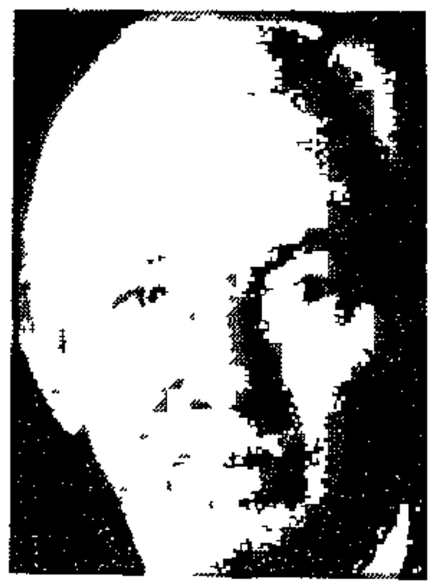
With the stakes so high, given the increasing consolidation of power in local business circles, there are likely to be many casualties in the next few years



Mr Gavin Relly



Mr Nicholas Oppenheimer



Mr Mike Rosholt

PECKING ORDER

The position at Anglo American is probably the most important, due to its dominant role And although to an outsider the pecking order may appear clearly established, it is far from cut and dried

It is no secret that Mr Oppenheimer would like to keep the family name at the head of the corporation With this in mind his son, Mr Nicky Oppenheimer, has been groomed for the task But the days of an Oppenheimer back in the hottest seat on the South African business scene may be a long way off

Mr Gavin Relly has taken over the reins at 44 Main St, and it was at first thought that his would be only a caretaker role until Mr Nicky Oppenheimer had learnt the ropes well enough to take over But two question marks hang over this.

The new guard at Anglo is anxious for Nicky to prove himself in the corporate battlefield before taking control of one of the world's biggest conglomerates

His experience in the nitty gritty has, until now, been fairly limited But, more important, it has been suggested that he is not so keen on taking father's place

Mr Relly and Mr Graham Boustred, chairman of Anglo's industrial arm AMIC, are firmly in the driving seat

But both are fast approaching 60, and a longer-term solution must be found The man tipped to take over is Mr Julian Ogilvie-Thompson, deputy chairman of De Beers

Known in the Anglo empire as JOT, he is regarded as the best candidate because of his keen business acumen and the way he lives up to the established image of an Anglo chairman But even for someone of his standing it will be no easy task Mr Harry Oppenheimer's is a difficult act for anyone to follow

Anglo's big competition, the combined General Mining Union Corporation group, has probably even more boardroom problems to surmount

Already firmly split after last year's torrid infighting between major shareholders Sanlam and Rembrandt, the Afrikaans business giant is thought by many observers to be openly courting disaster with its apparent plan to rule by committee

Executive chairman Mr Ted Pavitt, while remaining at the head of the group, is shifting out of the firing line and leaving the day-to-day business in the hands of the heads of the five major divisions

Gold and Uranium chief executive Mr Johan Fritz will be one of the strong men in this group, while industrial division chief Mr Basil Landau will also be a strong contender

With both these men in their mid-fifties, and other potential candidates a good five years older, it is likely a new chairman will emerge from these two as Mr Pavitt, now 65, must shortly leave the scene

Another interesting scenario is that presented by the changing face of the executive team at Barlow Rand Chairman Mr Mike Rosholt has signalled his intention to retire in the next two years with the appointment of Mr Warren Clewlow as his number two

Loosely titled chief executive officer, Mr Clewlow is in a newly created position which effectively forms a buffer between Mr Rosholt and the heads of the various operating divisions While he is not yet confirmed as chairman-designate, the signs are clearly there

But a question mark hangs over Mr Clewlow's ability to hold together a corporate structure which is strengthening through the growing stature of its individual components

There are several ambitious men at the helm of some of the most successful group subsidiaries who also have their eyes on the top job

The growing influence of insurance giants Old Mutual and Sanlam also places the question of succession in the balance The men at the helm, Mr Jan van der Horst and Dr Fred du Plessis respectively, are nearing retirement No obvious successor to either comes to mind

Both companies clearly reflect the philosophies of their chief executives, but both companies have to some extent lost their investment direction in the past year or so

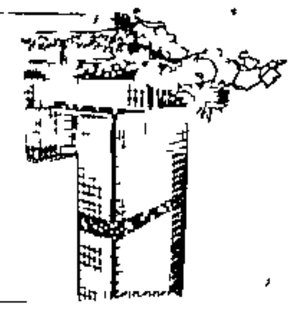
A firm hand will need to take control if these two are to become the driving force in business that their size suggests they ought to be

HAZY PICTURE

Overall, there is a rather hazy picture as to who will emerge at the top of the business heap in the next couple of years But, apart from the apparent problems in filling the chief executive roles, their is no obvious heir to Mr Harry Oppenheimer as the doyen of SA business

In the past year Mr Mike Rosholt has taken on the mantle of the dean of the English-speaking business commmunity, but with his days also numbered there is no strong candidate who stands out above the others

These uncertainties make for a lack of cohesion in the business community which, if not resolved without too much blood being spilt, could prove more difficult to surmount than the economic problems all businesses now face



PROBLEMS OF RACE

(172) FM 20/1/88

It seems that it is not going to be easy to establish a body to promote the interests of supervisors of all races in SA.

Formed last year the SA Institute of Supervisory Management aims at establishing supervisory management as a profession and enhancing the competence and prestige of supervisors.

However the institute has already come under fire from the white SA Iron, Steel and Allied Industries Union. In a front-page article in its mouthpiece The Voice of Workers the union takes particular exception to a statement issued by the institute that it expects its membership to be predominantly black but as the institute is non-racial and non-political membership will also be available to white supervisors.

The union says it has no objection to the formation of a body to promote the interests of white workers and it strongly urges its members not to have anything to do with the institute.

This stand has provoked an angry response from the institute. "The emphasis has been on the black supervisor," says a spokesman. "This arises only because the population growth over the next 20 years will result in a demand for jobs and supervisors among the blacks that will heavily outnumber a similar demand for the white. Of course we expect more black members than white members. Nevertheless, white members will be as necessary as they will be welcome."

More blacks holding middle-level positions

172 Star 16/2/84

By Sheryl Raine,
Pretoria Bureau

The number of blacks holding middle-level jobs in South Africa has increased dramatically over the last 15 years, a Human Sciences Research Council (HSRC) study has shown.

The percentage of whites who hold clerical, sales, artisan and supervisory jobs has decreased from 82 percent in 1965 to 66 percent in 1981 while the other population groups have more than doubled their participation in these fields

The falling percentage of whites at the middle-level of the country's manpower structure does not mean, however, that the actual number of whites in such jobs has decreased, but merely that the proportion of whites to non-whites has decreased

Black men and women of all races have begun to play an important role at this level of employment

In 1965, for example, only nine percent of clerical workers were black By 1981 the percentage had increased to 18 percent.

The number of black foremen and supervisors has also increased. In 1965 only 13 percent of these posts were held by blacks but this had increased to 26 percent by 1981.

In 1965 about 88 percent of all artisans were white This dropped to 73 percent in 1981.

Only 0,4 percent of those who were employed as artisans in 1965 were black. By 1981, six percent of all artisans were black

Even more dramatic than the population-group shifts in the labour field are the changes in male-female ratios in middle-level jobs

While 59 percent of the white clerical workers in 1965 were women, the percentage increased to 75 percent in 1981.

CLERICAL FIELD

The participation of Indian and black women in the clerical field increased more than six-fold during the same period

According to the HSRC study these changes could have taken place because of a sharp increase in the number of pupils who obtained higher education

The number of coloured pupils who obtained matric with university exemption increased at the highest annual rate — 14,5 percent a year — for the period 1970 to 1980

The rates for Indians and blacks over the same period were 21 percent and 13 percent respectively.

The number of white matriculants with exemption increased at a rate of only 5,3 percent

Although the number of trainees enrolling to become tradesmen increased from 10 800 in 1970 to 14 400 in 1982, the HSRC said there would still be a shortage of artisans in the short term

● See Egoli on Page 11, World section.

Encourage talented blacks — Wits expert

'Dramatic action' call on manager shortage

By Malcolm Fothergill

Most companies hardly think about developing managerial talent, let alone do anything about it, says Mr Stephen Black, director of the Centre for Developing Business at Wits University's Graduate School of Business Administration

"If this country is to maintain and expand an economic base that will give all its inhabitants employment, the number of managers, of whom a large proportion must inevitably be black, has to increase dramatically," he says in the latest Business Alert published by the university

"Apart from some notable exceptions, it is the writer's experience that systematic plans for the development of managerial talent, and especially black employees with potential, are absent from the human resources activities of most companies"

Compared with countries overseas, South Africa is badly out of line in the ratio of managers to other employees in its organisations.

"This situation cannot be allowed to deteriorate if we are to avoid disruption and chaos on a number of fronts."

In South Africa, some 5,5 percent of the economically active population is at the skilled and managerial level, compared with 14,7 percent in the UK and 24,7 percent in the US.

"The ratio of management to skilled, semi-skilled and unskilled workers is 1 52

"In the US it oscillates between 1 15 and 1 10

"This means that the economy cannot maintain and increase its momentum until something is done to change the ratio in this country

"The degree of responsibility which is placed on the white manager is becoming increasingly intolerable and unacceptable from a health view alone.

"The projection for the year 2000 indicates a rapidly deteriorating situation."

One author has calculated that between 1980 and 2000, only 46 000 of the 210 000 extra executives the country will need will come from growth in the white labour force

"It is obvious that this country cannot expand and create new job opportunities as long as almost all management and other higher-level jobs have to be filled by whites."

Mr Black says some companies maintain that to pay specific attention to black management development is wrong and is, in a sense, reverse discrimination.

"Appointments, they maintain, should be made on the basis of the most able individual who is ready to fill the position

"This is a short-sighted policy and does not take into account the actual grave shortage of management material which will reach even more serious proportions in the years to come

"It is unrealistic to suggest that advancement will proceed only on merit because this assumes that all other factors concerning white and black employees are equal, which they are not

"Targets for the posts to be filled by black managers must be set, and a programme of action instituted so that the necessary coaching and training takes place

"It is only by this method that companies will increase their proportion of black managers."

'Black businessmen hold key to solving job problems in SA'

By LOUIS BECKERLING
Business Editor

BLACK businessmen held the key to solving South Africa's most pressing problem — the creation of employment for a growing army of job-seekers, said Mr Louis Rive, author of the "Rive Plan" for upgrading living conditions of blacks in the Eastern Cape..

Unless this problem was resolved "immeasurable misery" lay in store for all South Africans, he said

Formally opening the R850 000 industrial park established in Kwazakele by the Small Business Development Corporation (SBDC), Mr Rive said today the indescribable misery experienced throughout the major part of Africa — "unemployment, hunger, famine, disease and despair" — bore testimony to the consequences of failing to balance job opportunities with jobseekers

"What can we do about it? The answer lies in the hands of the black man Only he can achieve the balance

"He must stand up and realise that if he wants to help stave off disaster he must no longer be satisfied to be an employee only — he must become an employer, he must help create the jobs so sorely needed for his people.

"I have no doubt in my mind that the whites are not able to do it alone."

He said blacks did not need handouts, but a helping hand to acquire "their rightful share" in the country's economy".

Mr Rive said this summed up the approach of the SBDC and the new industrial park.

Added incentive to the development of a burgeoning black business sector would come from the simplification of business registration and administration envisaged by the Close Corporations Bill, he said

"Its basic purpose is to simplify procedures surrounding the formation, registration, management, and control and liquidation of such corporations (limited to a corporation of between one and 10 persons)

He said it was his wish that this would help black businessmen to find their feet.

Commenting on the completion of his plan for upgrading living conditions for blacks in the Eastern Cape, Mr Rive paid particular tribute to the chief director of the Eastern Cape Development Board, Mr Louis Koch, and the board's chief commissioner, Mr George Reynolds

● See Page 14

Tax-free perks big part of MBA salaries survey

SIGNIFICANT proportions of the earnings of MBA graduates from the University of Cape Town are in the form of tax-free fringe benefits, a survey shows

This is particularly true of those who have gone to England where the average salary, at R17 000 a year, is far lower than in South Africa but where fringe benefits are worth an average of R27 000 a year, bringing total earnings to R44 200

Another surprise result of the survey, in which 46 percent of the 1983 MBA graduating class took part, was that slightly higher average starting salaries were paid in the Cape than in the Transvaal

But those going to the Transvaal were in fact better off because their fringe benefits were worth more. Those in Natal fared best with the lowest salaries and highest fringe benefits

Starting salaries in the Cape averaged R32 351 a year and fringe benefits R3 583, making a total package of R35 934, compared with starting salaries of R31 268 in the Transvaal and fringe benefits of R7 313, making a total of R38 581

In Natal starting salaries averaged R31 000 and fringe benefits R8 000, making a total of R39 000

In the United States, starting salaries averaged R35 000 and fringe benefits R6 000, making a total of R41 000

The average age of the graduates was 31, with five years' business experience, and 56 percent took jobs in the Transvaal after graduating while 27 percent stayed in the Cape.

BEFORE AND AFTER

Taking the degree made a difference, on average, of more than R5 000 a year to salaries and more than R7 000 to total remuneration.

Before taking the MBA they earned an average of R25 015 a year plus R5 430 in fringe benefits, making a total of R30 445

After it they earned an average of R30 981 plus R7 130 in fringe benefits, making a total of R38 111

Those who took jobs in finance fared best, with average starting salaries of R31 696 and fringe benefits worth R14 940, totalling R46 636

The worst off were those going into production with starting salaries of R25 750 and fringe benefits of R2 000, totalling R27 750.

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Attitudes in Afrikaans business sector changing

By Andre Viljoen

Undoubtedly the most interesting aspect of the Afrikaanse Handelsintituut Congress which wound up in Durban on Thursday, was the significant change in attitude of the Afrikaans business sector towards Government's handling of the economy

Retiring president of the AHI, Mr Hennie Klerck, pulled no punches. He accused the authorities of an apparent lack of competence and warned that the Afrikaans business community was losing faith in the way the situation was being managed

We are heading backwards, he said, and as the years pass, the country, in real terms, is becoming more and more impoverished.

He pointed, for instance, at the 13 percent drop in living standards over the past two years, the increasing fall in production utilisation, the sharp increase in unemployment and the inflation rate which was still too high to allow South Africa to compete effectively in international markets

His critical attitude was echoed by a number of speakers who made it clear that Government interference in the economy, while it may have been necessary a few years ago, given South Africa's developing status, was now becoming more and more hamhanded and even directionless

Speaker after speaker called for the adoption of national strategies in terms of which, for once, proper guidelines and approaches to business would be spelt out They also called for private sector participation in the determination of these strategies to create a greater commitment to them.

Examples of strategies called for include tourism, agriculture, transport and small business development, with the abolition of what delegates referred to as the plethora of red tape and restrictive regulations.

Dr DCJ de Jongh, referring to the Kleu Report which advocated an industrial development strategy which, through exports, would ultimately replace the mining industry as the country's major earner of foreign exchange, appealed to the authorties to open industry to international competition

If South Africa was to take its rightful place in the world, he said, a cost-benefit analysis of the establishment of free export industrial areas should receive urgent Governmant attention

Support for this line of thinking was apparent from many speakers But, they argued, to even consider competing internationally, it was essential to lower the inflation rate

An economic strategy with growth as the primary aim, a policy to increase export capabilities and a considerable decrease in the cost of money and capital to stimulate development, were essential

Dr Chris Stals, senior vice-president of the Reserve Bank, took a firm line, however, and said that there was no immediate end in sight to Government's strict monetary policies and that interest rates would remain high in the short-term

POLICY

He said that Government was determined to see through its policy which he defined as curbing the money supply, lessening liquidity and curbing private sector spending. The policy would not change until there were definite signs of an improvement in the balance of payments situation.

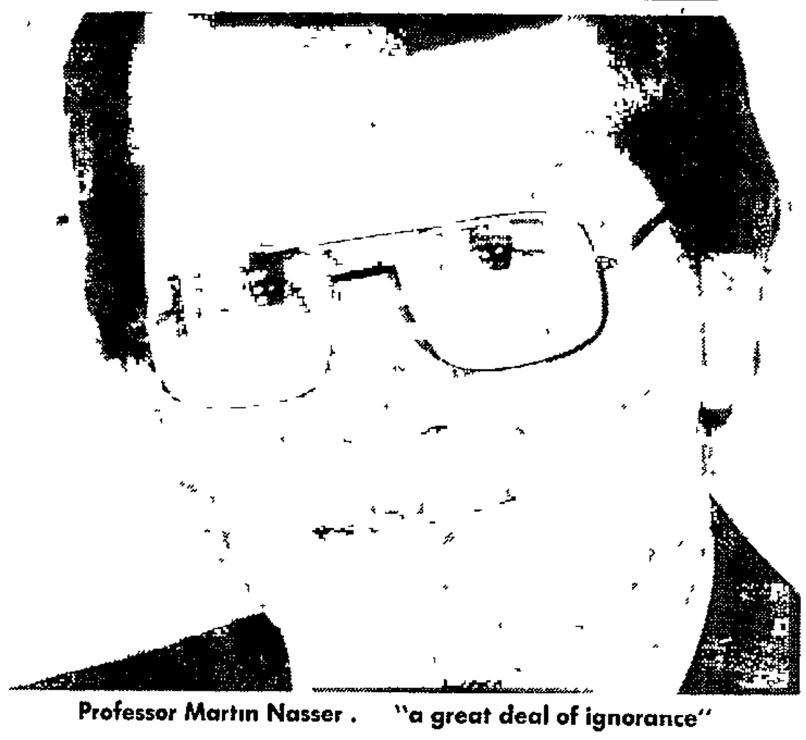
An interesting development at the Congress was also the emphasis laid on the development of the small business sector with speakers calling for greater co-operation across racial barriers, and the opening of industry to entrepreneurs of all races.

Dr Dawie de Villiers, Minister of Commerce, Tourism and Industry, made the point that Afrikaans business had gone through developmental phases and that in the "adult" stage, where it now was, Afrikaans businessmen faced a great challenge in encouraging and assisting entrepreneurs of all races to get more involved in the economy, not only as workers, but as capital generators as well.

This shift in emphasis was widely supported at the Congress and hopes were expressed that greater co-operation with the National African Chamber of Commerce would be established

Most workers see no benefits in free enterprise

SA survey does not augur well for bosses



Professor Martin Nasser . "a great deal of ignorance"

By Gary van Staden, Political Staff

Bosses of South Africa, unite and educate — or your workers will rush into the arms of Socialism

So says a survey released recently It examined the attitude of labour forces to the free-market system, finding that free enterprise is under fire and the writing on the wall for South African commerce and industry

Most of South Africa's workforce — mainly unskilled and semiskilled labour — sees no benefits in the free enterprise system for anyone but the upper levels of management This perception is not confined to black workers It includes sections of other population groups — including whites

Ignorance

The survey, Project Free Enterprise, was headed by Professor Martin Nasser and confirmed what many labour and financial experts have been telling the South African Government for years

"A great deal of ignorance about business and free enterprise exists among corporate employees in South Africa Such ignorance is particularly predominant among the less educated, unskilled and semiskilled workers"

The survey concluded with a warning that the findings do not augur well for the future of industrial relations in this country

Respondents from a broad cross-section of the economic sector were asked to pinpoint the areas in company running costs where the most money was spent, and how they saw the distribution of company profits

In the former category, respondents said the greatest part of running expenses went to paying the salaries of managers

Discrimination

The percentage of capital allocated by the workers for this purpose varied between 49 and 56 percent in the case of unskilled workers, to between 35 percent and 51 percent in the case of semiskilled workers

In marked contrast the wages of non-managerial staff were seen to account for an average of just four percent.

Workers in the poorly educated and unskilled category allocated only one percent of running expenses to this purpose

The inescapable conclusion is that workers feel grossly discriminated against in the area of salaries and wages. They see an average of more than 50 percent of running costs in a company being spent on a minority of managers and bosses, while the majority have to be content with less than five percent It is only among the higher-educated skilled workers that this perception begins to change

Shareholders

The results of the "Distribution of Company Profits" category revealed an even greater misunderstanding of the business system There was a total lack of regard for shareholders, and not one of the unskilled respondents was aware that they even existed They also disregarded the need to buy machinery and raw materials or spend money on advertising

There was a higher awareness of the need to use profits for financial and capital investments, but by far the largest slice of company profit was seen to wind up in the pockets of managers

Workers earning less than R200 a month responded that 85 percent of profits were used to pay bonuses and provide salary increases for management, while only one percent was set aside to provide the same benefits to other employees

Among workers earning up to R1 000 a month this perception altered only slightly, with 72 percent of profits seen as being allocated to management and 12 percent to the workforce

Other variables, such as occupation level and education level, produced similar results The lower the respondents' education and skill levels, the greater the perception of magagement gain

Prosperity

The findings of the survey under the "running expenses" factor are thus reinforced by those under "profit distribution"

The workers, armed with little or no knowledge about how business functions and distributes profits, have reached the conclusion that their work will bring no reward for themselves, but mean increasing prosperity for the business owner

Other survey findings were:

- An alarming number of lower category workers see price increases in the commodities they produce and the employment of fewer whites as means of obtaining wage increases If this should fail, the company can always borrow more money from the bank or the Government to pay them more
- Increased productivity and greater mechanisation are dismissed as methods of improving output

Conclusion one: The survey found a South African workforce that sees few opportunities for personal gain under a free enterprise system, a workforce that perceives a very well off management stratum, while workers languish in poverty; a workforce that neither understands the functions of business nor has a commitment to preserve those functions

Conclusion two: There is massive potential in South Africa for industrial unrest

Conclusion three: The workforce is ready to accept the concept of Socialism

Solutions: Professor Nasser says there are few short-term solutions to the problems What is required is a long-term programme introducing business and free enterprise economics as a compulsory subject in all high schools

Assumption

Free enterprise cannot rest on the assumption that it's a beneficial system for everyone — it must be seen to be so

- **NOTE: The authors of Project Free Enterprise have pointed out that South Africa does not have a true free enterprise system, and that when free enterprise in South Africa is defined and discussed it must be seen in that context. They make special reference to the control of supply and demand by Government boards, and to the fact that different race groups are confined to certain geographical areas.**

SURVEY DETAILS

Project Free Enterprise was carried out by the Unisa School of Business Leadership under the direction of Professor Martin Nasser and sponsored by the Human Sciences Research Council and Barclays Bank.

The researchers distributed 3 723 questionnaires to 78 organisations with labour components of 100 or more. The organisations were situated in the Western and Eastern Cape, Natal and the PWV triangle and spread throughout the major economic sectors.

The respondents were asked to distribute a 100 percent total score among different factors according to the importance they attached to each.

Of the total number of questionnaires handed out either in group sessions (in the case of literate respondents) or completed in interview sessions (in the case if illiterate respondents), 76 percent were sufficently complete to be included in the data base.

Blacks advancing into management

(172) E. Post 14/7/84

Weekend Post Reporters

THE East Cape motor plants showed this week how they have steadily increased the number of African and coloured employees filling managerial, supervisory and technical posts over the past five years

Their disclosures followed publication of the University of South Africa Business School report saying blacks throughout the country resented the free enterprise system

One of the report's recommendations was that companies pay greater attention to eradicating racial discrimination and increase the number of Africans and coloureds in higher-level positions.

Mr Fred Ferreira, director of industrial relations at Ford, said the first few blacks were appointed to supervisory positions at Ford before the mid-1970s.

By December 1, last year, 112 African and coloured employees — 17,4% of the total — held salaried supervisory positions at Ford

He said this was a considerable increase compared with 1978 when only 5,5% held supervisory positions — a high percentage compared with prevailing employment trends at the time

He said this was a result of the company's equalisation programme which aimed at creating "equal opportunities for people of equal merit", irrespective of race, religion or sex

This had been prompted by the shortage of whites filling supervisory, managerial and technical positions and the company's commitment to creating equal opportunities

But the company had not managed to upgrade as many blacks to higher level positions as they had hoped to This was because they had struggled to find suitably educated candidates and the company's own training programme was a long-term one, Mr Ferreira said

"It's also not as easy to transfer black supervisors to Port Elizabeth because once you have overcome restrictions on their mobility you still face the housing backlog in the townships"

In 1977, Ford became a signatory to the Sullivan Principles, which aimed at improving the quality of life of black South Africans in and outside the workplace

However, in 1979 Ford commissioned an investigation to assess the extent to which these principles were being adhered to within the company One finding was that, in reality, black employees had to be better qualified than the white candidate to obtain a promotion

Mr Ferreira said the company had found it difficult to eradicate prejudice overnight among their white staff, who were often responsible for making decisions about who would be promoted to work with them

He said Ford was currently working on a five-year plan which aimed to increase the current figure of 17,4% of African and coloured employees in supervisory and managerial positions to 25%

Mr Graham Hardy, press affairs manager of Volkswagen, said 51% of Volkswagen's 278 apprentice artisans were black

The company had an employee advancement programme which aimed at training and uplifting people from within the ranks, irrespective of their racial groupings

As a result of this and the shortage of skilled labour, many Africans and coloureds had risen rapidly into skilled categories

The company also had more than 100 black supervisors and foremen at present, some of whom supervised whites as well

In 1981, there were only two qualified black artisans in the country, both of whom were from the Volkswagen apprentice school, while it had also produced the first three coloured die and press toolmakers in 1971

In 1978, Africans and coloureds comprised only 20% of employees in the top four hourly-rated grades Now they were 53% of employees in these grades

Mr Peter Sullivan, General Motors' public relations manager, said the number of blacks in GM salaried positions had increased 75% since 1979 and now represented more than 10% of the plant's salaried workforce, compared with only 4% in 1977

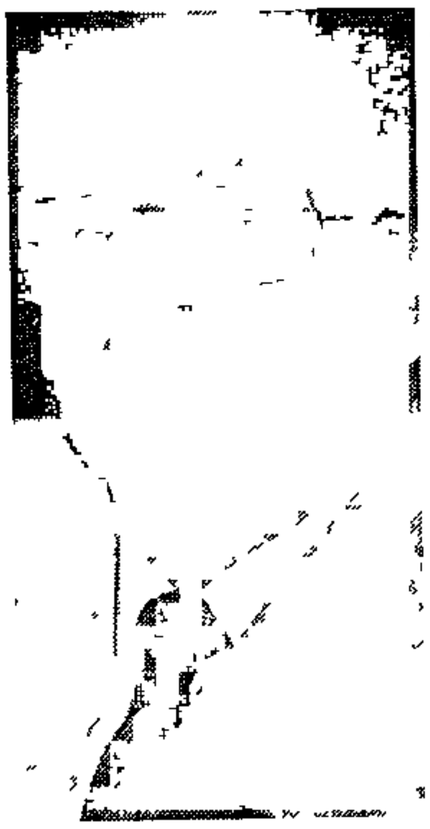
The positions occupied range from managerial and supervisory posts to jobs requiring specialist technical and professional skills and qualifications

General Motors had conducted several programmes aimed specifically at orientating and developing high-potential black employees for advancement

The company's pre-foreman and co-op technician programmes and the college-graduate-in-training programme were examples of programmes designed to orientate and train blacks in company operating practices

Such programmes also identified individuals having the potential to progress to positions of greater responsibility and ultimately supervisory and management status

At present, half of GM's total apprentice trainee complement was black and during the past three years 13 black apprentices had qualified



Mr FRED FERREIRA ... 112 supervisors

Further, since 1980, more than 800 black hourly-paid employees had benefited from formal training in welding, metal finishing and other skills development programmes, resulting in movement to higher work grade classifications as skills were acquired

Recognising that education was also a key factor in employee development, GM operated several in-plant programmes to help employees further their education and to prepare themselves for advancement

The company's tuition refund plan for employees provided funding in advance to black employees enrolling in part-time study courses

To help black employees get a technical education, preparatory classes were conducted in the company's training centre after working hours by plant training instructors and personnel from a local technical school

Só leer werkers vryemarkstelsel

15/7/84 (172) Beplant

Deur DEON BASSON

OPLEIDING wat werkers touwys maak in die werking van die vryemarkstelsel is wel beskikbaar. En dit word wel aan werkers gegee Sover Sake-Rapport kon vasstel, met bemoedigende resultate.

Ná die uitreiking van 'n verslag oor die vryemarkstelsel deur Unisa se Skool vir Bedryfsleiding wat verbasende feite oor werkers se sienings oor die werking van die vryemarkstelsel aan die lig gebring het, het moontlike opleiding om dié probleem die hoof te bied weer skerp in die kollig gekom.

Sake-Rapport het verlede week berig dat die voorige hoof van die Skool vir Bedryfsleiding en nou LV vir Waterkloof, dr Org Marais, meen dat opleiding wat werkers 'n insig gee in die werking van 'n maatskappy kan help om werkers se siening te verander

Sake-Rapport het dié week aanlegte van Nampak en Metal Box besoek waar opleidingsessies van die sogenaamde 6M-kursusse aan die gang was

Aandeelhouers

In die kursusse word die werking van 'n maatskappy op 'n praktiese wyse aan werkers voorgestel Skaalmodelle van die aanleg, die maatskappy se hoofkantoor, 'n handelsbank, toerusting, geld, grondstowwe, mededingers se aanlêe en klaarprodukte help om die boodskap op 'n visuele grondslag aan werkers oor te dra

Sake-beginsels soos waar 'n maatskappy geld kry om 'n fabriek op te rig, word ingeskerp Ander aspekte soos die feit dat aandeelhouers ook belange het, dat loonverhogings dalk die maatskappy se produkte minder mededingend kan maak en die verdeling van winste kry ook aandag

Die voorstellings is in beginsel dieselfde as die bekende spel Monopoly Byvoorbeeld, as 'n onderneming lone sou verhoog, kan die wins dalk minder wees wat weer groei en werkgeleenthede kan benadeel

Die opleiding bestaan uit vyf modules wat in vyf sessies van sowat twee uur elk aangebied word

Getoets

Mnr Shaun Beazley, groep-opleidingsbestuurder by Metal Box, is baie tevrede met die resultate wat behaal word Hy sê dat werkers byvoorbeeld voordat die kursusse aangebied was, in die algemeen geglo het dat die aanlê aan die besturende direkteur behoort en dat winste in sy sak beland

Ná 'n kursus word werkers ná drie maande weer getoets en kan 'n sterk verskuiwing in hul siening gewoonlik waargeneem word



OPLEIDING word wel aan werkers gegee sodat hulle die werking van ' markstelsel beter verstaan

Die maatskappy het reeds 347 blanke en 3 019 swart werkers op die kursus gestuur

Die kursus word aangepas om in te pas by die praktiese situasie van elke aanleg Dit word gedoen sodat werkers hulself kan vereenselwig met die besondere omstandighede wat heers by die aanleg waar hul werk

Maar die kursus word nie net deur Metal Box en Nampak aangebied nie Oorspronklik is die kursus deur die Nasionale Instituut vir Personeelnavorsing ontwikkel en geadministreer

Die kursus is sedert 1975 ontwikkel en is van 1978 beskikbaar Van April vanjaar word dit deur onale Produktiwitituut geadministreer

Volgens mnr Smith, projekbe die NPI belas met sus, is 45 000 werke deur die kursus be behels 260 maatsk 300 intrukteurs. teurs word deur die

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Volgens mnr Gerard Smith, projekbestuurder by die NPI belas met die kursus, is 45 000 werkers reeds deur die kursus bereik Dit behels 260 maatskappye en 300 intrukteurs Instrukteurs word deur die NPI in Pretoria, Kaapstad en Durban opgelei waarna hulle dan die opleidingsessie by hul onderskeie maatskappye waarneem

Mnr Smith sê dat navorsing getoon het die kursus beslis gunstig deur vakbonde ontvang word Veral tydens nywerheidsonrus is dit duidelik dat daar 'n groter begrip vir die bestuur se posisie is

Dit kos R3 890 en sluit die opleiding van die instrukteur en 'n volledige handleiding in

Mnr Beazley meen dat die kursus nie duur is nie Werkers word ook nie vir lang tydperke aan die werkvloer onttrek nie

'n Groep van 10 tot 12 werkers woon gewoonlik 'n sessie by Groot getalle werkers word dus ook nie aan die produksieproses onttrek nie Die kleiner groepies is ook daarop gemik om aktiewe deelname van werkers aan die kursus te bevorder

Prof Martin Nasser, wat aan die hoof gestaan het van die Unisa-span sê dat die 6M-kursus 'n moontlikheid is wat ontgin kan word Die skool vir Bedryfsleiding het self 'n prestasie-motiveringsprogram ontwerp wat gunstige resultate lewer

'n Dinkskrum word nou tussen die Skool vir Bedryfsleiding, bedryfsleiers en die owerheid gevorm om die probleem te pak

Property Pos . . .

Business Post . . . . . .

Home Improvements . . . .

Swop Column . . . . . .

comics

I Spy an Eye Twister . . . .

Details of TV1 programmes . .

Details of TV2 programmes . .

Radio programmes . . . .

Stan Gray on TV . . . . .

Anton Heard on radio . . . .

Mickey Mouse . . . . . .

Juliet Jones . . . . . .

Blondie . . . . . .

Archie . . . . . .

Garfield . . . . . .

Andy Capp . . . . . .

Boner s Ark . . . . . .

Hagar . . . . . .

For Better or for Worse . . .

Duffy . . . . . .

Stan Smith s Tennis Class . .

WEEKEND POST IS MY FAVOURITE PAPER:

DON'T LIKE ABOUT WEEKEND POST:

(Bus):

Wrong idea of business profits by black staff

Weekend Post Reporter

RESEARCH recently completed by Unisa had revealed an "abysmal incomprehension" among the vast majority of black unskilled workers of business management and what business aimed to achieve

Businesses were, therefore, believed to be run "almost entirely for the benefit of the managing director and his immediate entourage and profits devoted almost entirely to bonuses for these privileged few, while workers had to be content with the scraps that fell from the rich men's table"

This was said by the Vice-Chancellor of Rhodes University, Dr Derek Henderson, at the second annual meeting of the Career Opportunity Research and Information Centre (Coric) in Port Elizabeth

He said it was because no link was seen between the individual effort and the ultimate reward in the form of promotion or greater pay packets that the importance of greater productivity was entirely unconvincing to the unskilled worker

"Greater productivity would seem merely to swell the bank balances of the 'fat cats' even further," he said

In an interview with the Weekend Post this week, Dr Henderson said ignorance about the inner dynamics of the industrial system often led workers to consider other systems such as communism

"For the 'have nots', communism may appear to be the way to get the goods delivered," he said

"But Mozambique and Tanzania are good examples of how attractive promises without individual understanding and effort can lead people to reject capitalism without putting it to work for themselves"

It was up to organisations such as Coric as well as individuals who have made the system work for them to help workers achieve a greater understanding of the dynamics of business

Dr Henderson said this would greatly benefit workers who wished to achieve success in their careers



Businessmen become more vocal

NAIVETY is a trait shared by businesmen and politicians, the former as regards politics, the latter in matters relating to business

Both groups have provided ample evidence of this quality for a long, long time But it is just possible each is now subscribing increasingly to the view that, in our type of society, the two elements truly do take the form of an omelette And, the individual ingredients of this are not easily distinguished in the final form and are certainly not capable of being reconstituted in their original form

Traditionally, it has been the habit of government to see the commercial community as no more than a source of taxation and irritation, the former hopefully being of sufficient volume to justify the discomfort of the latter But, of course, the former also often is a contributor, if not the total cause of the latter

The business fraternity by and large has a track record of declining more than marginal participation in any but the commercial affairs of a community Its members display indignation, righteous and otherwise, when conditions turn against them but generally show little lasting enthusiasm for challenging the politicians up there in the spotlights of public attention Their role in the political affairs of the country has been somewhat less than it might have been



Mr Raymond Parsons . state is using "rear vision mirror" policy



Mr Bill Yeowart . outgoing Assocom president gave a lead to be followed

MY BUSINESS
BY JOHN VON AHLEFELDT



"If change is necessary it will as likely come about because of the private sector's pushing and shoving, as has happened in the political field."

This situation is changing — has already changed, if you hark back to such occasions as last year's annual meeting of the Afrikaanse Handelsinstituut when all hell broke loose when this body dared to openly and roundly criticise the Government's handling of the economy

This sort of thing seldom happens in isolation but is more normally the product of a process of a broader ranging change, which is why both the public and private sectors see real purpose in acting in concert on matters of importance to the economy

Next week it will be the turn of Assocom to provide evidence of how far this country has moved from that display of mind-bending idiocy epitomised in the "We thank the Minister" approach of yesteryear into an era of meaningful, constructive comment on the good, the bad and the unacceptable aspects of Government policy

Delegates at the annual Assocom congress in Maritzburg could do worse than follow the lead provided by their outgoing president, Bill Yeowart and their resident chief executive, Raymond Parsons, in assessing as objectively as possible under current trying circumstances the real worth of current Government policy

Parsons believes the economy is being steered "through the rear vision mirror rather than by radar" which, no matter how proficient the driver may be is an awkward way of doing things

If change is necessary it will as likely come about because of the private sector's pushing and shoving, as has happened in the political field Furthermore, it will come about as a result of dialogue between government and business, which is what both sides now say they want and the Government hopefully is doing something about achieving

Even if the authorities are as determined as Dr Gerhard de Kock claims them to be, about persisting with current measures (Draconian, as some have labelled the accelerating effect on the profitability, even viability of many businesses), dialogue will at least mean a better understanding of each other's problems

If, on the other hand, either side backs away from mutual responsibilities, one would be inclined to the view that they deserve each other, save for the fact that the resulting chaos would effect very much more than profits on the one hand or political ideology on the other □

LABOUR RELATIONS

Caught in the middle

Black personnel or industrial relations (IR) managers were a rare breed in the days when black workers did as they were told and few grievances were articulated Today they are valued members of many personnel teams

The rationale is that because their cultural background is similar to the workers they manage, they provide a more reliable communications conduit between management and the workforce than their white counterparts. Their ability to speak workers' home tongue is an important factor

But is it? Checkers IR consultant Humphrey Oliphant doubts that the matter is as simple as that How, he asks, can anyone on the management side of the fence claim to "understand" the black worker?

To illustrate the problem Oliphant cites an early experience he had with an employee who was about to be dismissed for stealing. The worker had professed his innocence to management However, in the privacy of Oliphant's office he admitted his guilt in the expectation that his "black brother" would protect him.

Another top black IR man believes that black personnel officers are themselves responsible for legitimising the perception that they would act as "buffers" between white executives and the workforce. Some black managers were happy to see themselves as "linkmen."

But this led to confusion about their roles Did they represent workers or management? This particular individual says he represents neither, but rather has a duty to "maintain industrial justice in an abnormal society."

Oliphant's potential as an IR man was recognised when he served as a member of the liason committee at the retail company where he worked He says that the traditional white management concept of black personnel management is merely the logical extension of the induna system.

According to Oliphant, black personnel managers are often appointed simply because they can communicate management's instructions down to workers Their ability to communicate upwards is limited because many feel they can only say what their superiors want to hear

Oliphant believes he fulfils his function properly because he is able to convey fully and truthfully his perceptions about the needs of the workforce, and is free to put his point of view on IR matters. However, due to prevailing racial attitudes in commerce and industry many others in similar positions have had to choose between keeping their jobs and speaking their minds A new job title does not always mean extra decision-making powers. He concedes, though, that more white managers have gradually seen the need for black managers to exercise appropriate powers.

In contrast the other black IR man says the days when black personnel managers were afraid to assert themselves are over. Says he. "Black personnel managers are no longer required to be 'Uncle Toms'. When the MD asks if there is going to be a strike he does not want to be told it involves only a few 'agitators' if that is not true. Today unsophisticated managers probably don't have black personnel managers — they are happy with indunas"

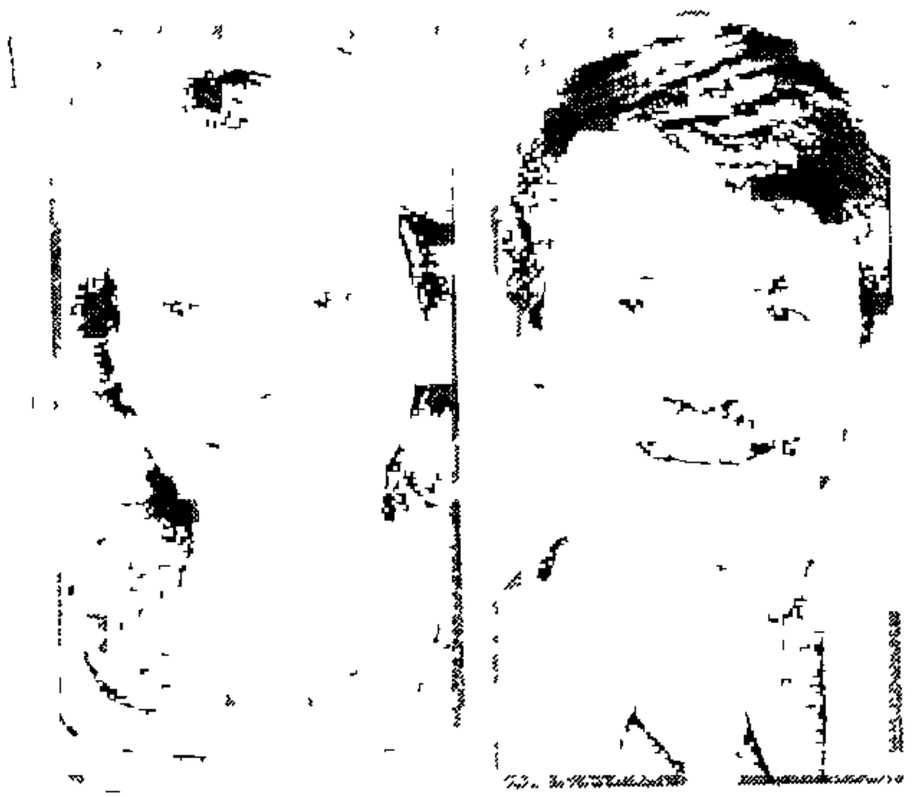
He says black managers are becoming more effective themselves and are therefore unwilling to be seen as buffers Nevertheless, black workers still expect them to show more consideration and understanding than they expect from white superiors. White workers have a confused reaction. Once they overcome the surprise of finding a black man in a superior position, they too expect him to be more understanding of their problems.

According to the black personnel manager (who does not want to be identified) he was not always accepted as an equal when he first went into the personnel field. He was often asked how he survived being mistrusted by both white management and black workers. He believes that anyone working in the personnel field is in an ambiguous position anyway But being black accentuates that position

His position today entails dealing mainly with top management of his company's subsidiaries. He says: "I would love to think that racial problems don't exist at the top levels and that MDs just want to get ahead with the business of making money regardless of the colour of the person helping them do just that." Racist attitudes, he says, emanate mainly from junior, more insecure, whites

He feels bitter that black managers are sometimes attacked as "sell-outs" by some elements in the black community.

Financial Mail October 26 1984



Ms Raine Mr van Zijl

Ms Gillian Raine and Mr Charl van Zijl have been appointed investment analysts with Colonial ~~Mutuel~~ at its head office.

172 C. Times 31/10/84

Call to improve image of free enterprise system

THE head of one of South Africa's leading business schools has urged businessmen to mount a rescue operation for the image of the country's free enterprise system among black people

Professor John Simpson, director of the University of Cape Town Graduate School of Business, said that research by the school among literate urbanized blacks showed that they regarded the system with cynicism, distrust, suspicion and in many cases outright rejection

Professor Simpson was addressing an international gathering in Johannesburg of the Young Presidents' Organization, an association whose membership includes the chief executives of international corporations

Professor Simpson said the reason for blacks' rejection of the system was because of the restraints placed upon them in terms of employment, plus the overt manifestations of wealth which are primarily in the hands of whites

"Essentially the expectations of this 'above average' group have not been met educationally, socially, politically or economically

"They hear politicians promising them a greater say in the determination of their political destiny, but they do not see much evidence of this occurring, nor do they have much opportunity to participate in any policy formulation.

"They also see companies claiming they align themselves with the equal opportunity ethic, yet they can identify very few blacks in any position of seniority

"They associate these inequities with the free enterprise system, since they see it linked inexorably with the political system or apartheid

"Capitalism to them is fundamentally racial in structure They do not participate in it, they don't advance within its framework either in society or the workplace, and the frustrations that result inevitably turn them to look to other systems which they feel may better accommodate their needs"

MANAGEMENT.

1985 – 1986

When business leaders speak up

By Inga Molzen

South Africa's most striking recent phenomenon has been the way business leaders have publicly committed themselves by talking out on political issues beyond the factory floor, said Institute of Race Relations director Mr John Kane-Berman last night

He added that this had been a particular trend of the last six years where industry and commerce, represented by the Afrikaanse Handelsinstituut, the Federated Chamber of Industries, the Association of Chambers of Commerce and similar organisations, had expressed disapproval and concern on.

- Influx control, which was neither practical nor morally justified
- Forced removals.
- Opening Central Business Districts to all races
- Lifting the ban on all banned organisations and political prisoners
- Releasing all political prisoners
- Detaining political leaders after the stayaway in November last year

There had been an admission of what Mr Kane-Berman called a crisis of confidence in the Government, expressed by the Afrikaanse Handelsinstituut, not previously considered a particularly loud critic of the Government

Mr R Ironside, past president of the South African Federated Chamber of Industries, and chairman of the Automobile Manufacturers Employers Association, said the Government should not take offence that they were being criticised.

After all, he added, organised commerce and industry, the paymasters of the system, should have a say in the management of it

Mr R Godsell, head of the Industrial Relations Department of Anglo American, said businesses were being called in to reform structures of political power.

He added "Economic growth is not possible without reform and vice versa, and businesses define the agenda for reform

"Businesses have started to talk to government and to trade unions but not as consistently and frequently as will be needed"

PW, business meeting seems to be on

By KIN BENTLEY

A SECOND source has confirmed that a top-level meeting between the State President, Mr P W Botha, and leading industrialists is scheduled for Monday

The source said it was regrettable that the meeting had been mentioned to the Press because the Government frequently took exception to premature announcements

The Office of the State President today declined to comment on the possibility of the President meeting a delegation — from the Federated Chamber of Industries

"You will have to get it from them."

The Evening Post reported yesterday that a delegation of five industrialists, representing 50 big businesses around the country, would be seeing Mr Botha over the disinvestment issue It was later learnt that other topics would also be discussed

The discovery that the meeting was to take place came to light yesterday during an Evening Post investigation concerning the approaches multinationals could make to the Government to head off the disinvestment lobby

Mr Lou Wilking, managing director of General Motors, said the meeting had been arranged through the Federated Chamber of Industries. In a later report, Mr Wilking said he had been misinformed He could not be reached today

The managing director of Volskswagen South Africa, Mr Peter Searle, would not comment today when asked if such a meeting had been arranged

The balance of the total cost of the exercise, i e R24 668 315, would in any event have been spent on the yearly training exercises of the participating units

(2) Yes R375 000

Tsitsikamma Toll Road Project

*5 Mr R W HARDINGHAM asked the Minister of Transport Affairs

What is the (a) estimated and (b) actual toll revenue earned in respect of the Tsitsikamma Toll Road Project during the latest specified period for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS

The required information in respect of the period 8 June 1984 to 28 February 1985 is as follows

(a) R543 142,00

(b) R692 180,74

Mr D J N MALCOMESS Mr Speaker, arising out of the hon the Minister's reply, may I ask if those are the net proceeds to the department after the remuneration of the people who collect the money has been deducted?

The MINISTER Yes those are the net proceeds The hon member does not like hearing this because we are showing a profit and he has been saying all along that it will not show a profit However, it is a marvellous success—it is better than farming!

Mr D J N MALCOMESS Mr Speaker, further arising out of the hon the Minister's reply, may I ask him whether it is not a very pleasant surprise for him to be right for a change? [Interjections]

Dr A L BORAINE Mr Speaker, further arising out of the hon the Minister's reply, may I ask him if he intends to hold another expensive party?

The MINISTER At the opening of the Du Toit's Kloof Tunnel in three years' time we are going to throw a wonderful party, and we are not going to invite one hon member of the Official Opposition! [Interjections]

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172 Hansard

Proclamations R 3/R 4/R 5 of 1968

Q. Col 849 26/3/85

*7 Mr D J N MALCOMESS asked the Minister of Constitutional Development and Planning

(1) Whether Proclamations R 3, R 4 and R 5 of 1968 are still in force, if so,

(2) whether he intends taking any steps in respect of these proclamations, if not, why not, if so, (a) what steps and (b) when?

The MINISTER OF HOME AFFAIRS (for the Minister of Constitutional Development and Planning)

(1) Yes

(2) Yes

(a) Amendment of the proclamations to repeal the restrictions on the appointment of non-White managers in White areas,

(b) as soon as an amendment to the Blacks (Urban Areas) Consolidation Act, 1945 (Act 25 of 1945), which is envisaged during this Session of Parliament and which will allow for White managers to be appointed in Black areas, has been passed

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Mr D J N MALCOMESS. This has been going on for four years

Port Elizabeth Harbour: property

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(1) Whether the South African Transport Services have received any application from the Port Elizabeth Municipality in connection with the transfer or lease of property adjacent to Port Elizabeth Harbour, if so, (a) what was the nature of the application, (b) when was it received and (c) what was the response thereto,

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Arising from a dispute as to the value of the property an independent private valuer was appointed His valuation is expected by the end of April 1985

*9 Mr R M BURROWS—National Education—[Reply standing over]

Hansard Q. Col. 852 26/3/85

Inanda Dam area

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Whether any persons resident in the Inanda Dam area will be resettled as a result of the construction of the dam, if so, (a) what total number of persons will be resettled, (b)(i) where and (ii) when will they be resettled in each case and (c) what specified housing and other facilities will be provided for them?

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Yes

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(b) (i) Some residents have indicated that they would prefer to be settled in rural areas and others have indicated that they preferred townships Settlement in Ntuzuma, Inanda, kwaDabeka and other townships, and the identification for purposes of settlement of certain land in rural areas are under consideration

(ii) No date has been determined Consultations with the people have not been concluded

(c) These also are matters about which consultations are to take place and no decision has so far been made

HoA

Pretoria-Marble Hall road: stone-throwing

Hansard Q. Col. 853

*11 Mrs E M SCHOLTZ asked the Minister of Law and Order †

(1) Whether any incidents of stone-throwing on the Pretoria-Marble Hall road which crosses Witnek were (a) reported to, and/or (b) brought to the attention of, the South African Police in the past six weeks, if so, what gave rise to these incidents,

(2) whether any vehicles that used this road during the above-mentioned period were damaged, if so, what was the damage estimated to amount to,

(3) whether the South African Police took any action in this connection, if not, why not, if so, what action,

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(1) (a) and (b) Yes, one incident Alleged dissatisfaction with the increased bus tariffs

(2) Estimated at R45 500 Only busses and police vehicles were involved

(3) Yes, a case of public violence is being investigated Eighteen persons have already been apprehended in this regard

(4) No

Private schools

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HoA

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(1) Yes The report of an investigation into a co-ordinated policy for the recognition of and the granting of financial support to private schools by the executive education departments concerned, is being considered according to the procedure prescribed by Act 76 of 1984

(2) Yes As soon as the general policy on the matter is finalised

Mr R M BURROWS Mr Speaker, arising out of the hon the Minister's reply, can he give us the assurance that no private schools will be in a worse position when this matter is co-ordinated?

The MINISTER Mr Speaker, the policy decided upon will be announced when that policy is finalized

Mr D J DALLING Mr Speaker, arising further out of the hon the Minister's reply, and I hope probably in the knowledge that the schools, certainly the private schools, are facing some very severe restrictions and financially are struggling at the moment, will the hon the Minister give us the assurance that he will expedite the finalization of the announcement of Government policy on this matter?

The MINISTER Mr Speaker, I will not only give the hon member that assurance but I want also to inform him that I have already instituted steps to expedite

Hansard Q. Col. 854 26/3/85

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(1) Whether any acts of violence involving Whites and Blacks which allegedly occurred on beaches at or near Port Alfred in December 1984 and January 1985 (a) were reported to, and/or (b) brought to the attention of, the South African Police, if so, (i)(aa) where and (bb) when did these acts of violence occur and (ii)

The balance of the total cost of the exercise, i e R24 668 315, would in any event have been spent on the yearly training exercises of the participating units

(2) Yes R375 000

Tsitsikamma Toll Road Project

*5 Mr R W HARDINGHAM asked the Minister of Transport Affairs

What is the (a) estimated and (b) actual toll revenue earned in respect of the Tsitsikamma Toll Road Project during the latest specified period for which figures are available?

The MINISTER OF TRANSPORT AFFAIRS

The required information in respect of the period 8 June 1984 to 28 February 1985 is as follows

(a) R543 142,00

(b) R692 180,74

Mr D J N MALCOMESS Mr Speaker, arising out of the hon the Minister's reply, may I ask if those are the net proceeds to the department after the remuneration of the people who collect the money has been deducted?

The MINISTER Yes, those are the net proceeds The hon member does not like hearing this because we are showing a profit and he has been saying all along that it will not show a profit However, it is a marvellous success—it is better than farming!

Mr D J N MALCOMESS Mr Speaker, further arising out of the hon the Minister's reply, may I ask him whether it is not a very pleasant surprise for him to be right for a change? [Interjections]

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Hansard 172
C.601.849 26/3/85

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Bus Day
23/9/86
172

MANAGEMENT

The disputed MBA: is it oversold or does it guarantee success?

THERE has been debate raging in the US that the MBA has been oversold and overtraded.

It is said managers hope an MBA will bring quick promotion and save them from being trampled by the young and ambitious, and secretaries take the course in order to become executives.

Today there are 650 US business schools producing 70 000 aspiring executives each year.

SA business schools do not believe the MBA has been oversold here, although they warn against too many business schools opening up and diluting training facilities, and agree that an MBA alone does not guarantee the holder success.

University of the Witwatersrand Business School director, Professor Andy Andrews says "For the right kind of person the MBA can make them, but there are no guarantees

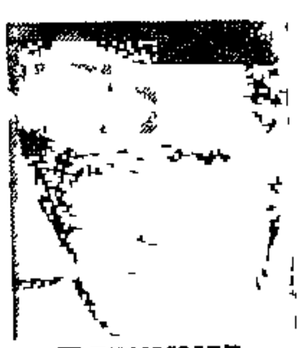
"It will enhance managerial talents if they are there, but it will not give them to those who lack them."

University of Pretoria Business School director, Professor Leon Brummer agrees: "The MBA does not guarantee anything at all. It is not a key that opens all doors, and it does not automatically lead to massive salary increases."

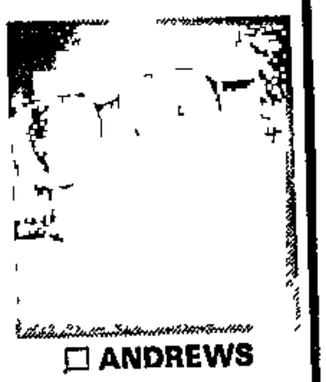
The University of Cape Town's Graduate School of Business director, Professor John Simpson says that while MBA graduates have received substantial salary increases "it is not to say this is always the case or that it is the only reason why the increases have been granted".

Simpson does not believe the degree is oversold in SA

"There has been self-examination and the programme is in tune with what the market needs."



☐ BRUMMER



☐ ANDREWS

In fact, Simpson believes some industries still need to be convinced that an MBA graduate is a better candidate for management than was the case some years ago.

Much has to do with the candidate accepted for an MBA

Andrews says the typical student today is about 30-years-old and has been in business for some years.

The advantage of this kind of student, says Simpson, is that: "They don't walk out expecting to be MD overnight. Their judgment is sound".

Simpson says many students do an MBA because they want to change careers or change direction while remaining in the same industry.

Andrews agrees, and points out that education in management is important because "the higher you go in any organisation the more you will manage, no matter what kind of business it is".

Furthermore, Andrews says society has changed in that it now values the generalist far more than in the past. "We have moved from the specialist, who cannot adapt to changing circumstances to the generalist, who can."

Thus he believes the MBA is a highly marketable degree. "It forces certain changes on to people, forces them to extend themselves and broadens their career options."

Business courses at Technikon

THE Technikon Witwatersrand offers a variety of business-related study programmes.

A spokesman says the Technikon's main objective is to provide vocational instruction and training in the various disciplines of commerce and industry.

Emphasis is placed on managerial principles aimed at all levels of management and the Technikon sees its primary task as training students in the practical application of management principles

Programmes offered include marketing, personnel management, production, purchasing and materials management, economic studies, management techniques, public administration, accounting and cost accounting and computer data processing

Courses last from 15 to 20 weeks to the three-year national diploma, and longer for more advanced qualifications.

The minimum requirement for enrolment is a senior certificate or equivalent qualification

Frame directors criticize predecessors

Remedial steps after 'mismanagement'

CAN Times 18/12/86 172

Own Correspondent

DURBAN — In an unprecedented report, the non-executive directors of the Frame Group have heavily criticized the previous management of the group, but point out that remedial steps are being taken.

In a covering report to the four annual reports issued yesterday, they comment on four areas

● There was an absence of meaningful management information systems and any form of budgetary control,

● An absence of market research and sales forecasting, coupled with a lack of communication between the manufacturing and sales departments, leading to no co-ordinated sales planning and production schedules This often resulted in unproductive machine utilization

'Injudicious' investment

● The plant was not balanced — there was too much weaving capacity and the output could not be handled by the dyeing and finishing departments Also, there was "injudicious" investment in new blanket capacity where the group already produced excess volumes

The directors C Friedman, M E King, G H Stein and C A Stride, who signed the report, were appointed following lengthy litigation by members of the Frame family

Problems within the group have led to the proposal, which will be laid before shareholders of the four JSE-listed companies, to create one operating company which would absorb two of the listed companies and where Natal Consolidated Industrial Investment (NCII) would become the holding company of the group

Some figures for the whole group to June 30 are Turnover R544m (R439m in previous period), bought-in materials and services R352m (R233m), total value added R211m (R219m), dividends to shareholders R11,4m (R1,2m), re-invested in business R38m (R59m)

Totals of attributable income for the group show it sharply reduced to R21,693m from R47,524m in the previous year

Some of the decline is due to foreign exchange losses, a change in deferred taxation policy and stock obsolescence Since the year-end the group has repaid a major portion of its long-term foreign loans

Results by company are

NCII — Pre-tax income R42,8m (previous year R48,6m) diminished by extraordinary items (foreign exchange losses and stock obsolescence) of R20m (1985-R1,3m) Attributable earnings were R10,7m (R20,26m) equal to eps of 587,9c (1 185,5c). Dividends of 600c a share (60c) were paid

Dividends 80c a share

Consolidated Textile Mills Investment Corp — Pre-tax income was R29m (R31m) diminished by extraordinary items, as with NCII, of R17,8m (R1,3m) Attributable earnings were R5,6m (R13,8m) equal to eps of 45,6c (118,1c) Dividends of 80c (34,375c) a share were paid

Natal Canvas Rubber Manufactures — Pre-tax income was R3,2m (R3,9m) which was reduced mainly by the cost of discontinued operations of R2m, (nil previous year) making attributable earnings of R3,8m (R9,1m) equal to eps of 301,4c (501,1c) Dividends of 340c, against 68,75c, were paid

SA Woolen Mills — Pre-tax income was R6m, (R9,6m) reduced by stock obsolesence of R1,1m, (before tax) leaving attributable income of R1,4m (R4,2m) equal to eps of 80,6c (192,5c) Dividends of 120c were paid (50c)

Metboard buys P-E Corporate Services

By HOWARD PREECE

METBOARD, a leading trust and financial services group, has taken over P-E Corporate Services, South Africa's largest management consultancy and training group

Financial details of the deal have not been revealed

Metboard, a part of the Unisec group, has funds under administration of about R420m

In the 18 months to June 1984, it made a pre-tax profit of R4,495m

Net profit attributable to ordinary shareholders was R2,553m — roughly R1,7m on an annualised basis.

Mr John Perkins, the managing director of Metboard, says the acquisition of P-E should boost earnings by 10% to 15% in 1985-86

P-E, formerly P-E Consulting Group, was set up in 1950 as a subsidiary of the international P-E group

In 1978, however, control was bought by the South African management headed by Mr John Fleming, who has been the executive chairman and the majority shareholder

There is no longer any direct financial tie with P-E International but, according to Mr Martin Westcott, the managing director of P-E, there are still some important working links

Mr Fleming is to take up a position in the City of London with effect from July 1 this year.

Metboard will have 80% of P-E, with the remaining 20% held by the executive directors of P-E

P-E found itself in some financial difficulties last year after a computer software venture

That led to P-E seeking some advice and assistance from Metboard That, in turn, led to the take-over of P-E by Metboard.

P-E is one of the main executive recruitment agencies in South Africa — a business worth close to R15m a year countrywide.

It also lays claim to being the largest group in South Africa in management training (annual industry turnover is reckoned at R20m) and general management consultancy (annual turnover is in the R15m to R20m)

The Argus
BUSINESS TODAY/SPORT

R6-m payout for three Frame group directors

MRGLS 26/4/85 172

By DEREK TOMMEY
Financial Editor

THREE Frame group directors are each to get R2-million for agreeing not to work for a competitor should they leave the group

They are Mr A Berman, Mr S Lurie and Mr S R Peimer, joint managing directors of the four Frame group companies

This and the promise of a revised Frame group dividend policy are contained in a statement issued by the group today

The proposed payment of R6-million has been written into service contracts offered the three men by the Frame family and is part of a move to resolve the conflict between the two parties

The statement says the Frame family, which owns 75 percent of the group, believes there is an inherent conflict between the three men's position as trustees of the will of the late Philip Frame and their role as executive directors

SIX MONTHS NOTICE

The three men do not agree with this contention but are willing to respect the view of the Frame family

They have agreed to the reconstitution of the board of the Frame trust which now comprises four persons nominated by the Frame family — C Friedman, M E King, G H Stein and C A Stride They have also been appointed to the board of the main companies

The service contracts stipulate that the three men will continue as joint managing directors of the Frame group However, in the event of control changing, they or the board of trustees will have the right to terminate their contracts on six months' notice

FUTURE POLICY

The three men have agreed not to work for a competitor for a period of five years should they leave the group

The statement adds that the future policy of the group, including its dividend policy will be decided by the reconstituted boards

In view of today's statement the way at last seems open after several years of dispute for the Frame family to make the best use of their inheritance, either by selling it or by accelerating its growth through share isues or raising loan capital

The late Philip Frame's policy of financing the group's expansion entirely from internal resources, while it may have had the merit of keeping the group free from debt, must have greatly retarded its expansion

This policy is even more to be regretted as the inflation of recent years would have rapidly reduced any debct burden incurred

Helping people to help themselves

(172)

Urban Foundation's MD Lee is walking the reform tightrope

B. Day 24/6/85

By PETER WALLINGTON

WHEN Dr Robin Lee joined the Urban Foundation in 1977, the recent township revolts had clearly defined an important area of activity for the year-old reformist foundation — freehold tenure for blacks

It wasted no time in telling government so, and eight years later the foundation's goal is just around the corner.

This emphasis on "what change do we want to bring about?" rather than "what projects should we do?" is in line with the foundation's commitment over the last few years to "structural reform"

"We decided to go behind mere symptoms and deal directly with causes," says Lee

"We identified structures that caused low quality of life, acted on them and so allowed people to change their lives themselves."

Apart from the foundation's campaign for freehold tenure, its other achievements are impressive too Housing schemes are spread around the country in the Transvaal at Protea North and Katlehong, the Steenberg and Belhar schemes in the western Cape, and Phoenix and Inanda near Durban.

These schemes are set to deliver 1 100 houses and 2 500 serviced stands this year. The five housing utility companies established will account for a total of R45m in 1985/6.

Educational projects, like the Funda Centre in Soweto, are well established, and expenditure on these and other projects this year will amount to R6,6m

But there is still much to do. Lee says 13 reform objectives have been set for the next three years They concern housing, education, business development, urbanisation and influx control

From its humble beginnings, Lee has helped the foundation grow into the major reformist agent it is today Its planned expenditure for the 1985/6 financial year is R65m — 263% up on the previous year's actual expenditure.

The quietly spoken Lee left his position as head of educational technology at Wits University in 1974 and joined the Bophuthatswana Teacher Upgrading Project and then the SA Committee for Higher Education

For someone dedicated to playing a positive role in reform, joining the Urban Foundation was the next logical step Lee took that step three years later — it was then a two-man show — and in April last year was appointed MD

Not only has the foundation grown in size and scope — it now employs 250 people and has been involved in 700 projects with a total expenditure of nearly R300m — but there has also been a change of policy

"Our image initially was one of a large charitable trust, much like charitable foundations in America We received money and then spent it on what programmes we could support," says Lee

But the foundation's income exceeded expectations and it began to initiate its own projects

"We decided to focus our activities on fewer areas of relevance that affected black quality of life — for example housing, education and access to business opportunities" This set the tone for the foundation's campaign for "structural reform"

It follows that, to achieve its goals, the foundation must have government's ear, as well as keeping sound contacts with the private, public and black sectors This has meant walking a political tightrope between competing interests and pressure groups

The birth of the foundation was viewed by some as a plot by big business to save their "capitalist" system, by others as a paternalistic charity hoping to hand out just enough to be able to sleep at night Still others have said the foundation was funded by government, or did government's work.

Lee denies the latter two charges· funds come from the private sector and bank loans, while the housing and informal education projects are launched in fields where private initiative is appropriate — as in home ownership and skills training

On the former charge, he says a trend towards corporate social responsibility had developed in the 1970s, and the 1976 riots provided the catalyst for the foundation's formation.

"Our philosophical basis, in the reform camp, is that we believe it is desirable and possible to change structures in South African society without the precondition that they first be destroyed."

More than 700 companies support the foundation financially and so the private sectors' combined interests have to be represented Again, this is no mean feat, with all shades of the political spectrum having to be accommodated.

Lee says it took patient behind-the-scenes lobbying before the foundation could publicly call for an end to influx control

And, of course, effective lines of communication have to be kept open with the black community

"While we have some contact with groups like the Azanian People's Organisation (Azapo) and the United Democratic Front (UDF), I couldn't say they support us Our contact is with community groups and organisations like Nafcoc," Lee says

But he is quick to point out that criticism from the likes of Azapo arises not because the foundation does things badly, but rather because it has a different view of how the economy should be run "Ours is a free market approach, while theirs is a socialist one"

Lee says that while the foundation's charter emphasises a non-political line, "we are not naive enough to think that social or economic action has nothing to do with politics".

It's a matter of avoiding overt political statements that could erode the foundation's support base And Lee is proud of the achievements here "We have dealt with politically contentious issues but have maintained our consensus base, and hopefully, scrupulous objectivity"

Training and Management Advancement

A **Business Day** review

THURSDAY, JUNE 27, 1985

Management crisis could cripple South Africa

SOUTH AFRICA faces a management crisis which could cripple its development if urgent remedial action is not taken.

There is a serious shortage of managers of all races and little prospect of soon meeting those requirements. Managers initiate and direct economic activity. With a shortage in this area the already abysmal productivity performance of the economy can only deteriorate further.

The latest available figures from the Department of Manpower show that in 1983 the number of managers was (excluding farmers and domestic servants) of 1:32.

Prof J L Sadie of Stellenbosch University puts the ratio as high as 1:52 In the USA the ratio is about 1:10 and no higher than 1:15 in most developed countries.

If the training of managers and supervisors is not greatly accelerated, the ratio could be far worse by 2000, mainly because of the rapid increase in the number of less skilled workers Sadie estimates that it will shoot up to 1:76. In the report by the National

TO PAGE 12

'Managers can no longer be exclusively White'

White	159 093
Coloured	2 918
Asian	3 384
Black	2 794
Total	168 189

According to Dr N Alberts, Director of Manpower Training at the Department, this yields a ratio of managers to the rest of the labour force

Black training 'misguided'

A GOOD deal of Black training is misguided because it attempts to get Blacks to conform to stereotyped Western concepts, believes Professor Karl Hofmeyr, of Unisa's School for Business Leadership

"We must be careful not to transplant techniques straight from the USA to South Africa," he warns

"Much more allowance should be made for cross-cultural understanding and the development of new methods specifically for our circumstances"

The need for Black management training is acute. This is illustrated by estimates given by Professor J L Sadie of the Department of Economics at the University of Stellenbosch (Table 1)

Sadie comments that in all categories other than blue-collar semi-skilled workers, the projected requirements appear to be unattainable The projected annual demand for executives is more than 10 times the actual achievement from 1959-79. According to Hofmeyr there have been important changes in Black training over the past few years. The emphasis has moved from formal, off-the-job training characterised by concepts like achievement motivation, behaviour modelling and bridging education to less formalised, on-the-job training emphasising the role of a boss in shaping the behaviour of the trainee. In this approach concepts like coaching, mentoring and sponsorship have become important.

Hofmeyr sees sponsorship as a more viable approach to training than mentoring in many cases The concept of mentorship arises from research which has shown that successful managers often have a mentor at some stage

TO PAGE 2

Table 1: Gross annual additions to the labour force of persons other than Whites

	Actual 1959-79	Projected 1980-2000
White collar		
Executive	300	3 800
Highly skilled	8 000	48 000
Less skilled	18 000	52 000
Blue collar		
Skilled	5 000	15 000
Semi-skilled	56 000	101 000
Total	87 300	219 800

Source. J L Sadie, Labour Force 2000

TRAINING AND MANAGEMENT ADVANCEMENT

'We must act now to avert a crippling management crisis'

FROM PAGE 1

Manpower Commission in 1980, Dr Hennie Reynders concluded·

"The most important message flowing from this investigation is that South Africa will not be able to realise its development potential and offer all its people an acceptable standard of living if the country persists in trying to recruit all its high level manpower mainly from the White population group."

Sadie estimates around 210 000 executives will have to be added to the labour force from 1980-2000. Included in this figure are 118 000 White male executives and 74 000 executives from other races, but the projected requirements for all race groups far outstrip possible performance.

Looking at the requirement for executives from the point of view of a more acceptable manager/worker ratio yields a figure similar to that given by Sadie. Taking a ratio of, say, 1:20 as ideal, it is estimated that there is a shortfall of approximately 262 000 in the number of executives, based on the present economically active population.

Some argue that it is unrealistic to expect a ratio of 1·20 in a country like South Africa with its substantial Third World component. They point out that the manufacturing sector in developed countries is generally far more capital intensive and that it may be feasible for management to be more thinly spread here. But what both Sadie and Alberts underline is the existence of a substantial need in the management skills area and the necessity of acting now to cope with future demands.

The curtailment of tax concessions for training, due to widespread abuse following their introduction in 1981, hit the training business hard. Elimination of the abuses must be seen to be in the country's interests in that it counteracted wasteful spending and directed training efforts into more basic and relevant areas, but according to the Department of Manpower virtually no new management courses have been registered since the concessions were revised in September 1984, when a ceiling of R15 000 was introduced on trainee's salaries. Until then a total of 19 574 training courses had been approved for tax purposes of which 882 were management courses.

'Action to stop abuse of tax concessions has hit training hard'

Bridging the rift between managers and the managed

REUEL KHOZA, MD of Co-ordinated Marketing, talking to Annabelle Gordon

"CORPORATE South Africa must develop the untapped management brain power of the blacks. Technology is striding ahead but commerce and industry have stagnated since the Fifties. Now what we have is a mass of raw manpower battling against the limited vision of white SA," says Reuel Khoza, MD of Co-ordinated Marketing.

Co-ordinated Marketing was the first black professional marketing and management consultancy service in SA, formed in 1981. Khoza, an authority on black consumer behaviour, is on the board of directors of Blackchain Ltd and patron of Black Management Forum.

This is an association of black managers intent on addressing issues that formal in-company training does not cover, such as the difference between being assertive without being aggressive. Fundamentally, this is a staff problem but race compounds it. "This you only learn from graduates of the University of Hard Knocks," he laughs at his own crack.

Khoza believes that separating blacks and whites from childhood makes for structural problems. Later, when you want to build on a firm foundation, there isn't one. "The long-term solution is to augment the pool where you are going to fish — develop people properly as people, instead of as a *type* of people. Improve them from the beginning, from the educational level. Technical competence is a must.

"A broadening of management class base will encourage consensus as opposed to adversarial relationships between managers and the managed: the rift between them is due to the socio-political situation, which encourages separation and brings about conflict.



● **REUEL KHOZA . . . "It takes guts to blaze a trail"**

This must be eliminated for the good of the country. The need to boost productivity demands a healing of rifts, suppressing of divisions and the seeking of a new sense of community," he says.

"More than 90% of SA managers are drawn from the tiny white sector, whereas the black sector of African stock is 75% but has less than 10% in management, an anomolous situation which cannot be maintained for long. As managers tend to be drawn from the same race pool — where there is a shortage of skilled staff — many whites have been promoted beyond their capabilities.

"Two things I dislike about employment codes: they depend on appealing to the humanism of a corporation which has no teeth, no bite. If they fail — tough. Nothing more can be done. Secondly, there is a tendency to employ fellow companies to monitor them, which is not objective. The receiving end should do the monitoring and there are qualified bodies to do it," he says.

"Sure, upgrade within companies. But having a special programme for upgrading black people is patronising and discriminatory. How long can SA produce these deficient human models who have to be brought up to this level with remedial courses? How long are we going to remedy illnesses of which we are the cause?

"Executives need to recognise it takes guts and discomfort to blaze a trail to a new way of life. No one said it was going to be easy . . ."

Khoza laughs readily, this time at his own volubility and tells a joke against himself with total modesty. "I gave a lecture at a very formal gathering, so I prepared it at length and spoke from notes. After 20 minutes I felt estranged, the silence was deafening. Then a colleague explained I had left them all way behind. I do get high falutin' . . . perhaps because I am the son of a preacher." This might explain why he had his first glass of wine at 30.

Khoza was a top student at school and head prefect in 1969. He achieved a BA (Hons), majoring in psychology at the University of the North. He joined Unilever in 1975 as marketing trainee, working up to a brand management position. He accepted a Shell overseas scholarship to study marketing at Lancaster University for his MA, then joined Shell SA as Northern marketing manager and, after touring the US, started on his own. Now 36, he is delighted to report "success".

He recently took part in a Programme for Management Development — an executive education programme of the Harvard University School of Business Administration.

swing in the surplus on the cur— touched

'Managers know little about their workers'

(172)

By Sheryl Raine

Most managers in South African know little about their black workers' lifestyles, where they live or how they get to work and they should make every effort to learn more about these employees, says Prof Nic Wiehahn

Prof Wiehahn, director of the Unisa School of Business Leadership, was one of the speakers at a seminar on labour relations organised by the Afrikaanse Handelsinstituut (AHI) in Pretoria yesterday

He gave businessmen a six point plan to promote sound labour relations

- Get to know employees and their problems
- Establish a sound communication system between management and workers which includes frequent testing of the effectiveness of the system
- An effective grievances procedure should be laid down, which may be used to process grievances from management against workers as well as workers against management.
- Set up a fair disciplinary system which workers understand and can use
- Gain a thorough knowledge of conflict management and the ability to identify potential conflict areas, anticipate trouble and effective methods to deal with it
- A good knowlege of the principles of negotiation is essential.

Progressive black trade unions have continued their activities, grown in size and entrenched themselves further in the South African workplace despite the current economic recession, Eastern Cape labour expert Mr Fred Ferreira said at the AHI seminar

Formerly employed by Ford in the Eastern Cape, Mr Ferreira recently took up the position of director of human resources at Samcor in Pretoria

He said workers were becoming increasingly involved in community issues and perceived that employers had a role to play in the black community

Mr Ferreira highlighted several trends in the current labour movement He said a few years ago union leaders were able to lead the way in the black community

Now, young political leaders were calling the shots largely because unions were failing to secure the gains for their members in the current economic climate necessary to maintain their high profile in the community

UCT to train black managers

Staff Reporter

A BOLD initiative to counter the chronic shortage of trained black managers in South Africa was announced yesterday by the University of Cape Town

UCT's Graduate School of Business is to institute a Centre for African Management which will specialise in black management development and its allied problems

The first of its kind in South Africa, the centre has been launched with substantial support from both local companies and multi-nationals as well as overseas universities, including Harvard Business School which will co-operate closely in the undertaking

Professor John Simpson, director of the Graduate School of Business, said the net effect would be a profound change in management style and philosophy

"Full integration at all levels will become a reality and not a dream or a myth. Management in South Africa will never be the same again"

The centre will develop its courses and methods of instruction in consultation and co-operation with companies, organised industry and commerce, black leaders, management advancement institutions, universities and other education institutions

SA businessmen and ANC to meet

A LIST has been compiled of leading South African businessmen who are expected to meet with the ANC to discuss South Africa's future

Barclays is reported to be behind the initiative, but a spokesman for the bank declined to confirm this, saying that a statement would probably be issued by MD Chris Ball later today

The ANC has said it will meet the party of South African businessmen, probably in Lusaka, to exchange ideas It is understood that the meeting was requested by the South Africans

However, considerable mystery surLESLEY LAMBERT

rounds the list Most of those whose names appear on it, said when approached by *Business Day* that they were aware of its existence, but denied direct involvement with the proposed meeting

A well-placed source said it was not yet clear whether they would meet the ANC as representatives of their organisations or in their individual capacity

Private sector pleas for government to negotiate with accepted black leaders, including those in jail, have continued to grow in intensity, especially since the money market and JSE were temporarily closed last week

SAPA-Reuter reports that the ANC said over the weekend it had agreed to meet businessmen who asked for talks on the nation's future

An ANC spokesman reached by telephone at the ANC's Lusaka office, said no time or date had been set for the meeting which would probably be held in Lusaka

He said business and industry leaders

● To Page 3

Business, ANC talks

● From Page 1

were among many white South Africans who had acknowledged in the last year of rioting there was urgent need for change and this change couldn't come about without the ANC

Such a meeting would be the first formal overture to the ANC by influential non-government figures in South Africa. Polls show ANC leaders are regarded by many blacks as their true leaders, even 25 years after the organisation was banned and exiled

If the businessmen returned from talks with the ANC with a positive reaction, it is likely that pressure would grow for State President P W Botha to abandon his refusal to negotiate with the exiled group.

A few South African academics, journalists and businessmen who supported the South African government had made contact privately with the ANC in the past year or two, the spokesman said

While President Botha has refused to talk to the ANC until it renounces violence, Minister of Constitution and Development Chris Heunis said over the weekend government accepted the private sector's plea that the agenda for future constitutional discussions should be open-ended.

Botha slams ANC talks

Business Day Reporters and Sapa

STATE President P W Botha has come out strongly against the planned talks between top South African businessmen and the African National Congress

Botha yesterday issued a statement distancing himself from the proposed meeting, saying he had "strongly advised against it" when "a leading South African" informed him of the plan.

"As long as the ANC is under communist leadership and supports violence in South Africa, there can be no question of me approving discussions with them

"I want to warn South Africans against communist tactics of this kind and I regard such attempts as unwise and even disloyal to the young men who are sacrificing their lives in defending South Africa's safety," Botha said

Yesterday both ANC and Zambian sources were not prepared to say whether Botha's hard line had endangered the meeting

BUSINESS AND THE ANC

Building new bridges

Great secrecy surrounds the planned meeting between a group of top SA business representatives and the outlawed African National Congress (ANC) for discussions on SA's future

Although both sides are obviously treating the matter very delicately, the *FM* understands that *Leadership SA* publisher Hugh Murray is the organiser of the historic encounter that is to take place in the next week or two in Lusaka The names mentioned in the business party are Anglo's Gavin Relly and Zach de Beer, Barlow's Mike Rosholt, Premier's Tony Bloom, Barclays's Chris Ball, Remgro's Anton Rupert and Tongaat's Chris Saunders

State President P W Botha is said to be fully aware of the planned indaba, at which ANC president Oliver Tambo will lead his delegation The rendezvous could well lay the ground for a meeting between government and the ANC in the future

Bloom denies he is directly involved in setting up the talks, but reiterates that he favours the idea and called for such talks months ago Barclays tells the *FM* it "denies that (it) was the initiative behind the proposed talks with the ANC and we have no knowledge of the talks, but obviously the matter is highly sensitive and we would not be prepared to comment further"

Anglo's involvement brings with it the corporation's experience in maintaining its interests in a society in transition and working out a *modus vivendi* with any new regime — Zambia is a case in point

Zambian president Kenneth Kaunda first suggested a meeting between SA businessmen and the ANC when they visited him about two months ago Kaunda is said to have used his good offices to arrange the meeting

A well-placed corporate observer suggests that businessmen are attempting to serve a mediating role between Pretoria and the ANC — which is recognised as a significant player on the stage Also, the political question is far too serious to be left to the two parties now involved in a "stand-off." Businessmen believe they have to be more active — if not as direct participants, then as mediators, says the observer "We have moved a long way away from the old division between business and politics," he observes

From Lusaka, the ANC tells the *FM* that confidentiality about the details of the meeting must be respected at this stage There is no agenda, maintains the ANC, but it says the question of SA and of its future will be discussed "We are all concerned at what is happening in SA," said the ANC spokesman.

Although the ANC and white SA capitalists might at first sight seem to be the least likely parties to come together, SA's premier liberation organisation has always indicated its willingness to meet SA groups Since its last major policy conference in Kabwe back in June, however, direct contact with SA government officials has been ruled out unless certain pre-conditions are met It is still open to private contacts, though

ARE THESE THE MEN?



Bloom — Ball — De Beer — Rosholt

Although there is no record of the ANC having met with SA businessmen before now, Tambo did meet — in New York in 1981 — representatives of American banking and industrial corporations with interests in SA They included Bank of America, Citibank, Hanover, GM, Ford and General Electric The meetings seem to have been part of an ANC campaign to make the organisation better known and understood in the US

The ANC is quick to stress in its public pronouncements that it is not an ostensibly socialist organisation, although it indeed has elements of socialism in its programme, observes Wits University's Tom Lodge It has in the past, when reviewing the Freedom Charter (the ANC "blueprint") talked of nationalisation of certain key economic sectors In 1969 it considered the "monopoly" mining, wine, sugar and banking industries to be fair game, but that was long ago

Says Lodge "My feeling is that the ANC is not particularly committed or coherent about which sectors it would like to nationalise They think mainly about controlling the 'command heights' of the economy" In any case, the kinds of sectors which the ANC could well aim for are already semi-nationalised, like fuel, steel and transport The ANC spokesman in Lusaka says much the same thing to the *FM* He suggested his organisation would favour a type of mixed economy and added that he is "not sure the ANC has ever said it rejects free enterprise although a major worry is concentration of wealth among seven or so companies" ■

MINE LABOUR

Strike collapses

With confusing claims and counter-claims emanating from the warring parties, the strike called by the National Union of Mineworkers (NUM) at Gencor, Gold Fields and Anglovaal mines was suspended late on Tuesday by the NUM executive

The NUM leadership urged miners to return to work pending the results of an urgent application to the Industrial Court "This step was taken to protect workers from the threatened dismissals and unlawful evictions from mine hostels which were about to be executed by managements"

At the time of going to press, the union had set in motion plans to ask the Industrial Court to declare the dismissals being carried out by Gencor and Gold Fields an unfair labour practice

It was also preparing to apply for an urgent Supreme Court interdict against Anglovaal There was no strike at Anglovaal's Hartebeestfontein mine and the union alleges that this is because workers were forced to work at gunpoint, a charge the company firmly denies

The NUM says that workers at Gold Fields' Kloof and West Driefontein mines — where the union is recognised and strike action was called for — were also forced to work at gunpoint It adds that strikes were "crushed" by mine security and the SA Police at Gencor's Stilfontein, Unisel and St Helena mines and at Gold Fields' East Driefontein

A Gold Fields spokesman says that at Kloof and West Driefontein police were used to "disperse intimidators and picketers" But he denies that arms were used to force people to work And a Gencor spokesman describes the union allegations against the group as

RUPERT ON REFORM

The will is the way

Remgro chairman Anton Rupert is arguably the favoured son of Afrikaans business in SA From his base in the Cape his tobacco and cigarette empire has grown into a vast industrial partnership embracing the Western world, achieving a net attributable income of R274m in the past finacial year Yet he is deeply concerned by the crises facing the Republic and strongly believes its affairs cannot be allowed to continue as they have been

In discussions he offered his views on where SA should be going and how it should get there, emphasising that he is an industrialist and not a political scientist What emerges is a study in cautious readjustment to a new order in SA based on a confederal concept with an option for extension throughout the subcontinent His philosophy is probably a touch too obtuse for many political theorists, smacking in parts of a truncated version of Cecil Rhodes's Cape to Cairo dream – but Rupert is convinced it embodies the essential qualities of the area in a structure which could be made to work

He was not impressed by what appeared to many as P W Botha's obfuscation in Durban of national realities "There were many good thoughts but no single penetrating message" The one priority that should stand out above all others in SA, he believes, is the need to find common ground in the subcontinent "We need greater clarity from leadership, clearer expression of what I think he (PW) wants to say"

Rupert stops short of calling for a new man at the helm in SA because he thinks Botha can still command a larger following than anyone else

"A leader without a power base is useless, and I think he speaks for an important group of people" Too great a shift from the centre in these times could also lead to disaster "We must watch that we don't create a white revolutionary group I think the climate that has been created by all the forces working in SA puts him in an impossible situation, but he is probably the only man who can get us out of it I think he is up to it and I would not like to undermine his authority at a time when he thinks he can do it, but of course the timing is becoming increasingly urgent

"Maybe his position is now stronger than it was before He is a captive of the situation

BUSINESS AND REFORM

Action now!

The cry for government to do something decisive to alleviate the national political and economic crisis is becoming a very loud chorus indeed Virtually every top businessman in SA has spoken out in the last week or two on the need for fast and real reform

The *FM* asked some of these business leaders to state in their own words what they think should be done



Premier's Tony Bloom:
"Issue a declaration of intent to remove statutory discrimination from all walks of South African life in its entirety The natural consequence of this will be, *inter alia*, the abolition of the hated pass laws, a common South African citizenship for all, freehold title for blacks, a single educational system and ministry, and an end to the Group Areas Act

"Announce (government's) willingness to negotiate a new constitutional dispensation between the accepted and representative leaders of all the relevant political interest groups from all the different population groups in SA, even if this means releasing some of those leaders from detention and unbanning certain organisations Return to the rule of law as soon as possible and lift the State of Emergency — the police have wide enough powers under other statutes to restore stability without a protective cover for what has become 'open season' on blacks

"Economically, stabilise the value of the rand at closer to its true value based on fundamental economics and not political pressures No country in the world would be able to deal with the sort of pressure that is presently being put on SA by the international banking community, and that pressure cannot be allowed to destroy our economy The present orderly repayment mechanism must be continued Gently restimulate the economy to enable corporate SA to get off its knees and recover If necessary, import controls should be reintroduced to allow some of our decimated industries to recover and create jobs — we simply cannot afford the luxury of a totally free-market economy under present conditions"



W & A's Mannie Simchowitz:
"Do away with influx control, abolish forced resettlement of people, allow complete freedom of movement, institute one system of education, abolish the Group Areas Act — a person should be allowed to live wherever he can afford to We cannot afford the cost of the homelands and the inefficiencies they create, ultimately the homelands will become security risks They should be abolished

"SA needs some kind of federation in which every adult has a vote — but not in a one-man, one-vote system I favour a form of qualified franchise on a federal basis with one central authority controlling fiscal/monetary and foreign/defence policy Minority group protection must be guaranteed and whites should retain 50% of parliamentary seats

"On the economic front import controls must be introduced in order to encourage local manufacture for the crucial need to provide employment And until the economy takes off, government should make a concerted attempt to create jobs for township dwellers, albeit at low wages, with the possibility of providing them with a meal a day"



Motani Lounge and Furniture's Omar Motani
"Government must not prescribe to us who our leaders should be, and if they do not know who our leaders are, then they should perhaps hold a referendum to find out This government seems to me to be certifiable as they appear to have a psychosis about negotiating with the real leaders of the people

"There can be no discussion about entirely scrapping statutory racial discrimination — it's an absolute precondition for any settlement Further, it is important that opponents of government should not be victimised by the State

"But aside from the immediate political crisis, this government is guilty of gross economic mismanagement — as shown, for example, in its spending over budget in recent years It's time businessmen were placed in strategic positions in the economy and for the politicians and churchmen to get out Billions could be saved and redirected to useful, viable investment if it did not have to be squandered on apartheid ideology"



Stanbic's Henri de Villiers.
"I endorse the sentiments on the current political climate expressed by organised commerce and industry (last week) I also back the call made by

as much as we all are and if he is prepared to make a move it could now be done more readily I think he should realise that he has the strength and I think he can still take the country with him if he does the right thing

"The revolutionaries are still a minority I would guess that the majority are still middle-of-the-roaders and he is the middle of the road That is the danger — you are liable to get run over there"

Rupert believes it is not too late to begin a process of thorough negotiation with all parties, but stops short of the call by organised commerce and industry for the inclusion of those in prison, i e Nelson Mandela

"It would be extremely difficult for any government that has a semblance of authority to agree to speak to people who will not entertain peaceful negotiations and who say they are not going to join in unless they have immediate control I fear that some of these people have external centres of power, I don't even know if they are free to do as they want anymore But by all means let's see who wants to get together to speak about our problems"

The talks — serious confidential discussions as opposed to open diplomacy — should encompass the subcontinent, Rupert believes, and he is convinced that leaders such as Zambia's Kenneth Kaunda, Botswana's Quett Masire and Mozambique's Samora Machel would take part "We would all be better off with a larger area of common interest"

So too would Chief Mangosuthu Buthelezi — and probably most of the independent homeland leaders, although Rupert maintains the government has probably created an additional problem for itself by creating them in the first place

"I do hope we are going to get a confederation of sorts, a carrier of communal interests, with devolution of power to the lowest levels It should be possible to do this while still providing security for minorities, to agree on the common interests and then work out the difference, in fact that is its strength We cannot live with the position as it is now and I don't think it is necessary We have friends in the world who will support us They want to trade They want stability here We must defuse the situation

"When you say things nowadays, action has to be quicker Maybe this is because some of the promises made by ministers in the past did not come to maturity, but to get the country out of massive unemployment we have to react We have to set the people free to trade, to offer their services The regulations of apartheid must go But how does one give an instruction to the civil service? You have to check on them and just you try to fire a civil servant!"

Rupert is not distraught about SA's problems The crisis, of course, has all the makings of disaster — that he acknowledges — but it also offers tremendous opportunities "Let us not argue about form before deciding on the way Where there is a will there is a way — the will itself becomes the way We still have hope Now is the time" ■

Anglo American chairman Gavin Relly and Rembrandt group chairman Anton Rupert for an acceleration of the reform process It is imperative that there should be a rapid shift in the alignment of political interests, and I support the call for serious negotiations between partners of equal status that was expressed by organised commerce and industry this week"



Sanlam MD Pierre Steyn:
"We have gained valuable breathing space which must now be used to restore confidence both internally and externally We shall have to strive for political stability, and to achieve this, provision will have to be made for blacks to be part of the decision-making process, for better living standards in the black townships and for changes to the system of influx control It is going to be difficult to attract foreign investment at the levels of the past and the government should therefore create instruments to encourage savings internally so that a reasonable economic growth rate can be achieved A modest reflation of the economy is also desirable"



Nafcoc Executive Director, Stanley Kubheka:
"The partial State of Emergency must be lifted to defuse the situation, and there should be an immediate de-militarisation of the townships Government should declare its intent to dismantle apartheid Nelson Mandela and other political detainees should be released unconditionally

"We feel that *accepted* black leaders must be involved in discussions of a new dispensation which will lead to ultimate power-sharing by all racial elements There should be complete deracialisation of the economy by removing all laws that impede black participation"

In statements last week, other businessmen had this to say:



Anglo American's Gavin Relly:
"As the causes for the run on the currency were not economic but political, any economic measures that the authorities may introduce will have no more than a short- to medium-term effect unless they are also accompanied by a new political dispensation

"What is needed for the short-, medium- and long-term health of the country is an acceleration of reform, in particular in regard to citizenship, influx control, a positive urbanisation policy and the development of a unitary education system

"Above all, it is necessary for the government to enter into genuine negotiations with representatives of all groups in SA for a new political system of genuine power sharing"



Sun International's Sol Kerzner:
"It is time to be bold Let us wipe discrimination from the statute book of SA In one swoop we would take a giant step towards creating a fair and just society, one in which all our peoples can take pride and one in which we will all flourish

"Let us unite in our support of reform and assure government that we understand that it will take time to find all the constitutional answers to our complex position

"Let us assure government that we will be patient and understanding, but at the same time let us make it clear that we do expect the speed of reform be increased and that apartheid be scrapped so we can create a society of harmony and peace"

There was also a joint statement from the Association of Chambers of Commerce, the Federated Chambers of Industries, the National African Federated Chamber of Commerce, and the Urban Foundation:

"No real negotiation is possible without normalising the security situation through lifting the partial State of Emergency as soon as circumstances permit

"Equally essential is a commitment by government that it will deal even-handedly with the accepted leaders of the black community, even if some of these are currently in detention

"The organisations wish to emphasise that normalising the South African situation can only come about if all the country's people recognise that they have a shared destiny to be arrived at through serious negotiation between partners of equal negotiating status

"Our survival depends on making the necessary structural changes to uphold the political, social and economic values pursued by our major trading partners which represent, in essence, the great democracies of the world

"Should we fail to do so, investors and traders will increasingly shy away from SA without any formal laws forcing them to do so" ■

FM 6/9/85

further attempted to muddy the waters by insisting that the decision whether or not to participate had not yet been taken and called for a vote on the issue

But party leader Van Zyl Slabbert put his foot down firmly He said the decision to participate had been taken way back in 1983 when the PFP made the decision to enter the tricameral Parliament "We are already there," he said "For me participation is not an issue What we have to decide is how we do it We have to remain sensitive to people's feelings "

In the end the congress went back to the original resolution, sponsored by Johannesburg North, which was unambiguous on participation but charged the party leadership with being sensitive to the attitudes of the community and to take account of practical problems before taking any final decisions

In spite of the inherent danger of the PFP falling between two stools in seeking to promote reform both within Parliament and without, there can be little doubt that if it did manage to become the majority party in the lower houses, government would have a major problem in legislation on its hands As MP for Greytown, Pierre Cronje, graphically points out the PFP had opposed 19 discriminatory Bills in Parliament during the previous session to the National People's Party's two and the Labour Party's one

No doubt government, as the majority party in the white chamber and the State President as the final arbiter, would continue to bulldoze legislation through But electoral progress by the PFP in the lower houses would certainly make a mockery of government-styled consensus politics ■

CONSUMER BOYCOTTS

No end in sight

Black consumer power, once tipped as the key to growth in SA, is increasingly proving to be a potent political weapon, especially in the eastern Cape

At least some recession-ridden eastern Cape traders have buckled under the additional burden of the black consumer boycott which has affected towns and cities in the region since May However, in some towns, efforts on the part of the business communities and concerned citizens have successfully opened lines of communication with black communities who, until recently, have been a source of, to most whites, incomprehensible demands

But there is evidence that there are also strong-arm efforts to end the boycotts In the Tembisa township, near Kempton Park, police closed seven black shops last week in terms of emergency regulations and detained a number of shopkeepers

The police have the power to take such action if they consider the continuation of a business to be promoting or prolonging a boycott of other businesses

It was the first confirmed action of this sort by the police, although there have been unconfirmed reports that black shopkeepers in other parts of the country, particularly the eastern Cape, have been detained in an apparent effort to break boycotts

The sources alleged that police were stopping trucks from delivering to certain shops The closures and detentions were confirmed by a police spokesman in Pretoria

Port Alfred is the town that has been most successful in establishing communication between businessmen and black communities The boycott of businesses in the town was halted shortly after the Port Alfred Employers' Committee started meeting with black community leaders in June Other towns have followed their example in setting up loosely-constituted committees of concerned citizens who meet with community organisations

Even so, the meetings and contact have been severely complicated or, as has happened in Grahamstown, suspended because of the State of Emergency, the continued detentions, and banning of meetings In Grahamstown the third boycott this year started on Monday, September 2

In Port Elizabeth, where a two-month boycott is now in its seventh week, it seems that the boycott could continue indefinitely Efforts to communicate have clearly been thwarted by the institution of the State of Emergency which led to the detention of some of the boycott organisers and prompted others to keep a very low profile

Hope of reopening the very tentative discussions started before the emergency in July They flared last week when the local boycott leaders announced they were prepared to talk to businessmen, provided Law and Order Minister, Louis le Grange, gave the assurance that they would not be arrested

"Obviously we have no power to grant such immunity," says Tony Gilson, director of the Port Elizabeth Chamber of Commerce, "but we are pursuing every possible way of ending the boycott " The chamber, the Afrikaanse Sakekamer, and some affected businesses have set up a committee to deal with the boycott and establish communication with the boycott organisers

Gilson has no accurate statistics on the impact of the boycott but says simply that there are few businesses with substantial black clientele which could survive extended boycotts "Some have closed down, others are determined to sit it out "

He sees no simple solution to the boycott "It is a manifestation of a much wider problem Black people have a very real desire to participate in the affairs of SA We recognise that and we believe that there will be no end to the current situation until we can bring about full participation and a system of no discrimination "

The boycott leaders have stated that the boycott, originally scheduled to end on September 15, could continue indefinitely because of the lack of response to their demands, and because Le Grange had failed to negotiate with the "real" black leaders following the State of Emergency

A bit more optimistic of a breakthrough at a local level is the secretary of a newly-formed Cradock committee set up to open communication with the black community of the town The group succeeded in an approach to the magistrate to allow a public meeting to take place in Ilingelihle, the large dusty township south of the town A committee of five was elected to have discussions with the organisation tentatively called the Cradock Employers' Federation, and the first meeting between the federation and the committee of five took place last week.

Says the secretary, Faith Collett "Our idea is to set up lines of communication It is a totally open-ended thing and we are still in the very early stages

Comments Steve Birt, chairman of the Grahamstown Chamber of Commerce, which has been holding discussions with the boycott organisers — the Grahamstown Burial Action Committee — for some time: "The boycott is successful in that it has focused the awareness of the white community on the problems faced by blacks " ■

THE MEDIA

The empty screen

The SABC came under fire this week for its coverage of unrest — particularly in Cape Town where some of the worst violence the city has ever seen was virtually ignored

The main news on "white" TV1 has given only brief official details of Cape Town's turmoil and shown only snatches of action

The PFP's media spokesman, David Dalling, said if there was, in fact, an official policy to down-play the current unrest on TV, then it was working extremely well "Journalists who are watching unrest around the country on a day-to-day basis are amazed at how the SABC downplays or fails to report incidents," he said The SABC seemed to forget that by not reporting incidents SA's problems would not go away "All that will happen is that South Africans will not be properly informed to make decisions about issues that affect their lives," Dalling added

While much of the world is watching events in SA unfold on their TV screens every night, South African TV viewers are, generally, poorly informed, verbally and visually, about what is happening This situation was emphasised by the Cape Town unrest, which was happening in the full view and with the knowledge of most white residents, but was given hardly any coverage by the SABC

After seeing for themselves what was going on, many Capetonians were shocked by just how little the SABC was telling the rest of SA The SABC's comments on complaints about unrest coverage were requested, but had not been received at the time of going to press ■

Business meeting is on, says ANC

THE ANC confirmed yesterday that proposed talks with South African businessmen will go ahead "very soon"

ANC spokesman, Tom Sebina, told *Business Day* by telephone from Lusaka that the group of businessmen were expected to arrive at an arranged meeting place "somewhere in Africa" soon.

He would not commit the ANC to a date, but conceded "The days are moving closer to our meeting."

Reacting to reports that the US also intended to talk to the ANC, Sebina said this would depend on the Reagan Administration's commitment to pressuring for radical policy change in South Africa

LESLEY LAMBERT

"We would find it difficult to justify talks with the US Administration which has made its attitude towards the ANC very clear

"We are not going to bribe the US Government into changing its negative attitude towards us.

"But if they want to initiate talks, then they must commit themselved to bringing pressure on the apartheid policies of the South African government"

Sebina refused to confirm the identity of the South Africans "until they have done so themselves Nor will I tell you where in Africa we are meeting.

"We respect their need for confidentiality, just as we hope they respect ours"

Anglo American chairman Gavin Relly and Premier Milling chairman Tony Bloom are playing a major role in the proposed talks, while Hugh Murray, publisher of Leadership SA, is said to be arranging the meeting.

September 13 1985

Meeting to be 'exploratory'

Third-time lucky talks for ANC and business

JOHN BATTERSBY

LONDON — The meeting of top SA businessmen and African National Congress leaders — due to take place today — is the third attempt at such talks

The meeting was to have taken place in June but was scrapped after the SADF raid on Gaborone

Then a business delegation went to Lusaka in July but, because of a communications breakdown with the ANC, met only Zambian President Kenneth Kaunda

Sources close to ANC leaders and to Zambian diplomats confirmed this week that the talks would take place today

It will be the first time senior businessmen talk to ANC leaders about South Africa's future

Neither has a mandate to negotiate and the exercise is mutually recognised as exploratory

The proposed meeting has the backing of organised business, including Assocom, the Afrikaanse Handels Instituut (AHI) and the South Africa Foundation

State President P W Botha's belated finger-wagging has presented the business community with a challenge to show they can back up their reformist rhetoric

The move is being seen by some political observers as an indication government has lost the initiative, along with the support of bankers and local and overseas businessmen

Many businessmen, they say, believe Botha does not have what it takes to lead the country on the road of fundamental reform

In talks with black leaders, they add, businessmen could act as honest brokers between the ANC and government, using their collective clout to drag government into talks

There are also other reasons for the meeting

Economic sanctions have become a reality

Businessmen also want to know the ANC stance on "soft targets", the armed struggle, communist links and free enterprise

At a major conference in Kabwe, Zambia, the ANC blurred its former distinction between "hard" and "soft" targets

It singled out the premises of companies engaged in industrial disputes with black staff as fair game for bomb attacks

Having succeeded in making the townships ungovernable, the ANC has in recent weeks called for the resistance to be taken into the homes of whites

After 25 years in the wilderness, the observers say, the ANC has caught the scent of victory in recent months

The prospect of a business-ANC summit comes after more than a year of riots in which about 700 people have died, they note

And in spite of a two-month-old state of emergency there is no sign of the violence abating and a string of political concessions has only fuelled the liberation expectations of radical black youth

Anglo and ANC's still a vast gap to bridge (172) W. Mail 26/9/85

a vast gap to bridge

By HOWARD BARRELL, Harare

WHEN Anglo American chairman Gavin Relly and ANC publicity chief Thabo Mbeki sat down alongside each other in the Zambian bush last week, shared tobacco pouches and puffed merry smoke rings past each other, there was good reason to wonder what, if anything, was being cooked up

For sure, an important political process was underway But what did it mean for the ANC and its support base as opposed to big business?

Clearly not the same thing

Relly and Mbeki had the comfort of both being pipe smokers But, for the rest, the common ground between the two parties was more limited

They were all South Africans They all professed to share a concern that democracy should be achieved in South Africa with the minimum of suffering, though they disagreed on what exactly democracy was, particularly the extent to which wealth needs to be redistributed in order to give it concrete meaning

Both front- and back-door ANC sources say no deals were reached It was just "an exchange of views"

What, then, was the point for the ANC?

It is clear from ANC sources that talks with a wide variety of people or organisations, such as those with big business leaders on Friday, are regarded as politically important.

Talks of this kind complement other facets of ANC strategy, a senior ANC source said this week. There was "no question" of any let-up in the ANC's strategy of armed struggle Instead, the coming months would show an escalation

It did not matter how many times ANC leaders had tea and scones with Anglo's Relly If Anglo again acted harshly — in the ANC's view — against black workers, more ANC attacks would be mounted on the corporation, he said



ANC president Oliver Tambo and political commissar Chris Hani share a story during a recent Lusaka conference

He said it was necessary for the ANC to talk to people at various levels of society. Meetings would be aimed at convincing these people that the time was past for reform; what blacks wanted was real political power

"Any meeting we have with non-ANC people is aimed at convincing them that the time is past for just fiddling around — changing this, reforming that. The reason people are dying is that they are saying 'we want a united, democratic and non-racial South Africa. We want people's power'."

Why then talk? To big business, clearly identified by the ANC as part of what it terms "the enemy forces"?

"Through these talks, it may be possible to move some elements away from active support and perpetuation of the system. That's an important aspect," the source said

"Relly and the others have drawn the attention of a portion of South African society to the fact that this government is unable to maintain stability in our country These are people who once had illusions that the Botha regime had the answers These people are rethinking," the source added

Of AZAPO Publicity Secretary Imram Moosa's criticism of the talks, the ANC source dismissed it as containing "no seriousness"

"It is mere posturing "

The ANC expects to hold talks in the foreseeable future with a number of other organisations operating legally inside the country, some of which it regards as allies, others as hostile

But, on Gatsha Buthelezi and the Inkatha leadership, the ANC's answer is a flat "no" for talks

"We regard Gatsha Buthelezi as a salaried employee of the South African regime Beyond that, he has adopted a posture which is directed at the physical destruction of all forces that are opposed to apartheid

"We are not prepared to speak to his paymaster at present, so there's no reason to talk to the hireling " the ANC source said.

Despite the bellicose denials of President P W Botha and Deputy Foreign Affairs and Information Minister Louis Nel that the government had approved Friday's talks, usually reliable political sources in the frontline states say Botha did, indeed, give the talks a nod and a wink.

As far as the ANC is concerned, talks with the government or "its employees' fall into a wholly different category — that of negotiations

In this case a whole range of preconditions apply The central one is that any negotiations be about the transfer of power The ANC's position is that it wants a united democratic and non racial country, and it will not budge from that position

Prog aid to violence victims

THE Progressive Federal Party has established an advice bureau to help victims of violence and people threatened by violence in Durban's black townships

This move follows a spate of incidents of violence particularly in Umlazi and KwaMashu where vigilante groups have attacked people and destroyed several houses belonging to trade unionists, political activists and suspected United Democratic Front sympathisers

Ray Swart, the Natal leader of the PFP, said the party had been inundated by appeals for help from victims.

He said members of the legal profession in Durban would take affidavits and where applicable representations would be made to the authorities to take action against those concerned, and to give protection to those threatened.

Swart said the PFP was aware of the "unfortunate" divisions which appeared to exist among the black communities in these townships at present

He expressed concern with the lack of protection being given to people in the townships

In the latest incident of violence by a group of armed men, a house belonging to a former KwaZulu Legislative Assembly members, Willel Yengwa, was attacked and set alight in Lamontville on Sunday

Her husband, George, and their daughter, Zinhle, 13 were admitted to King Edward Hospital after shots were fired and petrol bombs thrown at the house

'Satisfied' ANC considers further SA talks

PETER WALLINGTON

THE African National Congress, satisfied with its meetings with business leaders and the Progressive Federal Party, is considering requests from other South Africans for talks

ANC spokesman Tom Sebina told *Business Day* that the ANC were 'very satisfied' with last weekend's meeting between a PFP delegation led by party leader Frederik van Zyl Slabbert and ANC officials

Further talks between the two organisations could take place "when and if necessary" he said Sebina said he did not know whether the ANC would meet business leaders within the next few weeks, as has been reported

He said the recent talks which would have been unthinkable a year ago, were a welcome development "Maybe the conditions were not suitable for talks in the past, but now people are seriously concerned with the situation in SA and they accept that the ANC's point of view has to be heard and understood

172

"There is a better way"

As responsible businessmen committed to South Africa and the welfare of all its people, we are deeply concerned about the current situation.

We believe that the reform process should be accelerated by:

- **Abolishing statutory race discrimination wherever it exists;**
- **Negotiating with acknowledged black leaders about power sharing;**
- **Granting full South African citizenship to all our peoples;**
- **Restoring and entrenching the rule of law.**

We reject violence as a means of achieving change and we support the politics of negotiation.

We believe that there is a better way for South Africa and we support equal opportunity, respect for the individual, freedom of enterprise and freedom of movement.

We believe in the development of the South African economy for the benefit of all of its people

fair participation for all.

172

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IN MY OPINION

TONY BLOOM

Assessing the ANC



Tony Bloom, chairman of Premier Group, made extensive notes at the recent meeting he attended in Zambia with the African National Congress. Here are some of his impressions, quoted in *Leadership* magazine.

I gained the distinct impression that the African National Congress (ANC) is going through a "schizophrenic period" at the moment On the one hand, its tail is clearly up as a result of the recent developments internally in SA, because of international pressure against SA, economic problems, the drop of the rand and so on On the other hand, they realise that the whole system is not about to disintegrate and that their struggle is likely to continue for many years into the future and involve considerable loss of life and deprivation They face the prospect of exile for many years to come

I have no doubt whatsoever that the people we met have an overwhelming desire to come back to SA This was said to me on several occasions. They love to talk about SA in detail, about parts of SA, to remember people in SA, places and events. Take Thabo Mbeki. The life of someone who has been in exile for 23 years cannot be attractive, particularly as most of the ANC live in fairly abject circumstances

I was surprised (almost overwhelmed) by the cordiality of the meeting A more attractive and congenial group would be hard to imagine There was a total lack of aggression, animosity or hostility towards us In fact, I sometimes worry that we got on a little bit too well! Clearly we differed fundamentally on several important points, but the differences of opinion were always argued rationally and without invective

I was struck by the absence of traditional Marxist-Leninist jargon and dogma Even in the discussion on nationalisation of industry, the concepts could quite easily have fitted into a socialist rather than Marxist framework I found it curious that they used the example of Sweden as an ideal, rather than the USSR or Eastern Bloc states

All of the ANC delegates were clearly highly intelligent, intellectual and very articulate In fact, the calibre of the leadership is streets ahead of much of the black leadership one finds in SA

It was difficult to view the group as hardline Marxists or bloodthirsty terrorists who were interested in reducing SA to anarchy and seizing power, with a hatred of whites While it is difficult to draw deep conclusions from a superficial meeting, the latter stereotype (which is probably the impression that most white South Africans have of the ANC) certainly did not come through at all Without in any way wishing to be seduced or hypnotised by the occasion, I believe that they are people with whom serious negotiation can be undertaken and with whom a certain amount of common ground could be found

Clearly, there are fixed positions on either side that are diametrically opposed to each other, but this is the situation in many negotiations I believe there could well be room for compromise and I would unhesitatingly support any initiative to get the SA government and the ANC into contact with each other

The link with the South African Communist Party (SACP) was part of the story that I found the least convincing We did not really probe into this very deeply or cross-examine them on the link, but I would require to be convinced that link is not stronger than the impression given, particularly as over half the members of the (ANC) National Executive are members of the SACP Neither were we able to resolve the question of how influential the hardline Slovo-element was

Were we taken in or deliberately used as stooges in any way? Was this merely a propaganda exercise designed to obtain worldwide publicity and legitimise the ANC? I have thought back carefully on the discussions and honestly believe not The air of spontaneity would have been hard, if not impossible, to fake unless they are actors of the calibre of Lord Olivier!

Moreover, their subsequent media behaviour was restrained and could not be faulted for accuracy I continue to believe the meeting was an important breakthrough, constructive, and I would certainly be prepared to attend a follow up

What Relly will tell ANC

- By PATRICK LAURENCE

THE chairman of Anglo-American, Mr Gavin Relly, said on the eve of his departure for Zambia for scheduled talks today between leading businessmen and the outlawed African National Congress· "We have no ambitions to persuade them about anything at all "

Mr Relly, 59, refused to divulge precise details about the timing and venue of the talks, except to state enigmatically "If the talks come off I will certainly be involved in them."

Commenting on the objective of the talks, Mr Relly said "It might be useful for both sides if people actually met, instead of seeing themseves as sworn enemies at the end of a sort of media presentation . that is really the fundamental of the good sense of talking"

Mr Relly added· "I think there is coherent sense for businessmen to want to find out if there is common ground that a free-enterprise society is demonstrably better at creating wealth than some type of Marxist socialism I would have thought it was self evident that nobody wants to play a role in a country where the economy was destroyed either by a sort of Marxist approach to wealth-creation or by a revolution."

Mr Relly, however, disavowed that the purpose of the talks was to persuade ANC leaders of the superiority of capitalism He did concede, however, that if the talks focused on the Freedom Charter the issue of capitalism versus socialism would almost certainly be discussed.

Commenting on President P W Botha's characterisation of the talks as "unwise and even disloyal," Mr Relly said "I simply accept that he may have found that the statement necessary in a political sense, so I am not disconcerted about it "

He said of the rising tide of anti-capitalist sentiment in radical black opposition movements "It is fairly understandable. But I am not particularly worried ..because I think that with the increasing free enterprise that we have here (we are) increasingly able to show that it can deliver the goods "

Meanwhile, the ANC in Lusaka considers it will be talking to the businessmen from a position of some strength, reports HOWARD BARRELL.

The tone of the meeting will probably be "calm and firm", according to a senior ANC official interviewed last week

WHAT THE ANC WILL SAY· IS CAPITALISM UNDER THREAT?· Page 9

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The programme was initiated by the Paris Chamber of Commerce, which originally planned to develop black managers in French companies operating in SA Its scope, however, has been broadened More than half of the 17 participating companies are South African-controlled and, although the emphasis is still on black advancement, the programme has taken on a non-racial character Of the 38 candidates chosen by the companies, three are white

The chamber invited the National African Federated Chamber of Commerce (Nafcoc), the Black Management Forum and the Urban Foundation to serve on a steering committee whose duty it was to design the programme Project manager Clive Acton believes that black involvement in the management of the programme from the beginning is an important ingredient of the JMDP

The programme plans to train the 38 candidates, chosen by the participating companies, to "cross the hiatus" between supervisory and management positions during a three-year course.

The feature of this programme that makes it unique, and which has attracted the participants, is its character as a joint venture, says Acton Many companies have embarked on similar programmes individually, but the JMDP is designed to encourage participants to share resources and experiences

Most of the training is on the job So success will depend on the support candidates receive from colleagues in their own companies. To this end, the JMDP has already put much time into educating those educators Candidates will also spend 10 weeks of each year in a formal training situation The candidates have an average of 10 years' work experience and two years of post-matric study

Most of the companies involved are prominent on the South African business scene They include Mobil and 3M (US), French Bank, Comiat, Total, Liquid Air and Roussel Laboratories (French), Powerlines (German), and AECI, Barnib, Barclays, Firestone, Nedbank, SA Perm, SA Nylon Spinners, Stannic and the United Building Society

Among the academics involved in the programme are Professor Carl Hofmeyer, of the Organisational Behaviour Department at the University of SA's School of Business Leadership, and two professors seconded from the Paris Business School One of them has just spent three years doing similar work in the Ivory Coast ■

'Trench Connection' training scheme

172

C: Prop
15/12/85

THE PARIS Chamber of Commerce has launched a R1,3-million scheme to train black business managers in South Africa.

The scheme is being run in conjunction with the Urban Foundation, the National African Chamber of Commerce and the Black Management Forum.

Prospects Reporter

It is designed to be a major thrust into the area of social responsibility by French business and is similar to other training schemes instituted by the Chamber in Third World countries such as Senegal and the Ivory Coast

Called the Joint Management Development Program, the project will be spread over three years and give candidates the opportunity of learning business management skills

A number of SA companies with French connections have been contracted to take part by sending their staff to for courses

The sponsoring companies are the French Bank of SA and Roussel Laboratories in conjunction with the Paris Chamber of Commerce and Industries

Companies involved in the scheme in SA are African Explosives and Chemical Industries, Barclays National Bank, Barclays Industrial Bank, Comiat (SA Branch), Firestone, Liquid Air, Mobil, Nedbank, Powerline, SA Perm, 3M, Stannic, Total, United Building Society and SA Nylon Spinners

The JMDP, spread over three years, comprises

★ Ten weeks a year of off-the-job training and development by the sponsoring and participating companies, business schools and consultancies

★ An in-company support program to help the participating companies with the management of on-the-job development and advancement of those on the program

There have been non-racial approaches to management development before in SA, but certain factors make the scheme unique

These are

★ The strength of a joint effort by the founding bodies and some SA companies

★ The international expertise of the Paris Chamber and its experience in Senegal and the Ivory Coast, where it has developed several highly successful co-operation projects

★ Full black participation through Nafcoc, BMF and other black specialists so that the JMDP will not be another program "by whites for black people"

★ The full backing of the Urban Foundation

★ Freedom to draw on the best available resources in the field of management development

★ A high level of commitment from participating companies

★ A focus not only on training and development but also on measurable specific advancement targets

★ High potential participants with an average of 10 years work experience

For further information contact

★ Clive Acton ☎ 728-1296/7 or 728-6889

★ Stewart Carlyle ☎ 833-1620

Big business joins the bandwagon

'85 OPINION

Never before has apartheid had so many opponents Never before have there been so many enthusiastic advocates of reform But where were they BEFORE the rand crashed asks BENJAMIN POGRUND

IT S unfair that hot coals are heaped only on the heads of the Nationalists

Not that they dont deserve savage condemnation they are primarily to blame for the state of our country and the misery being inflicted on so many as the government they carry responsibility for it But the blame is not exclusively theirs apart from anyone else the business community shares it in considerable measure

During all those pre verligte years when the Nationalists were forcing apartheid into every nook and cranny there was nothing to stop businessmen from paying living wages to their black workers

Had they done so — and there were union, newspaper and political voices begging and urging them to do so — South Africa would be a very different place today

Instead, with only few honourable exceptions, businessmen were happy to reap the benefits of the captive labour provided by apartheid and an authoritarian government They sheltered behind what the nasty government was doing and racked up their glittering profits

Any attempt to persuade businessmen at that time that they should increase wages was met with the stock reply "No, first there must be an increase in productivity

They brushed aside the argument that they were paying workers so badly that there was no chance of extracting more productivity how could there be when "poverty wages" did not even allow a man to start his day with a decent breakfast?

The standard reply again was "If we put wages up before productivity we will go out of business"

Time alone has proved the fallaciousness of their stance for who talks like that today?

Even though trade unions for black people were not recognised in law there was nothing to stop an individual employer agreeing to treat with a union Only a few did so however

The same attitude applied to the training of blacks Sure the government opposed blacks gaining skills at least in the urban areas And sure the white unions often opposed it But business went along with it meekly There was little foresight about the future shortage of skills and no thought of what the restrictions were doing to black minds

Indeed the business community was in general monumentally unconcerned about the debased nature and standard of 'Bantu Education as an illustration trying to get money out of business people to contribute to the Rand Bursary Fund (which was backed by the Rand Daily Mail) to provide small scholarships to keep youngsters at high school was a grinding, humiliating and largely unsuccessful battle

The outlook of the business community was (and in many ways still is) evident at the basic consumer level, in dealing with black customers — from the contempt and abuse by small café owners to the profiteering sharp practices and exploitation by sundry furniture and clothing stores (both small and large)

It has all served to give capitalism a bad name, associating it with racism and financial greed



Business and the government are communisms best friends in South Africa

With these thoughts in mind it is easy to be cynically dismissive about the September visit to Lusaka by Anglo American s Gavin Relly This, after all is the head of the corporation whose dominant size in the economy has given it the opportunity to show the way in boosting wages and improving working conditions

If Anglo American companies up and down the country had got away from poverty wages it would have revolutionised South Africa peacefully Unfortunately, it did not happen What we did have, down the years was a series of fine speeches against apartheid by Rel'y s predecessor, Harry Oppenheimer

Despite the lofty pronouncements, Anglo American has not overall got round to taking up the concession by the government allowing mines to depart from the migrant labour system to the extent that up to three percent of black workers can live in married quarters with their families Nor does it end there, for this is the company it was revealed last month which installed pipes for using gas against black miners in case of riots

Cynicism about Relly's meeting with the African National Congress can go further for the obvious question is what dialogue has he undertaken inside South Africa? Which black leaders has he been meeting over the years? And to bring it down to the particular did he speak to any leaders before his company sacked 14 000 black miners at Vaal Reefs in April?

He is also, incidentally, the person who dealt inter-racial dialogue a heavy blow earlier this year when he gave the final nod to the closing down of the Rand Daily Mail

The questions about dialogue also apply to his fellow travellers, and notably the Nationalist and crypto-Nationalist editors their newspapers are not known for honest and vigorous exploration of apartheid nor are these newspapers known for airing the spectrum of black views So why were they suddenly so anxious to have a meeting of a few hours with the ANC in exile? Was it purely a flashy stunt?

At least the ANC must be grateful because of the additional respectability which the meeting conferred on the organisation in the West

Cynicism also comes easily about the current hostility of organised business towards the government Not all that long ago, business leaders were flatly refusing to get involved in politics That attitude of course began to break down after the children s revolt of 1976 a number of businessmen realised then that everything could be going down the drain so they began to undertake practical improvements in areas such as housing and education

Since then the urgency and breadth of business criticism of apartheid have increased in direct proportion to the scale of the pressures abroad for disinvestment and sanctions allied with the deteriorating situation at home

The past year has been especially instructive in this regard it began with Senator Edward Kennedy s visit and anxiety about the support he might give to disinvestment that led to organised business making its most wide ranging demands ever to the government in a statement issued simultaneously with meeting the Senator

Ye gods, even the Cradock Employers Federation has taken part in the formulation of a seven point demand to the government which includes a single equal educational system and concern about army action in townships That s what the black consumer boycott in the area has brought about

And even the Financal Mail appears to have ditched its previous stance, a throwback to the late Czar Nicholas II that the sole concern of business is to make money for shareholders and that is a cardinal act to spend money on any wider social concerns

The collapse of the rand in August was the final straw for many Assocom, the Federated Chamber of Industries and the Afrikaanse Handelsinstituut are now boots and all into the political arena it is no longer a matter of speaking in generalities, but they detail the exact political changes they believe are vital, from the scrapping of influx control to power sharing and negotiations with acknowledged black leaders

The drop in the rand had an electric effect on the Business Day newspaper previously cooing at President PW Botha it rushed to damn him and now regularly and hysterically yells for his head Poor PW to have friends like that

Coincidentally or not, Gary Player has since the rand s crisis condemned apartheid in searing words, it is not known whether he still supports The Citizen Rabbi Norman Bernhard of Johannesburg s Oxford Synagogue has suddenly presented himself from a public platform as a longstanding foe of apartheid Rabbi Norman who?

Equally astonishing are those, from government leaders through businessmen to the Chief Rabbi of Johannesburg who are not known for having previously expressed concern about the plight of underpaid and unemployed black people Yet now they are jumping up and down to say how worried they are about the suffering which disinvestment will inflict on blacks

Something really strange and far-reaching has occurred when people of these various sorts react like this Will they act in the same way if the rand s value rises by 10 cents? Will they continue to express their concern about apartheid and to press for change if the turbulence in the ghettoes dies out for the moment or if the disinvestment movement looks like running out of steam?

The cynical questioning is unavoidable, given the track record of those involved But it should be kept in perspective — for the fact is that more and more people are concerned and frightened and are willing to speak out and to do things which they wouldn t have dreamed of doing only a few months ago

The desperation is inducing courage that wasn t always evident before and is seen in housewives risking imprisonment by refusing to adhere to the pass laws, and an editor defying banning laws

It even seems to be responsible for reversing attitudes among judges so that judgments no longer invariably favour the State but reveal a distinct shift towards upholding the rights of the individual

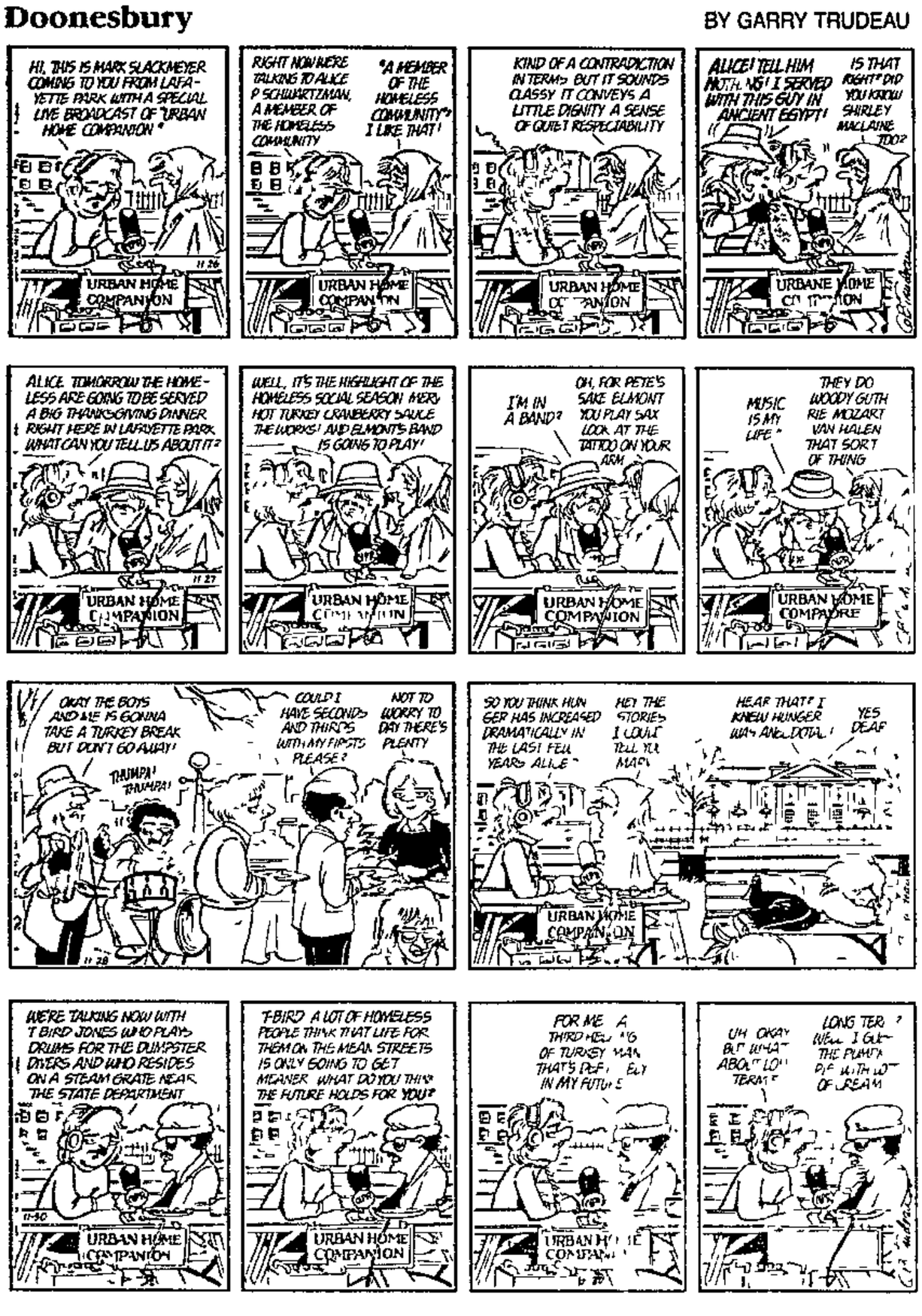
Of course it would have been more productive to have had the outbursts of demands dialogue and defiance in the years when it was less fashionable — and perhaps more dangerous — to do and say them But it is all to the good We can t afford to knock it, even while being cautious about believing and trusting too much

It s all to the good We can't afford to knock it even while being cautious about believing and trusting too much

Ultimately there is marvellous irony to the changes in attitude and action For what all these various people and groups are doing is to provide proof of what most of them are so anxiously trying to disprove that pressure works

Doonesbury

BY GARRY TRUDEAU



condemned him in 1982 as being financed by Pretoria with the aim of destabilising the Jonathan regime Past indications, notably an admission by former Deputy Minister of Land Affairs Hennie van der Walt in 1982, are that Mokhele would be prepared to sign a pact with SA

Assuming that Lekhanya, having restored order among the armed factions, calls elections and a somewhat socialist-leaning Mokhele emerges triumphant (which is not necessarily inevitable), little is likely to change from SA's point of view. Lesotho's economic dependence on SA will remain From its membership of the South African Customs Union comes 70% of the country's national revenue Basotho miners employed on South African mines (40% of the country's male population and the most productive segment) earn Lesotho half its gnp (about R1 billion) in remittances from SA.

Furthermore, Lesotho's joint development with SA of the Highlands Water Scheme is regarded as valuable enough to both not to jeopardise it in the event of any party — of whatever political stripe — coming to power. The scheme is set to double Lesotho's income once it is operational in 20 years' time

Lekhanya had not (as the *FM* went to press) spelled out the course he will follow

Yet his conservative leanings, closeness to King Moshoeshoe, and concern at the devastating prospects of a prolonged South African border squeeze, evidently propelled him to remove the intransigent Jonathan (see box)

Jonathan's political demise was precipitated by SA's choking of the country's vital supply lines After less than a month, this form of South African pressure demonstrated Lesotho's utter dependence on SA The effective economic blockade thus seems to have proved a more potent weapon than cross-border attacks in clamping down on the ANC This assumes, of course, that the new authority in Lesotho and Pretoria are able to work out a way of monitoring refugees from SA, who last year entered Lesotho at a rate of 50 a month

The events leading up to last Sunday night's relatively quiet ousting of Jonathan are still far from clear Four days after apparently trying to prevail upon Jonathan to change his stance against SA's demands to expel ANC refugees, Lekhanya acted

It seems that Lekhanya put his foot down after becoming "fed up," as one ambassador in Maseru put it, at Jonathan's lack of response to the concern he had communicated to the PM earlier this year about the increasingly tense situation in the country The Youth League of the ruling BNP, whose first loyalty was essentially to Jonathan, appear to have alienated many people by "throwing their weight around"

What was initially reported as a "coup" a week ago — when Lekhanya's men surrounded Jonathan's office in downtown Maseru — seems in fact to have been the general's ultimatum to Jonathan to reign in and disarm the Youth League and to deal with Pretoria Lekhanya, according to one account, took the PM to the King and explained that his loyalty was first to Moshoeshoe, and not necessarily to Jonathan

Just what kind of role Moshoeshoe, whom Lekhanya named Head of State, will play remains to be seen Moshoeshoe is linked to the royalist Maremathou Freedom Party, which is not regarded as a force in the land In 1970, Maremathou won only two seats Like Lesotho's electorate — which has the highest literacy rate in black Africa — the king has been on a n enforced political holiday for 20 years, since signing a virtual declaration of abdication in 1966

At any rate, it will be interesting to see whether the king shaves his beard, which he vowed not to until such time as Lesotho was returned to constitutional government ■

THE FCI CHARTER

Visionary, but. . .

"Words, words, words," said Hamlet when asked what he read For some time the business community has made its views known on reform — that negotiation with accepted black leaders must begin, influx control must go, as well as group areas and the whole shooting match.

The latest initiative is the Federated Chamber of Industries' (FCI's) Charter of Social, Economic and Political Rights, and the supporting Action Programme of South African Business Do these documents contribute towards a solution of our difficulties, are they the Magna Carta of reform the FCI believes them to be — or just more words?

The FCI's Charter of Social, Economic and Political Rights has a magisterial ring But it is far less convincing on detail and may err through being too ambitious in scope.

We have certainly come a long way from the heady, if puzzling, days of the Carlton and Good Hope conferences when business was asked by P W Botha (then Prime Minister) to stand by him in reform Some, indeed, asked then what precisely does he mean? Well, as it turned out, essentially a loosening-up of the informal sector and the pass system, freehold for blacks, the eradication of the race-sex laws — and, alas, decentralisation Everyone hopes for more

All this is trite The real question is whether business can play the role of facilitator (as psychiatrist Carl Rogers would put it) in the current political ferment There have certainly been significant entries into the political arena by various groups, sometimes alone, sometimes in concert

We have seen major businessmen urging swifter reform on President Botha Some have trekked to Lusaka to meet the banned and exiled African National Congress (ANC) And — in its quiet way — perhaps one of the most important developments has been the formation of the Private Sector Council on Urbanisation

The council comprises representatives of the Association of Chambers of Commerce (Assocom), the Afrikaanse Handelsinstituut (AHI), the FCI, the National African Federated Chamber of Commerce (Nafcoc), and the Urban Foundation (UF) In summary, its stated goals include

☐ A parliamentary commitment by government to remove influx control,
☐ An immediate end to shack demolitions, forced removals, and freezes on city growth,
☐ Acceleration of the acquisition and servicing of land at affordable prices,



Confrontation brings chaos



Conciliation creates wealth

A PROGRAMME FOR JUSTICE

The FCI's Charter of Social, Economic and Political Rights, with the accompanying Action Programme for South African Business, consolidate most existing reform suggestions A basic perception is that no serious political bargaining can begin "until all parties are convinced that government is willing to negotiate a new constitutional dispensation based on power-sharing up to the highest level"

To get there, according to the Action Programme, "a fundamental requirement is to create rapidly and urgently a climate for negotiation and a generally accepted framework within which such negotiation can occur." The role of business will be that of facilitator, urging a new urbanisation strategy, privatisation and deregulation, opening the economy to all, and the elimination of social barriers based on race.

With that, it calls for:

☐ An undertaking by government to abolish statutory race discrimination in all legislation;
☐ The restoration of a common South African citizenship,
☐ The abolition of specific laws such as influx control and the Group Areas Act;
☐ Lifting the State of Emergency;
☐ A return to the basic norms of South African common law, thus re-affirming the rule of law; and
☐ The release of political prisoners from detention

In the short term, the Action Programme calls for a "moderate stimulation of the economy to absorb excess capacity and to expand investment The emphasis should fall on lower interest rates interlinked with a supply-side approach involving a cut in direct taxation and curbs on the share of government in the total economy to create the scope and incentive for private entrepreneurship"

The Charter itself sets out the basic philosophical premises on which the Action Programme is to be based It covers the areas of human rights in these categories social and cultural, economic, civil and political; and personal and public responsibilities.

Space precludes giving full details, but the following statements are typical

☐ All human beings are born free and equal in dignity and rights,
☐ Everyone has the right to respect for his private and family life, and the widest possible protection and assistance should be afforded to the family, which is the natural and fundamental group in society,
☐ Everyone has the right to freedom of thought, conscience, and religion . ;
☐ Everyone has the right to equal educational opportunities ,
☐ Persons belonging to ethnic, religious or linguistic minorities shall not be denied the right to enjoy their own culture, to profess and practise their own religion, and to use their own language;
☐ Everyone has the right freely to employ labour and to own or manage a business ;
☐ Everyone has the right to work and to free choice of employment,
☐ No one shall be subjected to arbitrary arrest, detention or exile, and everyone shall be entitled to a fair and public hearing by an independent and impartial tribunal in the determination of his rights and of any obligations and of any criminal charges against him;
☐ No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment,
☐ Everyone born in SA or the independent or national states has the right to South African citizenship,
☐ Due regard being given to the protection of the rights of minorities, the will of the people is the basis of the authority of the government, and this shall be expressed by way of periodic and genuine elections which shall be by universal suffrage and shall be held by secret vote or by equivalent free voting procedures; and
☐ SA, as a sovereign state, shall respect the rights and independence of all nations and shall strive to maintain world peace and the settlement of all international disputes by negotiation, not war

☐ Plans to increase the population density of existing townships "in formal and informal ways;"
☐ Deregulation of the informal sector,
☐ A reconsideration of industrial decentralisation; and
☐ Reconsideration of the 1913 and 1936 Land Acts

These are practical and considered suggestions. It is against this and similar private-sector initiatives that the FCI Charter and Action Programme must be measured It must also be asked why the FCI was unable to get other employer bodies and the UF to initial what are in many respects libertarian and bold documents (see box)

The AHI is brief "No comment at this stage"

Assocom's Raymond Parsons is somewhat more forthcoming "Assocom broadly supports the basic theme of the FCI Business Charter and its emphasis on continued business involvement in the reform process, but the details will have to be further studied

"A few months ago Assocom published its own view of future constitutional options in SA — the so-called Lombard Memorandum a document which embodies many of the sentiments contained in the latest Business Charter (We) therefore believe there is common ground between Assocom and FCI perceptions of where the business community ought to stand on questions of political and economic reform The Assocom executive council will in due course give careful consideration to the FCI Charter"

A cautious response, to say the least — particularly since the *FM* understands that the Charter has been available in select circles for several months

Perhaps part of the FCI Charter's problem is that it is at once visionary, in search of the millenium as it were, and yet, in practical detail, not sufficiently instructive To call for one-man-one-vote (inevitably in a unitary state, it would seem, given the lofty principles of the Charter) as *well* as for the safeguarding of minority ethnic rights (Pretoria's bottom line) is actually impossible to implement at present

The pleas for the restoration of the rule of law, abolition of influx control and group areas legislation, freehold now, common citizenship — these have *already* been articulated, and in greater detail and depth, by the various business groups, either singly or, as we said, in concert

It seems, in many respects, that the Charter and Action Programme represent an attempt to lay the basis for a new constitution That is asking for the moon in the current climate of terror bombs and repression Nonetheless, because the FCI is a major and influential business body, the papers will heighten awareness of the degree to which business as a whole is looking for a way out of our economic and political mess



FCI leaders unveil Charter ... sincere initiative

That is welcome.

To secure a climate in which serious negotiation on power-sharing at central level can take place without acrimony is an enormous task It is one in which business is not alone in seeking to play a mediatory role The various churches, opposition parties, and even the press are doing their best in a bad, and some would say mad, world.

Business, as the FCI indicates, does have an edge in one respect This is that employers participated in the changes in the labour field after the Wiehahn reports — the mass unionisation of blacks in legal structures The *relative* stability in the factories and mines involved a learning process by both labour and management It worked because the unions were able to deliver real gains to their members.

Is there, however, any such thing as a Wiehahn report, so to speak, on reform? Perhaps the FCI's Charter seeks to be just that — and it can't be, since it is weak on ways and means, which Wiehahn was not

Again, the Charter best known to blacks is the socialist Freedom Charter While many will endorse many of the sentiments in the FCI Charter, there is a long row to hoe by way of persuasion. Not to speak of getting government to see the sense of much that it contains

It is not improbable, in fact, that change will come from the local level first, rather than from, say, a national convention — which is not to say that that route should not be actively pursued, since it makes sense and is, in the long run, probably inevitable, and revolution remote

However, at present, black groups are divided and could not form a common front for negotiation even if government was to seriously take such a reconciliatory step As an astute analysis of black politics (see *Current Affairs*) points out, most gains made by blacks since turmoil began in the Vaal Triangle townships on September 3 1984 have been at local level, through local negotiation.

The FCI Charter does not recognise this, or the diversity of black political organisation, or even the essential intransigence of government Instead it goes out of its way to praise government for the reforms it has made, which is fair enough except that government is not going to accede to one-man-one-vote in a unitary state, "not today and not tomorrow," as Mr Botha might say

If, therefore, the release of the papers was designed to pre-empt a Rubicon 2 — which some fear will be delivered when Parliament resumes at the end of the month — it won't. It could in fact have the opposite effect: raising impossible expectations again.

Nonetheless, the FCI Charter is clearly a sincere and challenging initiative We welcome it as such We are sure that while other employer bodies have chosen not to endorse it in full, they agree with many aspects Indeed, through such bodies as the Council on Urbanisation (with its FCI representation), they are in the process of both mediation and grassroots reform One step at a time, as they say ■

METROPOLITAN LIFE

Playing with the big boys

Metropolitan Life (Metpol) operates in a relatively risky area of the insurance market, dealing in fairly cheap policies with high marginal costs. But the company believes its earnings and dividend record over the past five years speaks for itself, and that performance will be right up there with the industry heavyweights.

There's a familiar ring about it a life company starts talking about a JSE listing, the press is summoned to an aseptic boardroom, where eloquent executives provide an impressive record of past performance, and another low-profiled insurer is propelled into the investing public's minds

It happened twice last year, when Southern Life and Crusader Life moved towards listing, and it will happen at least twice more this year, when Metropolitan Life (Metpol) and Legal & General Volkskas (renamed Lifegro) go the same route

The latest, Metpol, is an interesting listing and rather a large one Rated among the 10 largest insurers in SA, with assets approaching R1 billion, it intends listing 43,2m shares of which 15m will be issued in the public offer at 315c, implying total market capitalisation of R136,1m. Unlike other listed life companies, which deal mainly in the middle-to-upper end of the insurance market, Metpol has a heavy bias towards lower income groups, and is active mainly in black and coloured markets

After the issue Metpol, now a wholly-owned subsidiary of Sankorp/Sanlam, will be held 65% by Sankorp/Sanlam, and 35% by the public

With the shares of Liberty, Southern and the Prudential all having around 3% historic yield, Metpol has pitched its issue on a relatively safe 4,4% forward yield The margin, mind you, is somewhat thin, and although stagging profits of around 20% seem assured, they are unlikely to match the hefty gains of the Southern issue

One may reasonably ask whether Metpol deserves to be rated with the likes of Liberty or Southern After all, it operates in a relatively high-risk niche of the market, where lapses can be excessive, and, because it deals in cheaper policies, marginal costs are fairly high

MD Willem Pretorius believes his company justifies a rating on par with the industry giants He argues that. "Every insurance company, including us, builds into its insurance premiums components for risk, profits and costs

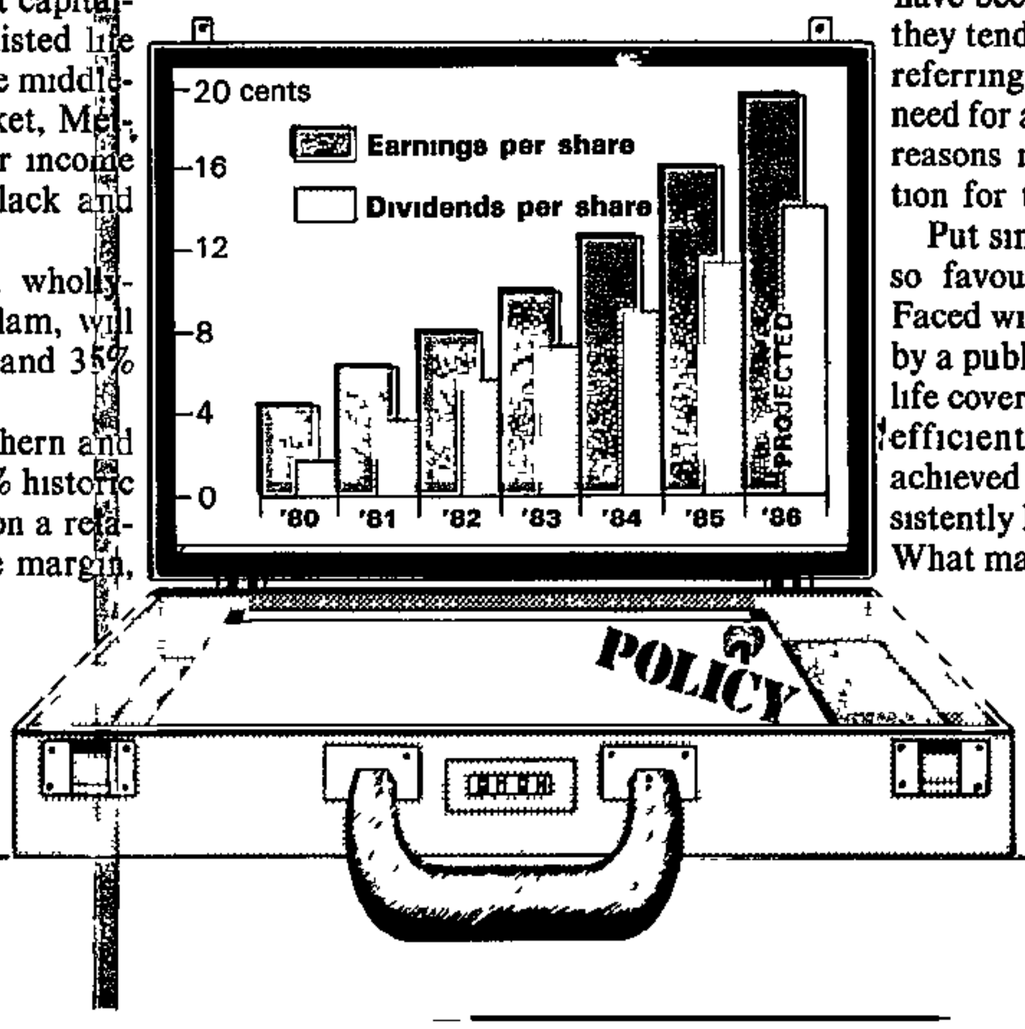
"As long as our actuary correctly projects costs and policy lapse trends, Metpol can trade as profitably as the best, the fact that we are somewhat downmarket makes no difference," Pretorius adds To support his contention, he points to Metpol's earnings and dividend record over the past five years, which, indeed, is as impressive as those of any of the industry high-flyers

It is no coincidence that life companies have been queuing up to be listed. Although they tend to justify a need for new capital by referring to "new business strain" and the need for aggressive expansion, I believe other reasons may lie behind their sudden affection for the JSE

Put simply, economic factors have seldom so favoured an insurer seeking a listing. Faced with a tide of cash inflow, fed to them by a public increasingly predisposed towards life cover, insurance companies have become efficient investors Investment returns achieved by companies like Metpol are consistently high, invariably outpacing inflation. What makes a new capital issue so attractive now is that, with interest rates at high levels, the cost of raising additional funds is a mere fraction of their potential re-invested returns

In January 1983, for example, an insurer seeking a listing would

FILLING ITS COFFERS



New course for new businessmen

THE Centre For Developing Business at Wits Business School is offering a course on how to start your own small business

The centre says starting a business gives people a great deal of personal freedom, financial independence and a feeling of accomplishment and personal pride

But there are many pitfalls, problems and day-to-day hassles that need not be the downfall of a new business

Program manager Ian Clark told *Prospects* "One of the main reasons for the failure rate in business is the lack of knowledge of business practice

"There's also a problem with particular markets and the preparation of business plans

"In deciding just what to pack into the 18 hours of the business course, we have indentified the key areas which cause major problems, confusion and frustration to a person setting up their own small business

"Our role is to prepare the samll business person to deal with a multitude of problems that can arise, as well as to discuss issues like enterpreneurship, tax, finance, the law, and forms of business ownership," he said

"Successful small businesses can often be based on previous work experience, but you also need total dedication, very hard work long hours and a great degree of self-sacrifice" explained Clark

Professor Ron Amey – who has run successful business enterprises in the past and now lecuturers at the university – is the leader of the course and has gathered a team of speakers who, in addition to teaching, run their own small businesses

Their practical experience will be invaluable to anyone wanting to know what is waiting "out there" for the new enterpreneur, according to the professor

"We run our program in a very relaxed atmosphere with ample time devoted to answering questions

"At the end of the program, a panel of entrepreneurs will discuss and share their experiences"

This is what some of the businessmen who have attended the course in the past say about it

● M Mokgwatsane of Dinkys General Dealer in Mabopane "I have run my own general dealers business successfully since 1978, but I decided to attend this course to identify the changing trends and to update my knowledge

"I was very impressed by the way it was taught, learned a lot from it - and enjoyed it!"

● P Dineka, who also runs a general dealers' business "I learned useful strategies"

● M Modiba, who was in full-time employment when he attended the course "The program gave me the courage to go it alone

"Now all I need is to find finance"

● Vera Ngubane, who has owned her dry-cleaning business since 1983 but has found it a struggle "I wanted to identify the correct procedures and see where I was going wrong

"I learned that I should have begun with more capital and that I expected to make money too quickly

"I hope to start again – properly"

● Mark Ntshangese, an industrial relations manager who plans to start his own business "The course gave me confidence and now I feel the time will come when I will be my own boss"

The course is made up of six Wednesday evening lectures of three hours each and begins at 6pm on May 29

No previous qualification are necessary to attend the course

For further information contact Vivienne Emmett at the Centre For Developing Business – telephone ☎(011) 643-3241/2/3/4 during office hours

Success in business

★ A series on how to succeed in business – by Phil Khumalo, lecturer and consultant at Wits Business Shools.

★ Please write to:
Phil Khumalo,
Centre for Developing Business,
P O Box 31170,
Braamfontein 2170.





Wits has advice for new businesses

WITS Business School launched its Centre for Developing Business at the 1986 Retail Development Program this week

Attended by about 30 leading retailers from the PWV area, the program is designed to teach businessmen the skills they'll need "to survive in a changing retail world"

The program is a practical course that tells retailers what is needed to develop and run a profitable business

The course also helps retailers design and implement operation methods

The course is sponsored by the Coca Cola Export Corporation, the first company to sponsor a program designed specifically for retailers

It has been involved in these programs since 1979

The program will run in three phases, each consisting of five one-morning sessions

Lectures will be given one morning a week, and students will be given assignments individually as well as in groups

Topics to be covered include

★ Managing people
★ Accounting and record keeping
★ Businessmen and the law
★ Retail marketing
★ Business strategy

Coca Cola also sponsors a "junior achievement program", which gives young people the opportunity to develop business skills by setting up and running their own businesses

Designed to meet specific needs of industry

COURSES that meet the specific needs of particular SA industries are viewed as priorities in the executive management programme of the University of Cape Town Graduate School of Business.

Says the school's marketing manager, Tim Ross-Thompson: "We have been taking a much closer look at the requirements of industry and are tailoring courses to match industry's requirements.

"Although there will always be a demand for our executive courses in marketing, information systems management and financial management, we are also running retailing, property development and packaging management programmes that are structured for these specific industries."

The packaging management programme — the first in SA — will be held at the Graduate School from June 29 to July 12 under the leadership of Professor Edmond Leonard, of Cornell University. He is a leading American packaging expert.

"When we structure these courses for industry we use industry experts from SA and overseas," said Ross-Thompson.

"Their input is vital in planning a course outline that will give delegates both the breadth and depth of knowledge needed for them to be better equipped to cope with the complexities of their industries."

The courses are pitched at that level of management that is most in need of specialist education and exposure to the Graduate School's management education style, which relies heavily on case study, small group discussion and field work projects.

In 1985, the school instituted the first course in SA for senior journalists, mainly newspaper editors, who needed to know more about the SA economy. This course was repeated with equal success this year.

Proof of the success of specialised industry courses lies in the fact that the school's retail distribution programme is now in its 10th year, while the property development programme is in its 11th year.

MORE ON PAGES 14-17

Development of black managers

24/3/86 BUS DAY 172

JOHN McCARTNEY

YOU PROBABLY need to train and develop as many new managers, progressively over the next 15 years, as the total you now employ

As it takes two to three years to develop a commerce or science graduate into a competent junior manager, and up to five times as long for those with lesser qualifications, it is a need which must be tackled now. It is not even a question of whether you can afford it — management development is an investment in the future growth of your business which you cannot afford not to make

Apart from any other considerations, the sheer magnitude of the numbers involved make it inevitable that the majority of new managers will be blacks, who have grown up under vastly different cultural and educational conditions to their white couterparts

The first step in any development programme must be for top management to face the moral and practical issues which will arise from the promotion of blacks into managerial positions. Are they prepared to create a climate within the company in which such people will not be at any disadvantage? Do they fully appreciate what this may entail? Do they have any conception of the time-scale involved? Or the cost? Or the unpopular decisions they may have to make?

The best way to obtain full commitment from top management is to run a strategic planning workshop at which a senior training or personal practitioner acts as facilitator, ensuring that all aspects of the problem are considered and that decisions are reached

There must be clear-cut reasons for adopting such a strategy, such as the further development of employees with recognisable potential, social consciousness, shortage of alternative material, or even the probability that, before long, government will be forced into some sort of equal rights legislation

The next step is to obtain the co-operation of other levels of management, because the bulk of on-the-job training and the cultural interface will be their responsibility Unless fear of competition and innate prejudices are overcome, attitudes will make the position of developing managers intolerable

Changing attitudes is a job for the training department. They will have to clearly define and interpret the agreed strategy; convince middle management that at best they will benefit or that, at worst, they will not suffer; and obtain their wholehearted co-operation — lip-service alone will not suffice

The way is now clear to move into the development programme by first identifying the particular jobs for which the aspiring managers are to be selected and trained The process is no different from that used for white managers A detailed job decription, including clear performance standards and authorities, must be compiled and from it a man specification drawn

Research indicates that the training needs of new black managers fall into two categories — supplementary education and training in management skills The extent of exposure to the first category will obviously depend on the background of individual candidates, but will generally include topics such as mathematics and statistics, business finance and computer literacy

All managers, black and white, need basic training in management skills — planning, organising, leading and controlling — and if this is allied to a recognisable pattern, such as "management by objectives," it is likely to be absorbed as a management style.

Black managers themselves have pointed to particularly strong training needs in the area of problem-solving, decision-making and planning to implement decisions. It is fundamental that, having been introduced to these new skills, the new black manager is given the opportunity to put them into practice.

At this stage they are ready to take up their first post, preferably under the guidance of a sympathetic (but not paternalistic) mentor The development programme will then depend on individual needs and on the employment objectives, but will usually take the form of job rotation, coupled with further specialised training courses. Team-building exercises will also help to break down prejudices and increase their acceptance as equal colleagues

It goes without saying that remuneration and conditions of service for black managers must be at least as attractive as those of their white colleagues. Unfortunately, it also goes without saying that you can expect to lose a proportion of your training and this cost must be built into the exercise

However, whatever the cost, it may well be substantially less than having to curtail operations because there is no one to manage them, or the cost of low productivity which inevitably results from employing untrained managers.

□ *JOHN McCARTNEY is client training manager of Deloittes. He is particularly reponsible for management skills and productivity improvement training.*

Black Management Forum's new direction

B. Day 24/3/86 (172)

THE Black Management Forum (BMF), founded 10 years ago to combat tokenism in black management, has taken a new direction. It now aims to be a management resource and is starting its own training courses. A non-political body, it is nevertheless outspoken in its condemnation of "continued non-recognition" by the corporate world.

"It is time to speak up. It is time to get rid of the prefix 'black' when speaking of management," says BMF executive council chairman Ernest Mcunu. "A manager is a manager, irrespective of colour. The word black here has the connotation of inferior — it appears derogatory."

Forum members share views, discuss frustrations and help each other — particularly people new to management. "Newcomers go through four phases," said Mcunu "The first is the most difficult — the entry phase. This occurs when a black is employed to do a managerial job but is not given the company history, is not introduced to colleagues, but is expected to fit in somehow

"At this stage he needs a mentor to guide him The problem arises that unless that mentor then has an incentive to train the new man, he is often resentful or feels threatened, and proceeds to prejudice his student.

"The next phase is the need for social skills and getting conditioned to the environment — adjusting. He has to familiarise himself with the work and decide on his career, which he must further without the company being paternalistic. He must work towards it as an equal with the whites, with confidence and ability.

"Phase three is the plan-growth stage. Having achieved getting to this level he now dare not sit back — he must plan ahead and keep studying, keep bettering himself. No one can afford to sit back in the corporate world.

"Finally he comes to the ultimate phase — success Getting to be the boss. If he hits rock face and cannot penetrate or bypass it, he will leave and set up his own business."

The forum currently has a drive to recruit corporate members Ordinary members regularly attend "5 30 sessions" to hear an address by a pertinent speaker and join in discussions.

Apart from its head office in Johannesburg, BMF has branches in Port Elizabeth, Durban and Pretoria. For further information, telephone (011) 933-2640.



☐ ERNEST MCUNU ... "it is time to get rid of the prefix 'black' when speaking of management"

More than 25 000 have passed business courses

ANNABELLE GORDON

DAMELIN is like a beehive — everything is a-buzz. Black, white, brown, cream and beige students stream in and out of classrooms, up the down staircase and swarm all over the place.

The vibe starts pulsing early in the morning, accelerates in the evenings and finally winds down when most people are tucked up in bed or belatedly watching television come to a close.

Formed in 1968 in response to a perceived need for an executive training programme which did not require full-time attendance at university, the Damelin Business School now has more than 25 000 graduates, many of whom now hold senior executive positions.

This year, approximately 5 000 students countrywide will complete one of the many courses it offers.

The Management School and the Institute of Marketing Management's College of Marketing have combined resources and expertise to provide the only officially-recognised courses of their kind in the field of marketing in SA.

Damelin management seminars have been developed as part of the concept of on-going training for all levels of management. They are designed to help students assimilate skills in a short time using up-to-date, modern training techniques.

Audio-visual equipment is used extensively and learning takes place through role playing, behaviour modelling and experimential learning.

Heading the Business School is MD Rex Drew, who has one foot in academe and the other on the bottom line.

"We graduate 3 500 students a year, and many courses run several times a year," he says. "But don't compare us with Wits or Unisa; they are for graduates. Also, they provide education. We provide training.

"We make up for those who did not study — perhaps because of a lack of money, or of inclination — and now need extra polish. We have been 'polishing' for 16 years."

How effective are the courses? It is, or course, difficult to evaluate, but Drew is adamant: "Damelin has made a significant impact on management in SA," he says.

Damelin has branches in Johannesburg, Durban, Cape Town and Pretoria.

24/3/86. 3DAY

Does SA really need more MBAs?

THEY ARE educated, motivated and qualified — and they have bachelor's degrees in science, commerce, engineering, arts, etc, and some have masters degrees and doctorates.

There numbers are increasing — and what they have in common is a desire to gain the degree of Master of Business Administration.

But does SA need more MBAs? According to Professor John Simpson, director of the University of Cape Town Graduate School of Business, it all depends what kind of MBA one is talking about.

"Provided the degree addresses such issues as the role of business in a SA society, industrial relations, black advancement and the typical disciplines covered at top American or European business schools, then there is a need for outstanding executives to take the MBA."

He emphasises that only the very best people should take the MBA, as there simply isn't room for large numbers of less than excellent calibre MBAs in SA.

"I believe that we must also encourage potential MBA delegates to have had a mature exposure to business. The brash, young, know-it-all MBA isn't good for business — nor for himself. For that reason, the Graduate School of Business encourages only mature, experienced men and women to apply, and puts them through a series of tests and personal interviews before final selection."

Discussing the shortage of high calibre management in SA, Simpson says there is still a great need for more blacks and women to join the ranks of top management.

"I believe that the MBA degree is particularly relevant for these people, who can also contribute tremendously towards the roundedness of the MBA learning experience of all delegates by bringing with them a perception of SA and the business world which is otherwise lacking.

"Because a large part of the MBA learning experience comes from group discussion, case study and class participation, an amalgam of society in the classroom is essential."

Simpson believes there is room for many more MBA degreed executives in SA because it is essential for top management to see the "big picture" of business, rather than a mere segment of it.

"The MBA exposes the delegate to all the disciplines which prevail in business, and equips him for better decision-making at a higher level. This is what we need in SA if business is to thrive."

In the UK, where MBA-roasting has become a popular media event, there is no sign of any reduction in the number being hired or the number of hopefuls applying to get on MBA courses.

It is the same in SA. Applications for the University of the Witwatersrand MBA programme, for instance, were higher for 1986 than ever before. But only one in five are accepted.

But it is the marketplace which creates the demand, and it does seem that demand for MBAs is increasing as more companies feel the need for better management in difficult and changing times.

"I have to agree that our company — and many of the ones we know — is starting to hire MBAs for jobs that required only bachelor's degrees in the past," comments one long-time industry recruiter.

An MBA graduate should be capable of moving into any department within an organisation. The degree is aimed at producing generalists and preparing them to practise management, a task that is elementarily different from that of other functions in business.

Professor Andy Andrews, Dean of Wits Graduate School of Business, says: "While specialised business professionals apply learned principles and ingenuity to a series of problems that are normally well defined, the general manager, by contrast, must act decisively on problems that are often not well defined and many which cannot by their nature be well defined.

"General management requires an ability to integrate disparate considerations, to weigh factors which have no common denominators and which present themselves in a tangle of circumstances — human, economic, technical, political."

With the continued shortage of skilled managers in SA, and an even greater shortage in the foreseeable future, organisations need as much flexibility in management as possible.

"It is most important that local managers have an overall knowledge of all areas of their organisation. With the skills shortage, more demands are made on them than in First World countries, and they should be able to take up the reins of any departing manager," says Andrews.

The part-time MBA programme is particularly relevant to fulfilling student/management needs.

"The programme extends students to the limit, and once they have tackled so many different areas they will fill challenging positions and continue to be in urgent demand. A holder of an MBA degree is that much more rounded off than a holder of a bachelor's degree," says Andrews. "The demand for MBA graduates is there, in the marketplace, and will increase."



□ PROFESSOR ANDY ANDREWS, Dean of Wits Business School ... "The demand for MBA graduates is there"

Future of SA business is black

THE MD of a major local organisation remarked recently "No matter how you look at it, the future of South African business is black That is why our company is placing a major focus on their development and advancement."

The sheer demographics predicting huge short-falls in managerial skills, coupled to the unprecedented injection of well-educated blacks into our business world, have been quoted to a point of excess — yet in a recent study involving more than 100 of SA's major corporations, black advancement was viewed as being addressed, at most, at an immature level of competence.

The major contributing factors to this sad state of affairs have been

☐ Lack of direct top management involvement (not merely support);

☐ Lack of integrated and holistic strategies and over-reliance on "quick-fix" solutions;

☐ Interpretation of black recruitment as black advancement, thereby creating a sense of complacency if the ratio of black employees was increasing.

CHRISTO NEL

Management have generally not formulated clear actions and goals, with concommitant short-term and crisis management often characterising black advancement initiatives

The top echelon of management need to formulate a total long-term black advancement strategy This should be regularly monitored by a senior review board consisting of senior line and staff managers

The key to success lies in the identification of "champions" within the organisation that oversee and drive the implementation of it.

This aspect has often been used to retard progress Yet all of the successful organisations have found that a simple process of "Sell and Tell" has proved highly effective.

This basically entails first informing all of the involved parties regarding the essential nature of black advancement. Any further resistance has normally been overcome by leaving all employees no alternative other than to adhere to the corporate strategy of black advancement.

The success of this facet is dependent upon the above prerequisites to success. Once achieved, a practical on-the-job related process of training must be followed

Success models in SA companies such as Mobil and Barclays Bank have depended enturely on the practicality and job-orientated nature of the training programmes, rather than implementing complex and off-the-job training systems.

The most important people in the black advancement process are the line supervisors and managers. For this reason line managers need specific training as coaches and mentors

The lack of formalised mentorship programmes is guaranteed to reduce the impact of black advancement substantially. Line management must also be trained to the total ownership of and responsibility for the black advancement programme.

Moses Maubane, the chief executive of African Bank, recently stated at a public seminar "You (white managers) think we (blacks) cannot make decisions. You're quite right, we can't — because you don't give us the opportunity to make decisions"

This remark adequately defines the need to give all employees the opportunity to become involved in decision-making activities

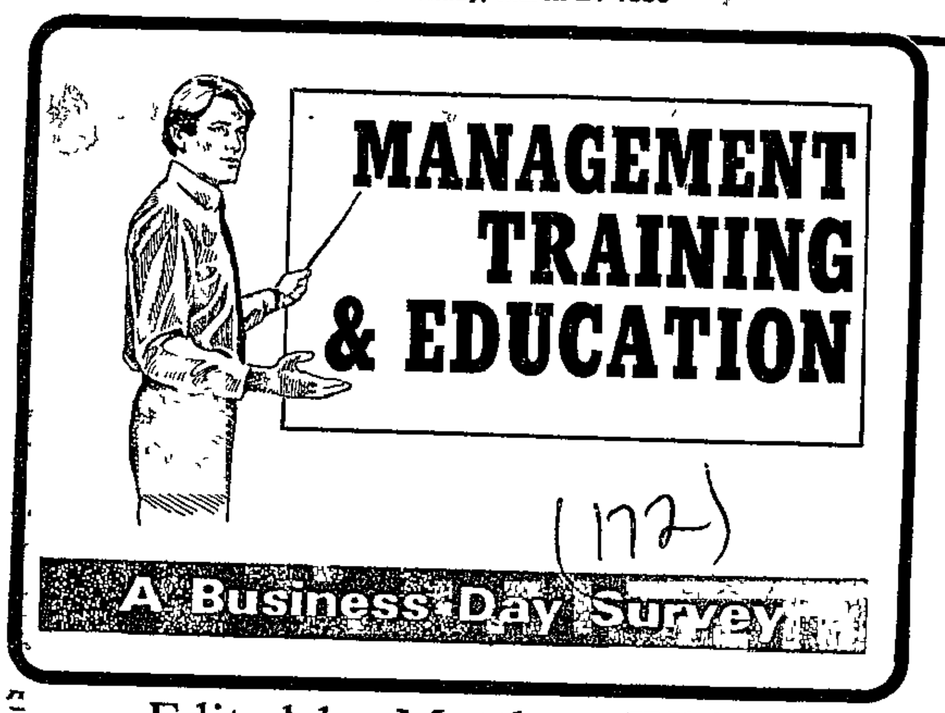
The opportunity of setting targets, identifying opportunities and solving problems on-the-job is essential to black advancement

There is a need for formalised career-pathing for at least the upwardly-mobile blacks within the organisation The lack of adequate role models at higher levels, linked to the frustration of perceiving low-level "dead-ends," prevents the essential development of realistic higher expectations

Management needs to allocate a great deal more effort to ensure the success of black advancement This will entail a thorough scanning of the environment to determine what works and what is doomed to failure or mediocrity But, regardless of the initiative that is launched, the above prerequisites must be fulfilled in order to achieve success.

☐ *CHRISTO NEL, BA (Hons) UP and a visiting researcher at New York University, is consultant for a variety of major SA organisations He specialises in the analysis and implementation of strategy for performance and productivity enhancement, black advancement and executive development*

Enhance people's commitment



(172)

Edited by Matthew White

New skills needed for SA of tomorrow

TONY MANNING

AS SOUTH AFRICA hurtles towards the year 2000, managers face a dramatically different set of workplace issues.

All the training they've had so far will be of little use to them in that uncertain future And unless they begin to think about that future now — and to learn skills appropriate to it — they will become increasingly ineffective

Consider these facts:

☐ The ratio of managers to non-managers in SA is estimated to be 1:42 today. By comparison, that of the US is 1:6, Australia 1·14, and Japan 1.12. In the next 15 years our ratio is expected to soar to 1 75

The task is going to become ever more complex and stressful Any form of top-down, autocratic management is going to be impossible.

☐ At the same time, managers will be forced to hire more and more workers who are unsuited to the business environment

☐ The job-seeker of the year 2000 is the young "comrade" now running riot in the townships He's now five or six years old, hungry, angry and politicised.

He's also the product of a society whose traditions, values and beliefs are being torn apart. With luck, he'll get at least a few years of "Westernised" schooling before he looks for a full-time job; but chances are growing that he'll be exposed to the anti-capitalist, anti-democratic school system that is now the only option in many townships

☐ Between 1972 and 1984, SA's productivity (measured by the National Productivity Institute as "per capita" GDP) increased by just over 0,3% a year. This hardly makes us a competitor in a global economy where the US has improved by 1,3%, the UK by 1,2%, Japan by 3,2% and Taiwan by a massive 6,1% Yet we must become a global competitor — even if we wish only to market our goods profitably within Southern Africa.

☐ For most of the world, the post-Second World War baby boom is over. Now, a "baby bust" is on the way, so the high unemployment now plaguing so many Western countries will probably be a thing of the past by the turn of the century.

For this reason, if for no other, new technology is imperative. There simply will not be enough workers to go around. And that new technology will make the countries that use it even more productive and competitive than they already are.

SA's reality is different Our population is literally exploding. There are reports that pre-teen pregnancies are increasing at an alarming rate in townships Any attempt at birth control will inevitably be seen as a racist ploy by a white oppressor determined to keep black numbers down.

Our economy must grow by 5% a year to create the 250 000-300 000 new jobs that will be needed each year for the next 15 years. Today, that seems an impossible goal. A serious bulge in the population figures will make it even more impossible.

And while technology might help drive our competitiveness and our economic growth, it will at the same time be seen to be anti-social because it will replace people. Catch-22!

☐ The number of "stakeholders" that any manager must deal with is growing by leaps and bounds. Today, it's not good enough for any manager to be a good accountant, or a good marketeer. He or she must be adept in human relations. "People" skills are all-important. And more and more time will be spent in the future managing more and more different constituencies.

The manager of a local company must be concerned about the growing power of trade unions; the interests of white workers who will become more demanding and more militant as they perceive blacks to be gaining ground at their expense, churches and other community organisations which are becoming politicised and powerful pressure points, a government trying to preserve order even as it fosters change — and so on

Managers in multinationals face all these political forces plus more in literally every other country that their companies operate in. They must run their businesses here and explain to foreign audiences why they are here This problem will grow

☐ All of these issues — and there are many others — will lead to increasing stress on every manager. He or she will increasingly ask. "Can I really do this job?" "Is there a future for me and my family in SA?" "How can I leave?" "Where would I go?" "Where would I get a job?" "When should I make the move?"

All questions without easy answers. And all being asked by many other people working for that manager. Managing this stress — both personally and with others — will become a major preoccupation

None of this is mere speculation. All of these things are happening right now And the only way to manage them is to recognise them and to create proactive strategies for the future.

The past is behind us and will not come around again. Things will not "get back to normal," because what was normal yesterday is history today and offers no roadmap into tomorrow.

We have to invent our own future. We have to start from scratch every day. This demands a new kind of manager, with new and different skills. It demands that we rethink all our current business practices and continually modify them as we progress.

Future training programmes will have to take discontinuity and uncertainty into account. They'll have to be integrated into the real world of a fast-changing workplace. So in a very real sense, thought will have to be given to making the workplace a lifetime learning experience.

With all the problems we face in this country, there are enormous opportunities Our burgeoning population will create an almost insatiable demand for food and drink, for clothing, housing, transport, sports gear and medical care.

A vast new market is opening up. The managers who win it will be more aware of what's happening around them, more flexible, more entrepreneurial, more effective communicators. It's not hard to predict the skills that they will need. Now is the time to learn those skills.

Gains from computer graphics

ANNABELLE GORDON

TECHNOLOGY has an increasing role to play in training and education, and one of the newer developments is the application of computer graphics techniques in the preparation of visual material

Johannesburg-based Ideadata's "Imaginator" and D38 design stations, coupled to what is claimed to be the world's most advanced camera station, means that 35mm slides, 4" x 5" and 8" x 10" transparencies can be designed and produced locally to a standard unsurpassed anywhere else in the world, says the company.

It claims to have introduced a world first to SA following the development of an advanced video interface system that can help to produce high quality animated sequences for television commercials

"This has resulted in massive cost reduction and time-saving, as the need to travel overseas to have this type of work done is eliminated," says MD Phillip Wharton.

When detailed information is being conveyed it may easily be misunderstood The use of graphs, bar charts and line graphs reduces the time spent in explanation and boosts the retention factor

"In addition, decisions can be made quickly and confidently because more information can be made available," says Wharton.

"The use of slide or overhead projector presentation aids can increase the productivity of many companies, particularly large organisations where a group consensus can take a long time to reach One business school says the chances of getting a positive decision with computer generated graphics can be enhanced by as much as 17% "

The slide composition system is based on the IBM or Apple personal computer Slides can be created at an individual's office and then transmitted via telephone modem to Ideadata for imaging and processing A 24-hour turn-around of all presentation graphics is the standard service offered.

Installed as a hardware/software upgrade package "Image Pack" can be run as a dual disk-drive machine with a minimum of 64kb of memory.

Adding a graphics tablet, additional PC board and software program, operators can be trained to produce a wide range of business graphics in just a few hours

Whites suffer from cultural blindness more than blacks

No aspect of management is more sensitive than the admission of blacks to what has previously been a white preserve. Despite the desperate shortage of management skills, comparatively few blacks are moving up the corporate ladder. What is the reason? Depending on whether one is black or white, the usual answers given are white racism and black incompetance. In separate articles, CHRISTO NEL, project leader of Project Free Enterprise, and REUEL KHOZA, a black man who has made it in the business world, attempt to look beyond the stereotypes to analyse the problems and suggest solutions

REUEL KHOSA

BLACK managers are those employed in terms of the unwritten corporate mandate that they should approximate their white recruiters as much as possible in general outlook.

Employed for decorative rather than functional purposes, they serve their purpose just as well in powerless junior positions as in senior positions where they might have real control and influence over the company

The nub of the problem is not so much that they don't get promoted, but that they are not given jobs in the mainline of the company's business in the first place. Their cardinal function in the corporation is to educate and advise whites about blacks. Fundis or gurus on black employees, black consumers and black other things.

Those whose function is to take white management on a guided tour of "black suburbia," like they were taking them through a zoo. A white guide who took black managers on a guided tour of the northern suburbs would hardly merit consideration as a manager

Black tokens in commerce and industry, like other black tokens in SA's macro socio-political situation, do not control a budget centre — their job is soft-core. They pull no financial strings. They cannot spend company money without the explicit approval of some white supervisor — even on a business lunch entertaining a potential client.

They are so employed because the company wishes to "make a statement" about social conscience, corporate social responsibility, etc. And because the Reverend Leon Sullivan says so The tendency here is for companies to employ black people with nice public faces and next to zero management substance. Token black managers never question the rightness of whiteness. They cannot afford to be angry.

"The corporate climate is filled with the assumption that the black manager is 'deficit model'," says Dr Price Cobbs, the co-author with William Grier of "Black Rage"

"Most black managers with whom we talk tell us that they feel that they are viewed in their organisations as 'deficit models' and that they are assumed to be incompetent until they prove the opposite." This despite a common educational background and other positive factors that should ensure a much better set-up for the black American manager The problem here is compounded by the fact that all black would-be managers are products not of education, but Bantu education.

Scepticism abounds in corporate SA. The black graduates churned out by rural tribal universities and emerging from what is percieved as a culture of poverty are viewed as patently and blatantly ill-equipped to enter the corporate world and perform satisfactorily.

In a racially-polarised society such as ours, prejudices do not only thrive — they are actively nurtured. It is not uncommon for one to hear or read about so-called thoroughbred academics from respectable universities asserting that people — all black people — lack the achievement motive. Or that all blacks suffer from a pervasive and ubiquitous time neurosis: blacks cannot keep time. The stereotype of African time is bandied around with relish.

Such prejudices are developed and peddled with no effort to black people's existential situations. Managers in corporate SA are white. It is still inconceivable to many for one to be black and a manager at the same time.

What perturbs black managers is political reluctance and the inevitable conflict between corporate policy and the implementation of policy down the line.

For example, Johannesburg might propagate a sound and commendable corporate policy wax lyrical about fair employment practices, equal opportunity, corporate social conscience, etc. And this could be effectively sabotaged at implementation level by some middle managers (HNP-orientated) in the country

Thus black managers must brace themselves for hostility and hypocrisy which will increase as blacks make advances into those areas in which white SA's sense of superiority rests.

Then there is a culture and the various guises in which it colours and influences black behaviour in corporate life. Think of culture as it affects black men and women operating in foreign social space

Fundamental questions about the desirability or possibility of cultural assimilation perenially plague managers. Particularly white SA tends to view white culture as synonymous with corporate culture.

Racial and political polarisation in a country such as ours compound the problem of culture conflict — the mental conflict within an individual living between two cultures, both of which are partially accepted and which provide certain contradictory standards and opposing loyalties.

Faced with a barrage of criticisms and scepticism from corporate SA about inadequacy, inefficiency, etc, some black managers fall prey to the temptation to over-conform in a bid to compensate for these "deficiencies" There is often severe psychological and social malajustment when individuals enter or live in a society different from their own. White managers tend to blow this phenomenon out of all proportion on perceiving blacks entering the corporate world.

Cultural blindness is a predisposition to see things that people from other cultures see. White managers tend to suffer more from this malaise than black managers, because the former — coming as they do from the dominant culture — do not, out of contempt for the subordinate black culture, care to understand it.

Explicit culture, the recognised and easily observable standards or typical behaviour standards of a group, is quickly mastered by black managers entering the corporate world. Implicit culture, the underlying assumptions, not usually articulated, often not even recognised because they form for a group the "way things are done," presents a perenial problem to black management trainees since their interface with (white) corporate mangement tends to be confined to formal transactions. Assimilation of implicit aspects of any culture thrives in formal settings.

The black manager's problem in this sphere is compounded by the fact that he experiences both "future shock" and "culture shock" simultaneously

□ REUEL KHOSA is MD of Co-Ordinated Marketing.



□ REUEL KHOSA ... blacks assumed to be incompetant until they prove the opposite

Business Day



11/7/86

Inside . . .

Starting out 8

Keeping a high profile 10

On course 13

Strong support 20

Selling the SBL 22

The right values 25

Voting for change 29

Management listens 30

The teaching team 34



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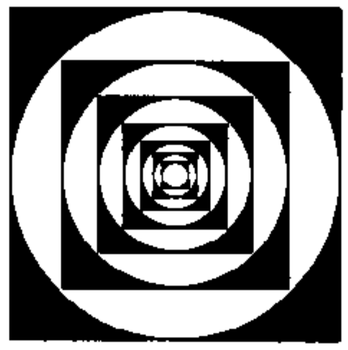

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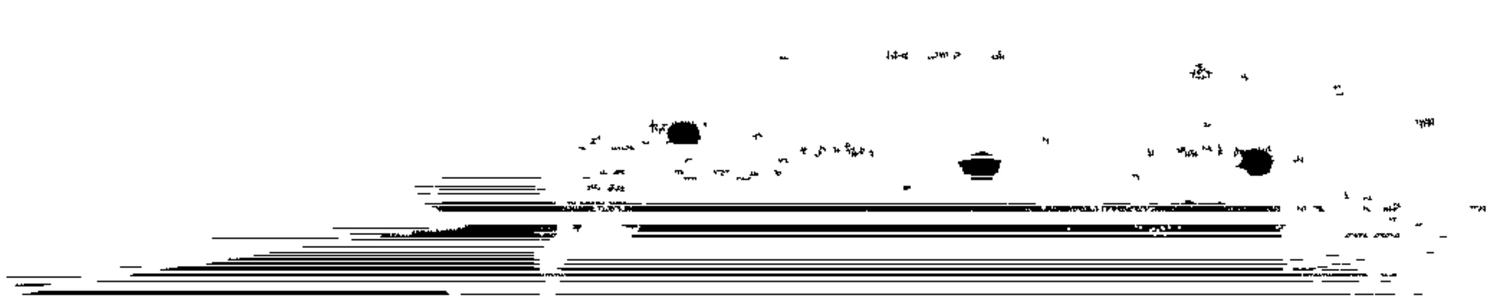

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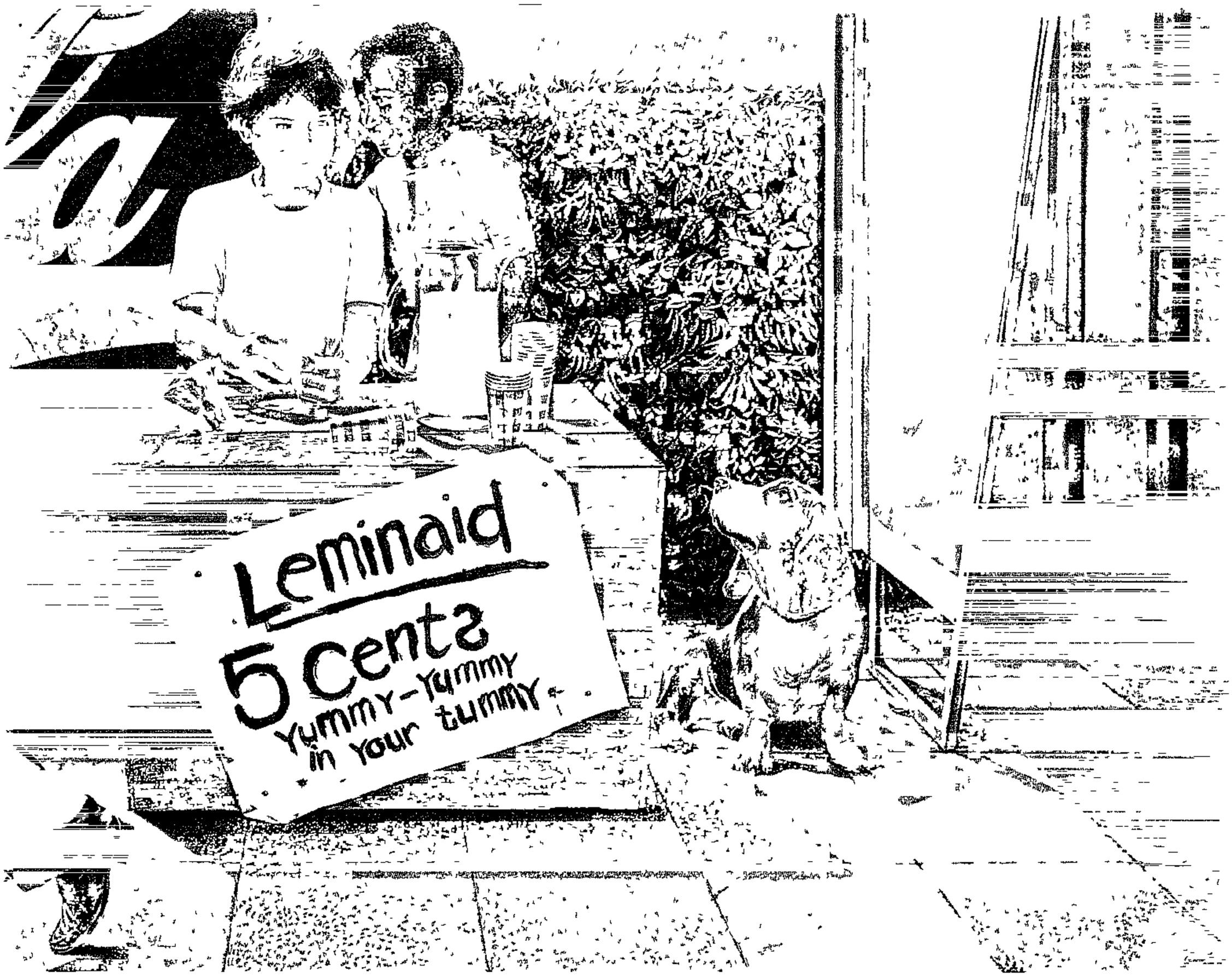

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[illegible] of Business Leadership (SBL) this year cele- [illegible] 21st birthday and this survey marks its achieve- [illegible] adding to the skills of South African management. [illegible] example, one of SBL's many SA firsts — and one in [illegible] remains very much a leader — the Development [illegible] in Labour Relations, has given more than 600 [illegible] Africans a vital skill with increasing value — industri- [illegible]

SBL is in terms of numbers of participants, the [illegible] school in the southern hemisphere. Last year [illegible] managers, accountants, and others involved in [illegible] attended its wide variety of programmes, including [illegible] degree courses, certificate courses and semi-

SBL is probably less well known, at least to the [illegible] public, than similar, smaller SA university schools [illegible] have paid more attention to marketing their images. [illegible] the school is putting into effect plans to shed its low [illegible] to run itself more like a business.

[illegible] years the SBL has educated almost 4 000 alum- [illegible] are spread throughout the country and work in [illegible] every sector of the economy.

[illegible] in which many senior managers are SBL [illegible] include Tongaat-Hulett, E L Bateman, Foskor, Alu- [illegible] and Sasol. Overseas representatives include [illegible] former MD of Edgars. He is one of several [illegible] in Switzerland, MBL gold medalist Peter Byland [illegible] of Holderbank. Alumni in neighbouring states include [illegible] Chitepo, a cabinet minister in Zimbabwe.

[illegible]ly, besides MBL study groups in this country, [illegible] groups in Namibia, Zimbabwe, Transkei, Swazi- [illegible]wana and Bophuthatswana.

[illegible] the decade 1972-1982, SA recorded the lowest [illegible] product per capita as well as the smallest [illegible] in comparison to its major trading partners. [illegible] in this performance has often been suggested [illegible] necessity in forming a strong and successful [illegible]y here. The further education and sophistication of [illegible] must be able to play a considerable role in this

[illegible] SBL many happy returns of its majority, [illegible] power to its already well-greased elbow in the next ■

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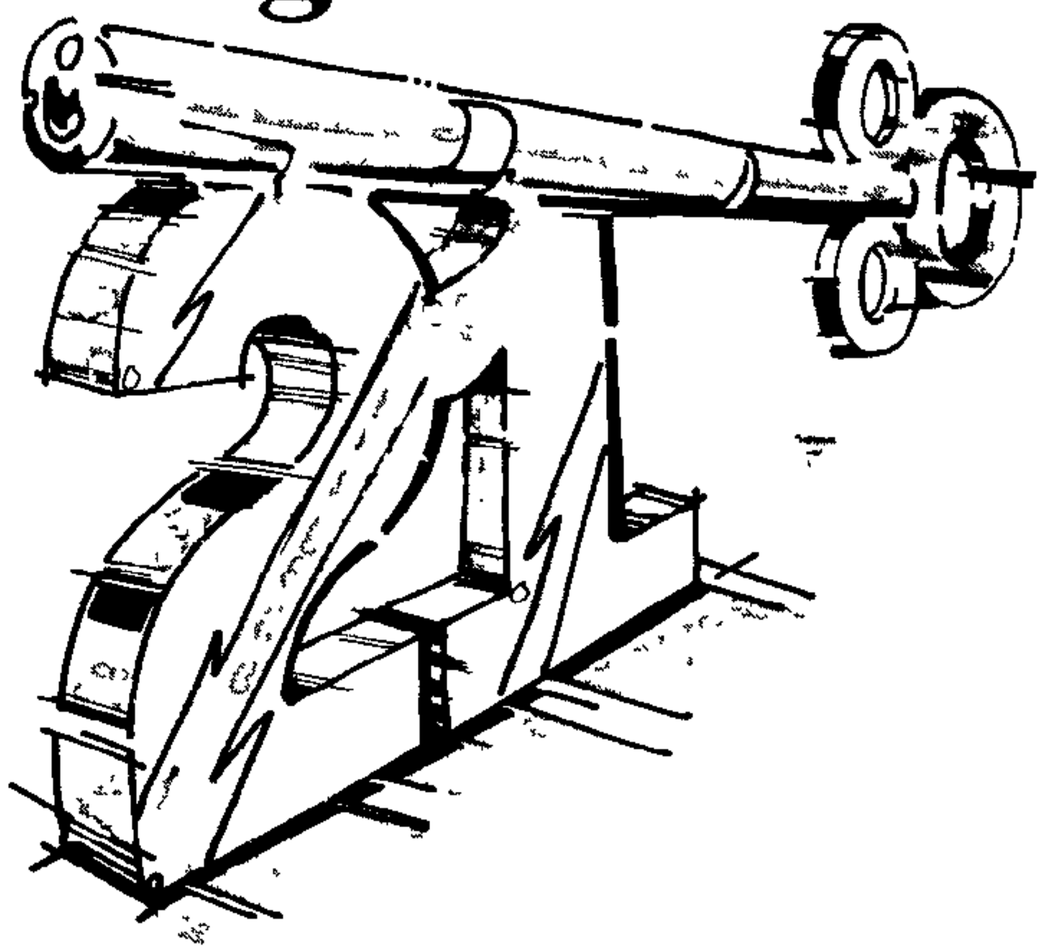

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Starting out

This year is the 21st birthday of Unisa's School of Business Leadership. But Dr George Marais, MP for Waterkloof and the man behind the SBL's creation and development, points out that it's had its share of growing pains

The idea to establish a Unisa school of business leadership (now known as the SBL) was first mooted back in 1961. The original concept was to start a correspondence course in business studies on the lines so well established in other fields by the university.

In November 1963, Marais was dispatched overseas. He spent two months looking at courses in Europe and in the US. "It wasn't all easy," he recalls. "Management as a subject was quite new to me. At that time there were not many business schools — even in Europe. In SA, the only course was a part-time evening course in Pretoria "

Still, he received some help in Holland, Switzerland, and at the Administrative Staff College at Henley-on-Thames in the UK This, together with the general information gleaned about the needs of overseas multinationals, gave him a reasonable base for discussions in the US.

"The first problem was that many overseas professors regarded the very idea of starting a correspondence business course as impossible " At Harvard, for instance, Marais was told, quite simply: "It can't be done. You're mad "

There was insistence too, that it was necessary to have a Master's degree course rather than a diploma And at that stage, the latter was all that was envisaged for Unisa.

Another aspect overseas schools found unappealing was the concept of taking the course while in full-time employment Schools much preferred to have their students all to themselves. Courses were academic in content, and professors tended to believe that mixing the rough and tumble of the business world with study was not to be encouraged.

But by the time Marais returned from the US, he had fixed upon the essential features that distinguish SBL from Unisa. the compulsory attendance of study schools and the study groups. These he sees as the special heart of the SBL system. It seems Marais is not alone in this Staff and students the *FM* spoke to, agree that these groups remain a major advantage of the school's courses today.

Marais explains that in traditional correspondence training there is decentralisation of the learning function, with the result that dialogue is limited. At SBL, however, courses necessarily involve a strong element of dialogue (useful for management training) while maintaining other aspects of independent learning, such as individuality and autonomy.

The group study system means that the type of student selected is of the utmost importance, notes Marais. In constituting a group, you must bring together people of various ages, with varying academic backgrounds, business experience and management positions. This way, students can learn from each other as well as from the course content Further, for the most efficient function of a group, a division of labour is also important, because the body of work is too comprehensive to be managed entirely by self-study techniques

Marais suggests that study group discussions can be compared with a pilot plant operating next to the actual plant "Tonight a problem solution is being tried out in the pilot plant — the study group Tomorrow it will be tried out in the actual

situation, with a feedback or a learning loop back to the study group. The study group integrates the univesity into the practical business world," says Marais

Remaining in employment at the same time that you take the MBL — or any other SBL programme — is an advantage in itself, even if it is taxing. The major advantage as Marais puts it, is the opportunity for practical feedback. "The student can apply what he has learned to his own job. Necessarily, in this process the lecturers become involved in the practical business problems which the students are engaged in. Finally, the organisation for which the student is working will have the advantage of, effectively, some free consultancy work being done for them."

The early days had all sorts of difficulties, says Marais, not the least of them being money. "The school's first short course seminar was held for Saambou between February 17 and 22 1968," recalls Marais "The staff was paid R5 a day each for doing it" Another early ambition still pursued at SBL today was to bring oveseas lecturers to SA Marais remembers· "Visiting professors stayed with me at my home. We couldn't afford to put them up at hotels"

On January 1 1969, the SBL, in terms of a decision by the council and senate of Unisa, became an independent department with its own board, consisting of representatives of the university and prominent business leaders

The first MBL and DBL coures were held in 1969 and 1971 respectively Preparation of the MBL involved deciding upon subjects, how they should be taught, and finding staff to teach them "At that time," say Marais, "we were very closed as individuals and as a team — and also inevitably very academic After all, I began on the whole project of the school as an economist. I knew nothing about management studies"

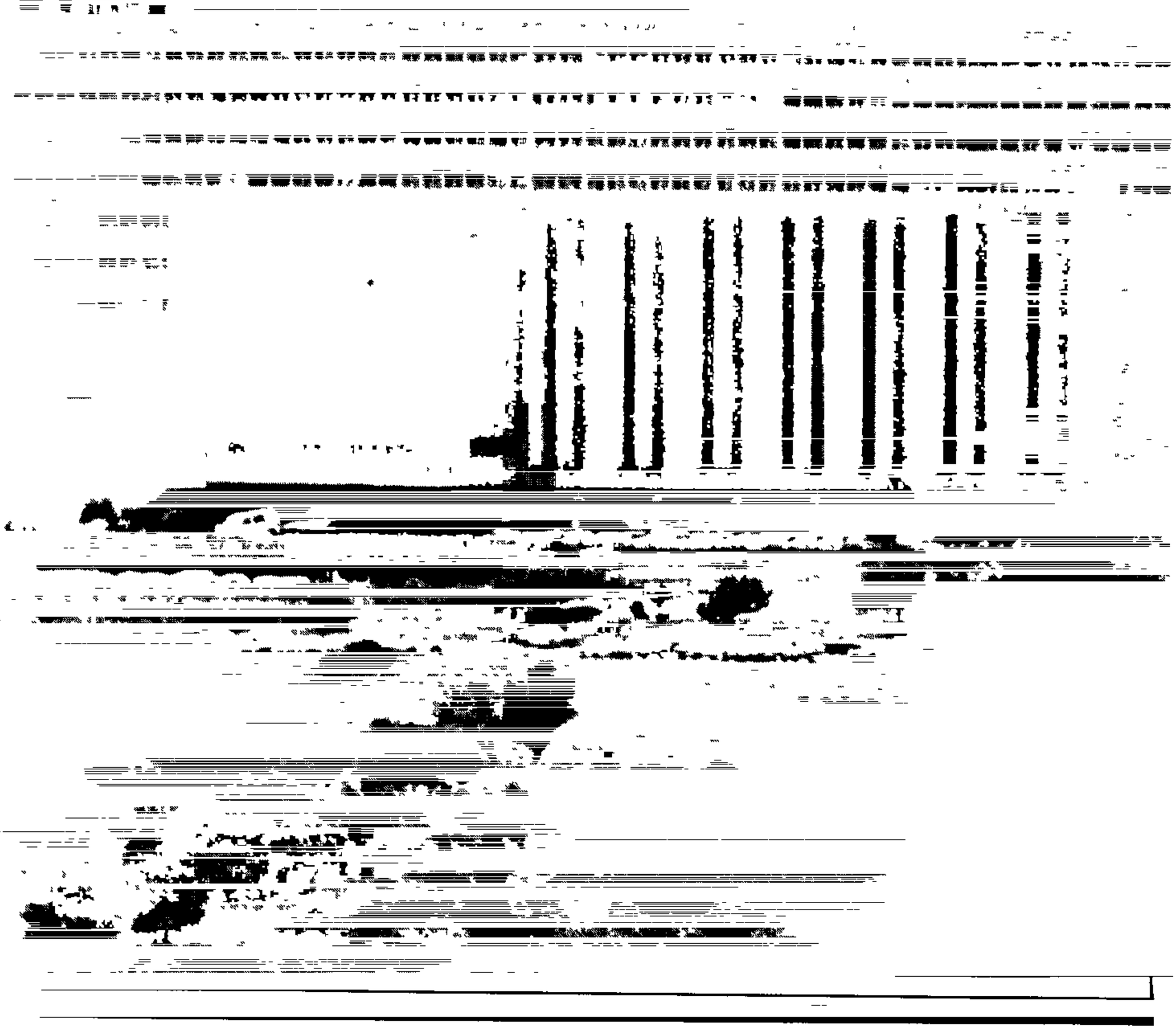
Another difficulty was deciding on what type of student the MBL would attract, what level of training he would need, and on the right mix between theory and practice.

Among other subjects offered in the first MBL course was sociology One student complained that he could not understand the material he was being offered "I took it home one evening, says Marais, "and read it very carefully myself I couldn't understand it either"

Marais telephoned a leading academic sociologist, pointed out that the course was incomprehensible, and asked for his advice in the matter "George, you obviously don't realise that I wrote it," was the reply

At that time the SBL had no home of its own "We held the study schools at the Iscor Club and in the Silverton Hotel," says Marais of the school's early days.

The next major step came in 1970, when the first, 15 month Advanced Executive Pro-Programme was held for senior executives who could not afford the time required for a full degree course In 1973, the Management Development Programme followed, presented exclusively for Anglo American



Marais notes that there were a number of other ideas, not all of them succesful. One, attempted in 1975, was a full-scale teaching by telephone arrangement, using a telephone conference system smuggled in by a friendly company from overseas. This was before the conference system was available from the Post Office. "It turned out to be too slow for the students," says Marais. "But with the better equipment now available, it might well be that it should be looked at again."

Another scheme was to bring in more specialised versions of the MBL. The trouble here was that there were not enough visible study groups in SA — and there was conflict with Unisa itself on the type of programme that should be offered, says Marais.

In 1977 came the project for a Centre for Business Studies, which Marais describes as a service activity. The concept spurred the need for a databank on the wide range information available, both for students and business people with problems to solve.

Marais resigned the directorship of SBL in 1981. Why did he do it after all the work he had invested in it?

"Overseas," he says, "few business school deans stay on for more than ten years. I did it for 18 years. But I suppose that the simplest way of explaining my reason for leaving is a sense of mission accomplished."

How does he see the future of management schools in SA? Says Marais: "The most important thing is that, at some stage or other, government will have to decide whether it really wants business schools here. And then, if it does, give such schools the recognition and financial backing they deserve

"Another major interest for me is the creation of an international centre for business studies here in SA." Marais started on this scheme as long ago as 1977, the initial idea being to involve co-operation between SBL, Zimbabwe and Malawi. This centre was the subject of Marais' maiden speech in Parliament in 1981. "But somehow," he says, "the idea got sabotaged somewhere along the line; it was a very frustrating experience." It seems, though, that trying to frustrate Marais permanently is an exercise in futility. If his determination is a gauge of past success, the centre is something we will hear a lot more about yet. ■

Keeping a high profile

Appointing as director the chairman of the controversial Wiehahn Commission, should grab the SBL some headlines — as well as some useful innovations

Professor Nic Wiehahn doesn't mince words. "We don't care if the student belongs to the Russian Orthodox Church and comes from Jupiter," he says "It makes no difference to us."

As director of the Unisa School of Business Leadership (SBL) for the past five years, he is emphasising one of what he regards as the major distinguishing marks of the largest graduate business school in SA Indeed, SBL is the largest such school in the southern hemisphere

The remark is also typical of the man whom a colleague describes as "ebullient." But maybe a better epithet would suggest his ability to convey enthusiasm An erudite and loquacious 56-year-old, he left school in standard seven to work as a labourer on the then South African Railways and Harbours Passed over for promotion by returning World War II veterans, he decided to "live, not merely work" He went back to school, eventually earning a BA and LL B at the University of the OFS and an LL D at Unisa.

In 1962 he was asked to establish the faculty of law at the University of Durban-Westville. Since, he has taught at the University of Port Elizabeth, been president of the Industrial Court and special adviser to the Minister of Manpower and Development. Before his appointment at SBL, he chaired the Wiehahn Commission which led to the establishment of legal black and mixed-race labour unions in SA.

So far as Wiehahn is concerned, Unisa "is the only truly South African university." What it requires of the students is academic standard without reference to racial or similar personal characteristics.



Wiehahn . . . demanding high standards

From the first, it seems this attitude has been evident in the SBL Indeed, as long ago as 1971, George Marais, the first director of SBL and currently the National Party MP for Waterkloof, was talking of the necessity of training black businesmen. During that year, in an interview with the *FM*, he said: "The moment you have the African capitalist, you can develop the African democrat."

The context of this quote was two one-week seminars undertaken by the SBL in Pretoria and Ga-Rankuwa, which concentrated on the basic problems of the small trader. And as long as 15 years ago, SBL was looking for ways to encourage development of that modern favourite of politicians and political strategists, the informal sector.

Now, the idea is being taken much further by Wiehahn. He says. "SA has three basic sources of wealth. resources underground or the mineral wealth; the beauty of the country and its variety; and the human resource. What we need is a formula to combine the development of these three."

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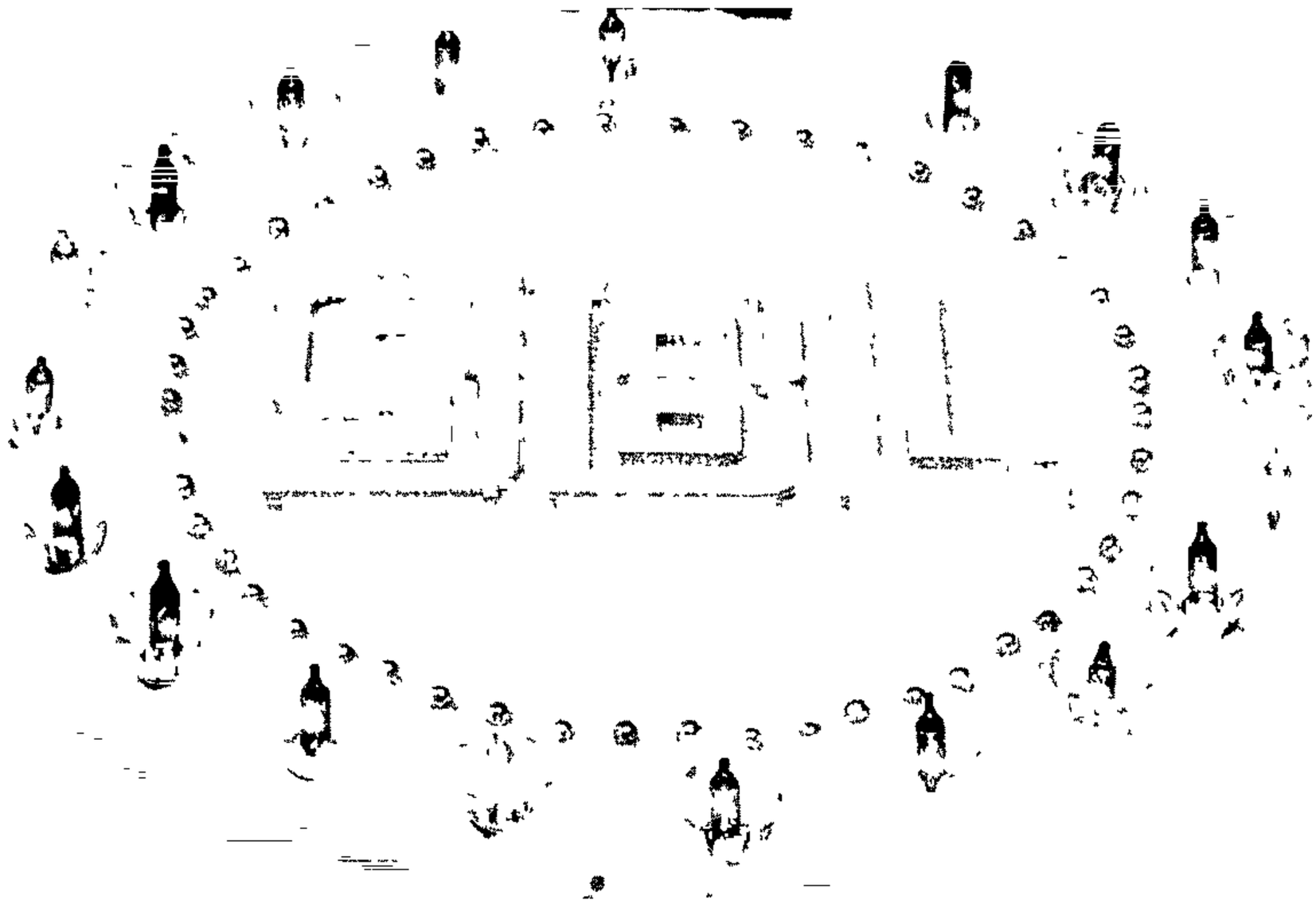

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Unisa's School of Business Leadership ... 21 years of existence has made a vital contribution in helping us to implement our training and development programme. Leadership qualities have been cultivated. Creative innovative management skills were refined. The very close association between the two organisations has, for instance, resulted in the development of an SBL course custom-made for Escom's specific requirements. And in the process a sharpened business acumen was evolved to help enhance the increased quality of service Escom is proud of.



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It is a task which he believes urgently needs trained management skills. "One of the biggest shortcomings of both the public and private sectors in SA is in management skills. There is a shortage of white skills — but blacks especially need such training," he says.

Personally, Wiehahn is particularly interested in management development of blacks He believes the various courses available at SBL must offer students the most up-to-date management skills, at the same time addressing the special needs of Africa

"We are not in competition with overseas schools," he notes "SBL is appealing to a different market for its products, and our courses must be relevant to the particular business and administrative environment offered by Africa." At the same time, the school recognises its social responsibilities not only towards the SA business community, but also to business in southern Africa.

Especially neglected in SA management training in the past, believes Wiehahn, has been the aspect of human relations It seems likely that this conclusion stems from his work on the controversial Wiehahn Commission. Recently, the fruits of this commission have been increasingly challenging SA management, forcing it to face this issue

For the school itself, Wiehahn lists three short-term ideals to extend its international contacts, to update the curriculum continuously, with special reference to the needs of Southern Africa, and to find a new home for the last of the three there is at present no obvious answer, says Wiehahn. At present the school is separated from Unisa itself in a temporary headquarters in Visagie Street in central Pretoria It seems decisions are not yet forthcoming on whether space will be available to accommodate the school in extensions currently planned for Unisa, and which are intended to fill the latter's requirements beyond the year 2000.

Wiehahn sees the international character of SBL as referring not only to its student body but to its relations with overseas business schools "We have lost quite a number of lecturers who have taken professorships overseas I take that as a compliment," he notes

Meanwhile, such overseas connections help to keep the school briefed on overseas trends and research into its subjects. Every year, and in impressive numbers, invitations are made to overseas academics to expound their research here.

To some, Wiehahn's enthusiasm for his responsibilities might appear a little short of ferocious. "We believe in high standards, whether for top, middle or junior management We believe we must be better than best in rendering our services to the community I believe we must exceed excellence"

His message in the latest school prospectus strikes an apparently curious note under the heading "Elitism" He writes "No economy can be successful without the existence of a management elite who at all times demonstrate an alertness of mind; a worldly perspective on issues; intelligent analytical ability and integrity The SBL believes in the existence and development of elitism in management because it is an essential factor in its pride, confidence and decision-making and therefore fundamentally important for South African business"

Questioned on this issue, Wiehahn says that initially several of his colleagues at the school were unhappy with this espousal of the cause of elitism. He explains his attitude. "I live and work in the presence of Nic Wiehahn He demands extremely high standards of me To meet these I must apply self-discipline If you were alone on an island, would you behave as well as you do in a crowd?"

Self-image and self-pride, believes Wiehahn, are important features of what he sees as the elitism of the good manager "It's got nothing to do with snobbery," he says. "This kind of leadership-elitism involves setting high standards for yourself as well as for the people around you." Communication is an essential attribute of the good manager. "You must be able to communicate with the door-keeper in such a way that you lift him up, you must both feel good about your relationship." At the SBL, such matters are dealt with theoretically in the study of subjects such as conflict management

But the idea of elitism goes much further than that for Wiehahn, and appears to tie in with the "leadership" aspect of the school's name He concludes with a quotation from Carlyle. "He who combines his heart and soul in his work, worships" ■

On course

Unisa's School of Business Leadership (SBL) seeks to fill gaps in management education across the board. The full range of programmes this year is listed elsewhere. Here, major courses are described in some detail

The flagship course of most business schools, and of the Unisa School of Business Leadership (SBL), is its post-graduate Master's Degree in Business Leadership (MBL) In SBL's case, it runs over a period of four years. Admission requires a Bachelor's degree together with at least three years of appropriate experience

Typically, students will be aged between 27 and 35 Also, typically, they are specialists who have a B Sc Engineering or a B Sc, a B Com or a BA. The School accepts CTA's who are chartered accountants, although this is not a degree in the strict sense. The three years of appropriate experience should involve management experience, although the desire to break into management is also an acceptable reason for taking the course

In charge of the post-graduate programmes is Professor Jos Grobbelaar He notes that the major qualification for entry (apart from a degree) "is a personal need to know more about the science and practice of management — it's philosophies, processes and techniques"

Among other innovative — and widely adopted — systems of the SBL, the study group system now ranks high in business schools, including the SBL itself So a further requirement for entry is the availability of a group of between five and 10 people. "We had an applicant from Kuruman," says Grobelaar "Although he had all the other qualifications, we had to turn him down There wasn't a group for him to join We just don't accept individuals"

But the group system in the tele-tuition concept *does* have its flexibilities, one way or another The *FM* talked to students who had been transferred or had changed jobs between major centres during their four-year course They were fitted into existing groups Groups also exist in such places as Bloemfontein and Maseru "On one occasion," relates Grobelaar, "Anglo transferred students to Jwaneng The company was prepared to fly them back to their groups once a week to ensure that they did not have to give up their studies"

Grobelaar notes that the study-group system, together with the arrangement by which lecturers visit groups is, for him, "one of the major advantages of the programme and a major reason why I stay here at SBL Management must work as a team — so the group system is especially appropriate to the course" Last year, on a visit to a group in Port Elizabeth, Grobelaar lectured for three hours then asked for question "Eight hours after I began, they released me," he says with satisfaction

For the first two years, students take

WEIGHING HEAVY

The collapse of the rand has pushed up the price of text books to the point where they form a major item in the total cost of SBL programmes.

But there are other factors involved in the price jump — such as rising local paper costs and the 10% surcharge on imports.

Professor Chris Coertse, deputy director of the SBL, explains the school's attitude to the problem: "Our policy is to buy the cheapest form of textbook available, so if we can get a paperback we do." His guess is that the ratio of paperback to hard cover editions is "probably about 10:1"

According to figures released by the school, in the 1984-1985-year text books took 12,7%, or R400, of the total cost of the Management Development Programme. By the next year this had risen to 15,3% or R600.

For 1986-1987 the cost of the books accounted for 18,6%, or R800 of the cost of the course. Similarly, for the Advanced Executive Programme, books accounted for 13%, or R600, of the programme in 1984-1985, then 14,8%, or R800, in 1985-1986 — and 19% or R1 200 in the latest programme

Although the rand crash is not entirely responsible for the hike it certainly has not helped matters either. Take one book, *Project Management* by H Kerzner, as an example. Published in the US, it cost R42,50 in 1984; R90,40 in 1985; and R146 — excluding GST — this year. Another typical example of the jump is the US paperback version of a book by Vatter, *Quantitative Methods in Management*. Over the same three years, the cost has escalated from R51,10 to R75,85, and finally to R110,45, again excluding GST

Inflation has pushed up local book prices, too. A book published by Juta, *Mackenzie's Law of Building Contracts and Arbitration* has been selling over the three years at R38,00; R48,70, and R52,70. These prices are exclusive of GST.

As far as Coertse is concerned, the most unkind aspect of high textbooks costs was the 10% import surcharge. Fortunately, this form of cost has now been dropped.

Says Coertse of the old surcharge: "While I can understand it was difficult for the authorities to distinguish between text books and other kinds, to deliberately push up the cost of education in South Africa in this way does seemed counter-productive." But for students, it would be better still, if GST on books was scrapped, or at least reduced.

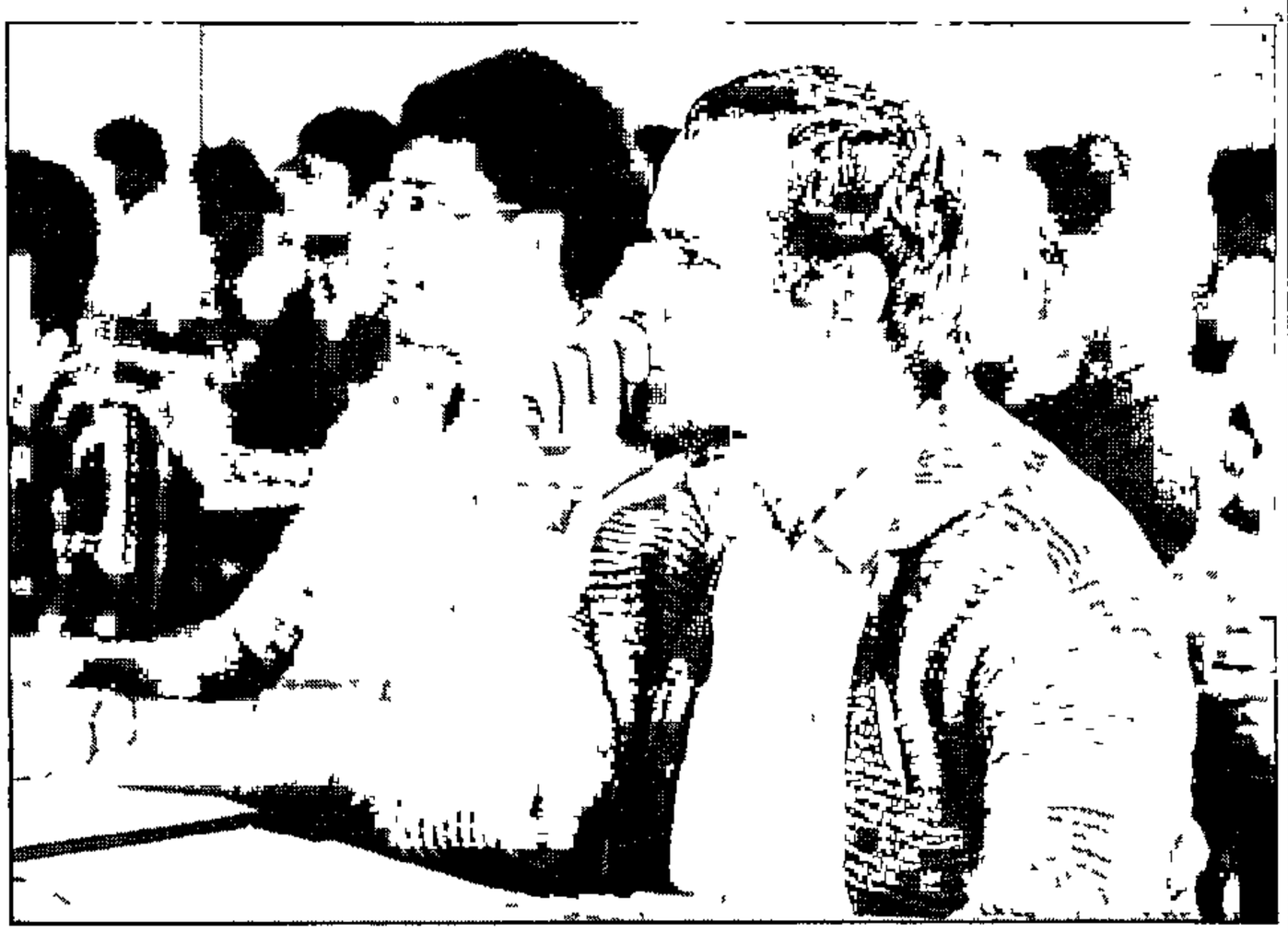
courses in economics (management), quantitative analysis, fundamentals of accounting, organisational behaviour, management systems and techniques, management accounting, personnel management, operation management and logistics, marketing management and business finance While in the early stages, emphasis is necessarily on theory, practical aspects are never neglected.

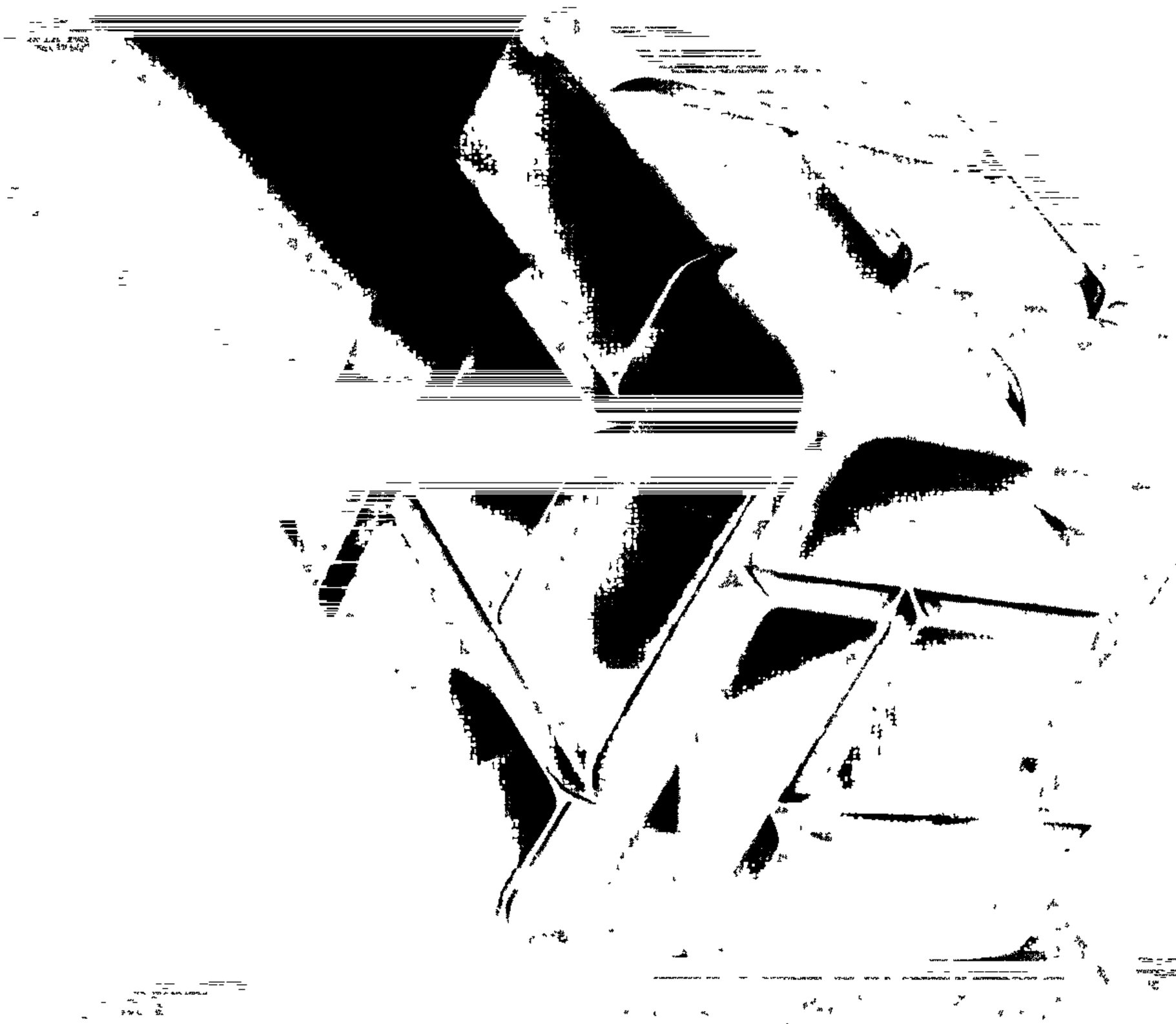
In the third and fourth years, students cover business policy and strategy in depth This includes strategic management (constitutive management), organisation design, leadership and politics (activating management), and integrated management and information systems (directive management). A short script or dissertation must be completed in each of these areas



Doctorate in business leadership

Grobelaar's other major responsibility is the SBL Doctorate in Business Leadership. "This is the ultimate degree in the subject, the highest qualification — and we really strive for excellence," he says The degree is intended for those anxious to adopt an academic career, for those keen to make a contribution to the science of manage-





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Leadership programmes 1986/87

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PROGRAMMES 1986/87

Programme	Objective	Aimed at	Admission requirements	Course duration	Enrol by	Course begins
Part-time degrees in Business Leadership						
Master in Business Leadership (MBL)	In-depth knowledge of science and practice of management	Middle and top management	Degree plus 3 years' experience	4 years	15 Jan '87	31 Jan '87
Doctorate in Business Leadership (DBL)	Research leading to a contribution to development of science of management	Specialists in management sciences	MBL or MBA plus entrance exam	N/A	31 March	End March
Part-time University Programmes in Business Leadership						
Advanced Executive Programme	A state-of the art in-depth study of strategic and general management	Senior general management or those being prepared for it	Matric plus 10 years' experience	15 months	April 16	June 1
Management Development Programme	A thorough exposure to the broad field of general management	Middle management	Matric plus 3 years' experience	12 months	30 April	1 July
Development Programme in Labour Relations	Knowledge of theory and practice of labour relations in SA and elsewhere	Manpower practitioners and line management	Matric plus 3 years' experience	9 months	15 Jan	31 Jan

Dates	Title	Description
SHORT COURSES		
21-25 July	STRATEGIC MANAGEMENT	Designed to enable top management to use the concepts of strategic management to ensure sustained competitive advantage
21-24 July	INTEGRATED MANAGEMENT SYSTEMS	Clarifies managerial roles through delegation planning and upgrading of information systems to maximise managerial productivity
21-23 October	PROJECT INVESTMENT ANALYSIS	Aspects of cost value effectiveness discussed as an aid in evaluation of large projects
11-14 November	FINANCIAL MANAGEMENT FOR NON FINANCIAL MANAGERS	To equip non-financial managers with necessary accounting and financial knowledge to make intelligent financial interpretations
Feb 87	NEGOTIATION SKILLS WORKSHOP	Enables management to develop and implement a negotiation strategy in respect of deals, contracts and disputes Participants limited to 24
SEMINARS		
22-23 April	FREE ENTERPRISE — STRATEGIES FOR SURVIVAL	SBL s Project Free Enterprise showed corporate employee perception of free enterprise to be extremely negative The seminar explores the solutions formulated with the help of 103 of SA's leader organisations
29 April - 1 May	FORECASTING WITH THE AID OF MICRO COMPUTERS	Planning and strategy setting requires the manager to anticipate trends and changes in the future At this hands-on seminar, forecasting techniques are explained
5-7 May	PROJECT MANAGEMENT	Project management problems are widespread The seminar aims to provide middle management with a thorough understanding of a framework in which projects are conceived, planned, budgeted and controlled

Dates	Title	Description
SEMINARS		
20-21 May	BLACK ADVANCEMENT STRATEGIES FOR SUCCESS	A discussion of the experience of companies which have successfully developed advancement strategies and programmes
27-29 May	DECISION-MAKING MODELS FOR MICRO COMPUTERS	A practical demonstration of how management science models can be used for better decision-making Also for managers with minimal numerate background
27-28 May	TAXATION	How to ensure that corporate tax planning is favourable both to the company and to personnel
1-2 July	MONOPOLIES IN THE BUILDING INDUSTRY	Competition law has placed monopolies in focus Drastic changes are anticipated, which will be analysed in this seminar
23-24 July	HOUSING UNDER THE NEW DISPENSATION	The need for a co-ordinated approach to the planning and implementation of a rational, economic housing policy Specific attention will be given to the impact of the proliferation of public sector agencies
5-6 August	MECHANICS OF MARKETING	New challenges to marketers include consumerism, increasing competition, internationalism and social pressure on firms, and accelerating rates of change in both products and markets
6 August	LABOUR RELATIONS STATE OF THE ART	Although legislation has not changed substantially in the past year, many other important developments have taken place Pertinent court decisions and recent trends in trade union activities will be discussed
12-13 August	PRODUCTION PLANNING	More than 80% of a company s assets may be under control of the production function The seminar deals with the production facility as a competitive instrument in the hands of top management
13-15 August	FINANCIAL MANAGEMENT FOR MARKETING MANAGERS	To provide marketing managers with necessary financial and accounting aids to plan and control financial implications of the marketing function
19-20 August	SOFT VARIABLES IN STRATEGIC MANAGEMENT	An examination of the importance and nature of soft variables, and techniques with which they can be diagnosed and managed
26-27 August	ENVIRONMENT SCANNING WORKSHOP	Designed to instruct management on strategic issue identification and on non-quantative techniques in company environmental scanning

Dates	Title	Description
SEMINARS		
27-29 August	STRATEGIES FOR THE GROWING BLACK CONSUMER MARKET	This seminar asks whether our marketing strategies are geared towards the multicultural nature of our society
15-19 September	GOLD 100 — INTERNATIONAL CONFERENCE ON GOLD	Presented by SBL in association with Mintek, The Chamber of Mines and the SA Institute of Mining and Metallurgy Subjects to be treated include extractive metallurgy, gold, gold mining technology, industrial uses of gold and its economics and marketing
16-17 September	ESTABLISHING AN EFFECTIVE AND EFFICIENT CORPORATE CULTURE	Firms have largely neglected to match the motivational energies and potential of senior management to strategy requirements The seminar will focus on creating powerful management teams
23 September	AFFIRMATIVE ACTION TOWARDS AN EFFECTIVE EQUAL EMPLOYMENT OPPORTUNITY PROGRAMME	To equip managers with the necessary information needed to translate organisations' affirmative policy into action
24 September	JAPANESE MANAGEMENT SYSTEMS	It is generally accepted that Japan is the leader in solving low productivity The seminar deals with the application of Japanese management systems in the the US and in SA
25 September	FUNDAMENTALS OF MARKETING RESEARCH	This seminar is for all managers involved in marketing planning and who need the basic background in marketing research to build a basis for their marketing decisions
7 October	STRATEGIES FOR THE EIGHTIES	The seminar examines likely results of constitutional development, fiscal and monetary options, industrial relations and business and strategic opportunities
4-5 November and 13-14 November	WOMEN AT WORK CAREER AND PERSONAL GROWTH	The workshop/seminar will assist career-orientated women to better understand life-career challenges Workshops will concentrate on career planning, decision-making, assertiveness, and time and stress management
6 November	PERSONAL FINANCIAL PLANNING FOR SUCCESSFUL PROFESSIONALS	Taxation, assurance, trusts and investments will be discussed, among other issues
18-19 November	THE PRACTICE OF DISCIPLINARY PROCEDURES	Offers company managers the theory of disciplinary procedures

21 ANNIVERSARY HERDENKING

SBL SCHOOL OF BUSINESS LEADERSHIP

UNIVERSITY OF SOUTH AFRICA

Leadership in practice

Strong support

The Unisa School of Business Leadership's course in industrial relations is still recognised as among the best SA has to offer. Although a decision was taken last year to cut down its enrolment, people keep on applying

The need for skills in labour relations was foreseen as long ago as 1976, when the present director of the Unisa School of Business Leadership (SBL), Professor Nic Wiehahn, was presiding at the Institute of Labour Relations The first course, held in 1978, attracted 30 students. Direction of the course was taken over by Professor Dawie de Villiers in 1980, when it attracted 87 students The number reached 100 in the following year.

By last year, the growth in the number of courses offered by other universities was one factor in a decision to hold down the enrolment. Others were the 1983 decision by government to subsidise only degree courses and, says De Villiers, "the realisation that we had, over the years, already trained about 600 practitioners, who might fill a large part of the jobs available to them in SA."

So the decision to try to trim enrolment was taken. The aim was to hold the numbers to the order of 85 a year. Nonetheless, 119 students are enrolled for this year from around 150 possible acceptable applications "About 35 people whom we turned down for the 1986 course have said they want to come in 1987," says De Villiers. It seems that, like a classic model of motorcar, it becomes difficult for the manufacturer to stop making them

At the same time, while the course has seen fairly consistent growth in demand, the kind of people it attracts have changed "To start with," says De Villiers, "they were almost all from personnel or industrial relations departments, and most were pre-graduates"

But as the subject became more obviously part of the South African business scene, so the academic qualifications of prospective students rose "In 1982 there was a sudden influx of graduates into the course," notes De Villiers. "By 1984, 35% of students were post-graduates, and we taught our first advocate of the Supreme Court, with two people of the same standing attending each following year."

Similarly, until 1982, there were virtually no mining people on the course. In 1982 and 1984 Rand Mines enrolled eight staff members each year. This year there are 32 from Anglo American and 16 from Gencor. "In fact, about 50% of students this year are mining people," explains De Villiers. As companies have appreciated the need for skill in this area, they have started to encourage line managers to join it, the trend being especially noticeable this year.

The course itself has six elements. The first, labour relations and the environment, attempts to provide the participant with a broad background to the subject in SA and elsewhere. It provides a theoretical structure for the subject, with information on labour relations in SA.

Labour market analysis forms the second leg of the course It is basically labour-economic in orientation, dealing with such subjects as supply and demand, minimum wage legislation, and the effects of population growth on economic development and the labour market. The third course module is the study of a variety of industrial and labour relations systems, which teaches the comparative differences between procedures in such countries as the US, Germany, the UK, Holland, Belgium — even Yugoslavia.

The fourth element, labour law, sets out the basic legal rules which form the body of labour law in SA today The objective is a broad overview of an immense subject, which concentrates on the more important aspects

Collective bargaining is the next element, and is essentially practical. It aims to acquaint participants with the basic processes of the subject. Its emphasis falls on formulation of objectives and strategies; a systematic application of a methodology for the preparation and conducting of negotiations

Finally comes the study of conflict management "Conflict," says De Villiers, "is an integral part of the work environment, and so also of the industrial relations system. The latter, after all, simply represents institutionalisation of the workplace." The course aims to provide insight into the nature of conflict, the causes of conflict at work and the principles underlying its management.

The nine-month, part-time course starts off with a residential five days exclusively focused on theory This is followed by six individual assignments on theory, leading to a further five day residential period in the middle of the year At this residential the







De Villiers ... conflict management no longer a static subject

ment, or other specialists in management sciences.

Admission requirements are an MBL or similar Masters degree, and a departmental exam on the history of management thought, research methodology, research design and the philosophy of science. Before he takes the exam, a candidate must present a short synopsis on what he wants to do to achieve his doctorate

The student will be appointed a mentor and one promoter or more to help him with his major effort, the thesis. "The team is very important," notes Grobelaar "We may get help from, say, Wits or Tukkies (other universities) if it is needed" Three people are expected to graduate this year.

Advanced executive programme

This is designed to meet the needs of more mature and experienced business executives, and is orientated towards strategic management and policy formulation and an overall view of enterprise The length of the part-time programme is 15 months, and candidates must have matriculation status, together with at least ten years appropriate experience. The majority of participants tend to be graduates, however.

After a brief introductory period which covers basic business courses, the advanced executive programme (AEP) covers much the same ground as the third and fourth years of the MBL

Attendants are usually in the age-range 30-45 They should be dynamic, high-potential individuals, who are sponsored by their employers.

They should already be in senior general (as opposed to functional) management, or their employers should at least be grooming them to join senior general management soon.

At the end of the programme, participants submit a paper in which they must apply some part of the theory covered during the programme to their work situations Some interesting findings may emerge from these papers, which are often of value not only to the participant but the employer

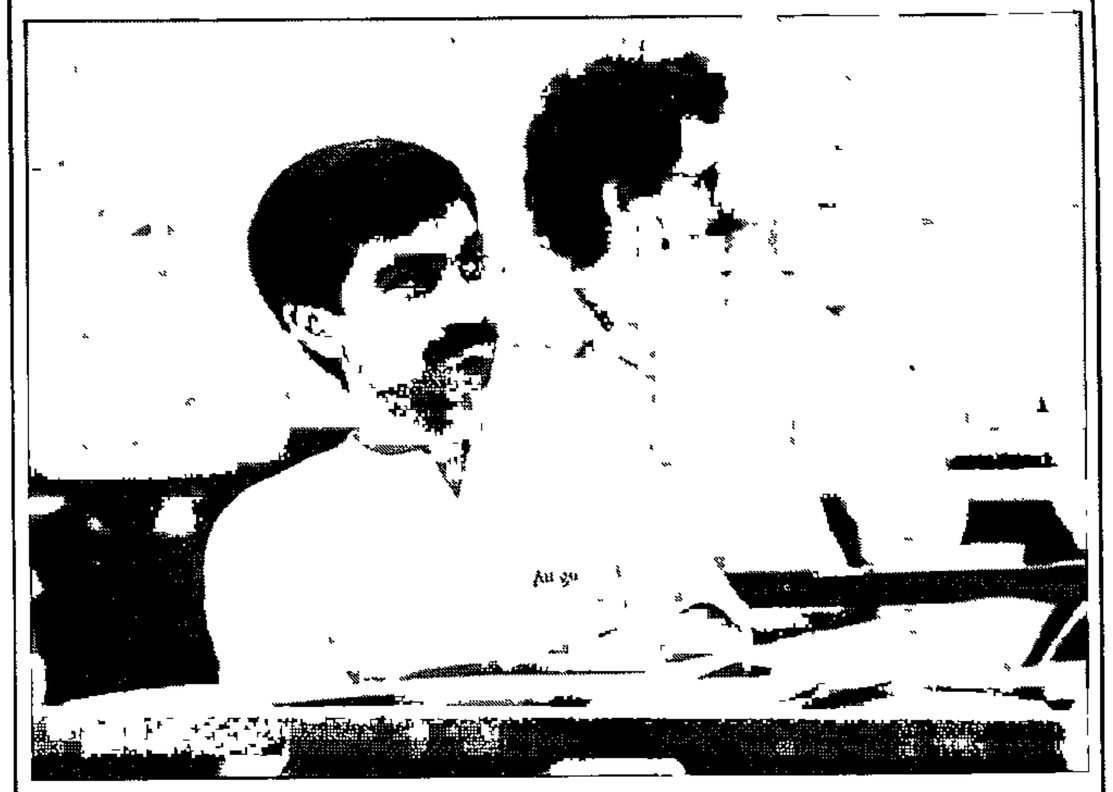
Management development programme

This is aimed at middle, or functional management and runs over a year.

The objective is to accelerate the development of high-potential employees' managerial skills in a variety of functional areas.

Six options are offered to participants. general management, marketing management, manpower management, project management, administration and finance, and mining industry management

Candidates must have matric, and at least three years appropriate experience. Attendees are usually between the ages of 27 and 40. These programmes are also presented separately to Anglo American and to Escom, tailored to meet the needs of these two organisations. ■



THE MIDDLE PATH

In 1972 the Anglo American Corporation approached several business schools for proposals on a part-time management programme for middle managers on the mines.

The Unisa School of Business Leadership (SBL) received the contract and in 1973 the Management Development Programme (MDP) was born. Since then the SBL has presented an MDP programme for Anglo annually and 740 participants have successfully completed the programme. The 14th programme is under way at Anglo's Maccauvlei training centre for study schools.

In the light of the success of the MDP presented for Anglo, it was decided to present a similar programme, adapted to more general needs, to the public. This was done for the first time in 1975 and almost 700 people have completed it

Enquiries from the public were received before the first participant enrolled in 1975. Since then an average of 100 participants have been admitted to the programme each year

In 1984 a similar programme was specially adapted for Escom's needs and presented for the first time at Escom's management centre at Midrand Since then over 200 of Escom's middle management have completed the programme



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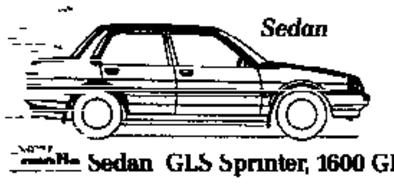

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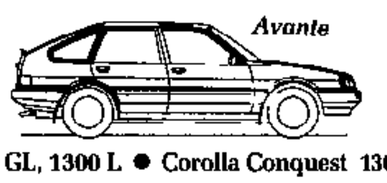

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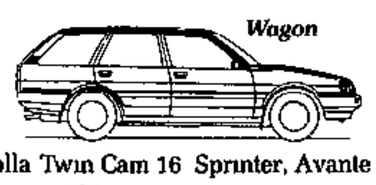

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emphasis is applied to the workplace. "The student is thinking about what actually happens in his company," says De Villiers. "The major question to be solved is whether he can use the knowledge he has acquired"

This is followed by 12 group assignments, and finally by the third five-day residential at end-September, which includes debates, and addresses from such experts as members of industrial councils, a member of the Transvaal Municipal Employers Association, trades unionists or, for example, a foundry manager with 25 years experience in the UK as a shop-steward.

At the end of the year come written exams on all six subjects. If the student fails one or two he has a chance of a repeat in the following year. "But if he fails more, that's it," says De Villiers

Obviously, the progressive nature of industrial relations means the course changes fairly rapidly "The rule at Unisa is that text books should be recommended for three years at a stretch," notes De Villiers. "But in this subject it became impossible to abide by the rule. The level of sophistication of the data going into the course is increasing almost every year Whereas conflict used to be a fairly static subject in its treatment, it now is concerned with such complications as different levels of conflict, different types of conflict, and different manifestations of conflict"

Among the problems of running such a course is the emergent politicisation of trade union objectives How does De Villiers try to deal with that one?

"We try to depoliticise the course, although some parts of it — like descriptions of industrial democracies — inevitably at least imply politics I think trade unions here will, of necessity, be political But the boot is not only on one foot. For me, the decision of Sasol and AECI last year to fire workers for political reasons was a bad mistake. What it did was to politicise the workplace

"My own belief is that management must try to establish its own position in this respect. The key to the solution is simply good common business sense. If workers need time off to attend a funeral, it may be necessary to shut down the factory for that day — and offer unpaid leave. Managers have said to me· "But we can't do that! It would disturb production schedules." I asked them if they would make the same remark if a customer wanted to double his orders next day," he notes wryly.

As he sees it, the major need for managers is to keep party politics as far away from their enterprises as possible.

He illustrates his point: "If workers' representatives asked that the factory should treat May 1 as a holiday, the answer should be no. That is bringing party politics to work with you

"And that is what must be avoided."

Clearly, his argument is well prepared. ■

Selling the SBL

For the first time a determined effort is being made to market the SBL — both externally and internally

The business school business, like many others, is competitive But as Professor Chris van Veijeren, who has taught marketing at the School for 20 years, admits: "Marketing the SBL was something that we all thought about for years but did nothing about." With the advent of the SBL's 21st birthday, however, this is changing

A steering committee consisting of professors Johan Murphy, Piet Ockermann and Gert Pelser, and Truida Prekel and Karin Ireton, was appointed. It analysed the existing situation and set the strategy now being implemented.

"We got down to the objective early last year," says Van Veijeren. "This year we are doing things." The first major steps towards organising the management of the school itself have been the appointment of Professor Chris Coertse as deputy director of the school — a new post — and giving Van Veijeren responsibility for the marketing task itself. His title is associate director, marketing "One of the ground rules of market orientation is to have someone specifically responsible for it," notes Van Veijeren.

Late last year, Grey-Phillips was appointed to assist in the external marketing effort "With their help we identified SBL's unique selling properties, termed USP's. These are the teletuition system and the "leadership" feature of the name," says Van Veijeren

Copy for the advertisements which have appeared so far in the financial press stress this feature by reference to the sequel of *In Search of Excellence, A Passion for Excellence* by Tom Peters and Nancy Austin The book appeared in the US in April last year and concentrates on the leadership aspect of management; something the SBL has been doing since it opened its doors

The authors of *A Passion for Excellence* took the view that management is obsolete. "A revolution is brewing," they wrote. "The concept of leadership is crucial to the revolution — so crucial that we believe the words 'managing' and 'management' should be discarded. 'Management', with its attendant images, connotes controlling and arranging and demeaning and reducing. 'Leadership' connotes unleashing energy, building, freeing and growing."

Strong stuff — and perfect for material for image-building by SBL. "Our advertisements for specific courses used to appear in the recruitment section of the press," says Van Veijeren. "By shifting them to more appropriate sections and improving their content, we got a startling response. We had to put six people on to answering the telephone. The MBL course attracted about 360 successful applicants this year. Two years ago the number was 240.

"It is true that Unisa's total student enrolment has also increased by 50% over the two years, but our improved response in a highly competitive market sector has pleased us greatly."

Another effort has been to identify the growth areas of SA within the total market — places like Secunda, Pietersburg and Maritzburg. Director Nic Wiehahn has been touring the country, taking in out-of-the-way places, to tell audiences about the SBL, with the emphasis on what it offers students.

So much for the external marketing campaign. But Van Veijeren sees the internal marketing effort as equally important. This involves re-organising the daily work of the school so that it can run as efficiently as it teaches

"Internal marketing may involve such simple things as having a plug point installed, to tidying up a cable in the entrance lobby that was previously draped across the entrance foyer at SBL.

Before, everyone noticed it — but no-one did anything about it. Now, as part of my new responsibilities, I walk around, talk to people, and try to find out where things are going wrong," he says

But it isn't all so easy Careful thought is being directed to internal marketing. "We have an administrative staff of high calibre, consisting of about 35 people," says van Veijeren. "We are now concentrating on ways of ensuring that they can offer the best service possible to participants in the courses And, for instance, to telphone enquiries about courses.

"One weekend, we went on a bush retreat with the administrative staff to discover their problems and to explain what we are trying to do," says Van Veijeren "An example of the sort of problem we are starting to solve is having someone transferred five times on the telephone when he or she wants an answer to a problem, or when someone may have a fairly simple enquiry.

Van Veijeren explains. "For example, everyone is being issued with sheets of informa-

— and answers to likely questions on the various courses we offer. The sheets include a simple and systematic means of answering enquiries efficiently. The sheet on the middle management programme, for example, tells the person answering the query to ask whether the engineer has matric, which is a basic requirement — and to ask early in the conversation to avoid wasting the time of both parties A matter such as the cost of courses — which even I was unsure about before — is clearly set out

"The major objective here is to implement a new rule who ever answers the phone should, whenever possible, answer the question, even if this involves finding the answers and ringing back "

So far, application of these ideas seems not to have produced too much positive feedback.

A disappointed SBL says there haven't been too many phone calls congratulating it on an improvement in services

However, Van Veijeren concludes "There is a definite change of attitude here We are all beginning to treat people as clients We ourselves feel much better about it all — and that is the first step "

And this positive attitude is arguably the best form of public relations, after all ■



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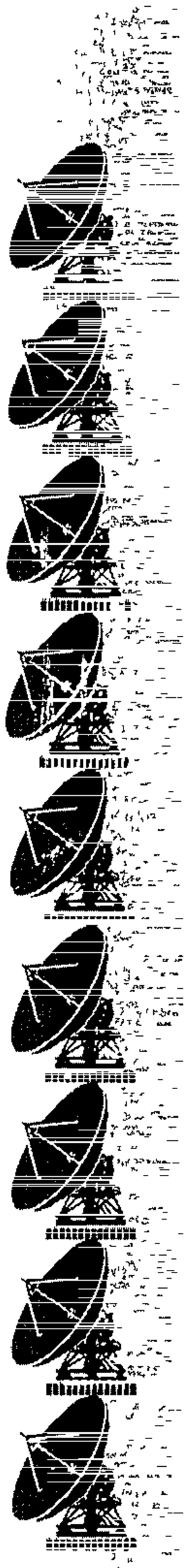

POSTS AND TELECOMMUNICATIONS

KEEPING YOU IN TOUCH

The right values

The Masters Degree in Business Leadership is the central activity at the school. Does it satisfy those who attend it — and sometimes pay for it from their own pockets?

Possession of a Masters Degree in Business Leadership (MBL) degree is clearly prized among ambitious young — and not especially young — South African executives Equally, those who are directed enough to make the effort involved have plenty of forthright opinions to offer on their endeavours

John Marson, a fourth-year MBL student who works as a consultant to manufacturing agencies at Coopers and Lybrand in Durban spoke for half an hour on the phone on the subject He describes the course as "excellent" giving full marks to content and quality. "But some students take the course just for the qualification it offers," he warns "I think that is a mistake and such people are likely to be disappointed by the MBL"

Students the *FM* spoke to — an ambitious and demanding crowd in the age range of 30 years to 40 years — generally agreed that the MBL course does turn you into a manager, with some obvious qualifications "If you've got it, it helps you If you haven't, it won't," was a typical quote.

The drop-out rate, especially in the first two years of the course, is high Most students the *FM* spoke to put it at about 50% in their own groups Unisa is bound by its statutes to accept any student on the course who has the degree qualification and three years' appropriate business experience, though the school is hesitant to accept anyone with an "inadequate" academic background Talking with Marson, one can understand why

"It's tough," he notes Marson says he has put in between 10 and 20 hours of work a week on the degree almost throughout his four years. There is also a value-for-money incentive As Marson puts it "A major advantage of doing the course while you are employed full-time is that the financial commitment is quite considerable."

He believes if you take a full-time one-year or 18-month course at another university, the financial commitment may be so heavy that, on completion, you feel you have to market your qualification aggressively; perhaps too aggressively. "Hence, maybe, some of the criticism of MBA's that they think too much of themselves," postulates Marson

However, such a programme inevitably causes stress "You need a very supportive family to get through successfully," says Marson This, despite the fact that the study group system means that, when your job is especially demanding, other members of your group may be ready to help shoulder MBL tasks Groups meet each other at least once a week and usually consist of six students by the end of the second year of the course Four is the minimum number of students SBL will allow to attend from one centre

Another fourth-year student, Bill Pierce, who works for Plessey in Johannesburg, has a high regard for the course According to

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him: "It's the best course on the market, by a long shot"

"First," he reckons, "you have the chance to apply what you learn by referring to the job you are in It's an important feature of the usefulness of the MBL." Also, the MBL is the only business course that "gives you two straight years of stratgeic management and thinking." For Pierce, "strategic formulation and implementation must be the most necessary skills"

Of the quality of lectures, another student had this to say: "Lecturing ability is mixed in any university. But I think the Unisa School of Business Leadership (SBL) more than holds its own."

The bilingual aspect of the degree did not worry Marson — even though he admits he doesn't speak much Afrikaans. "Although the idea is that the lectures should be given half in Afrikaans and half in English, lecturers were invariably prepared to make things clear when it was necessary, to people in my position."

Not all students comments are simple encomiums. For instance, Ian Kaper of Secunda, who is in his fourth year, believes that lack of feed-back to students is a particular problem. A 38-year-old accountant who took his first qualification 16 years ago, Kaper echoes most of the praises of others, but sees the feed-back aspect as a major problem "It should be so simple to put right, too," he says. "Even a monthly newsletter would help We feel lost out in the field"

Marson disagrees. "People doing this course are not children," he points out. "Once I was into the course, phone calls for help or information were always answered, even if this was from the relevant lecturer's home in the evening"

Still, this alleged weakness of the MBL drew more unsolicited complaint than any other. "It's not just a matter of getting a reply to your question," complained a student "It's also the rather simple difficulty of getting your message relayed to the lecturer you need to speak to" Said another: "There is an awful amount of red tape"

Again, a quote from a student who is himself involved professionally in management development "It seems a pity, that at the beginning of the year, the school can tell you you will have an exam in June or July — yet cannot get as far as a date." This grumble aside, however, this student also believes the MBL "is far superior to a full-time course."

A rather interesting case of "pupil challenging master" is that of a student (Pierce) choosing the SBL itself as the subject for a thesis in his second year. His major recommendations for changes are interesting

First, the profile of SBL should be raised — dramatically. Second, the school should have a fairly high profile director or dean The appointment of Nic Wiehahn as director seems to have achieved this. Third, there are systems problems, involving getting lecturers to return calls, or getting messages from students Internal marketing, believes Pierce, is required. "The students are, after all, effectively the customers of SBL. There is room for better response to them individually."

Pierce's fourth recommendation was a decent building to house the school in. It is, believes Pierce, of strategic importance The Stellenbosch University business school in Parow, is the sort of objective that he has in mind in this respect.

Finally, because this is a correspondence school there is "almost no alma mater system," as Pierce puts it. "The study schools, which offer the opportunity for this kind of thing, should be lived-in," he believes. "I have not had the opportunity to meet many fellow-students and get to know them. People from Pretoria, Johannesburg and even Sasol tend to go home after the lectures at



Pierce ... pupil challenging master

the study schools."

He thinks this objective would best be accomplished by the building he envisages for the school In his view, it might also contain residential accommodation.

To the point that it sounds expensive for a few weeks a year, he replies that SBL already hosts many other events, such as certificate programmes and seminars, and short courses "But a cheaper alternative might be to take over the necessary rooms in a hotel," he argues. Pierce feels strongly that study-related occasions should be social events

In answer to the criticisms put forward, SBL says: "The problems raised are centered on issues which have already been identified at the SBL, and which are being addressed in the school's marketing programme.

"There is great awareness at the SBL that our best advertisements are our participants It makes us proud to know that despite the irritations, our participants are so enthusiastic about their degree."

Admittedly, distance education is difficult The combined pressures of work and study and the distance from the teacher make it particularly exacting on the student.

Over the years the study group has proved to be a strong point of SBL methods. The cohesion and co-operation of the group considerably reduce the feeling of being "out-there-alone" It has happened that the group has provided the motivation to keep on studying

Even so, the need for information is constant and great. The SBL has plans to revitalise a regular newsletter for its past and present participants to keep them in touch with new developments.

The difficulty of reaching lecturers has also been tackled. The SBL is striving to remove the physical causes. Secretarial resources have been decentralised and a highly sophisticated Siemens telephone system has been installed, which eliminates the frustration at an unanswered telephone extension if a lecturer is out

The problem of reaching lecturers is aggravated by group visits which can take a lecturer out of his office for three weeks, during which he will not receive routine messages If a problem is urgent a home telephone number can be obtained from the lecturers' secretary, or the SBL's Sheila Loubser

Examination dates fall out of the SBL's realm. The setting of dates and venues are the responsibility of the examination's officer at Unisa. The SBL intends taking up the issue on behalf of participants.

Since its inception, the SBL has attempted to aid the interaction between participants and their lecturers by holding informal gatherings each time they attend study schools in Pretoria.

For a number of reasons — including family pressures — not all of these functions enjoy the support of locally-based participants. "Live-in" study schools would probably increase participation — but they would also increase the costs to participants. In addition, they would create enormous logistical problems as Unisa does not have residential facilities.

The SBL is currently in temporary premises The university is investigating the SBL's long-term housing, in line with its own growth plans

Finally, comments on the course from an old hand, Peter Mrkusic. He is a leading executive of his company, a listed and successful engineering firm

Mrkusic took the MBL degree nine years


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He says. "Most of what one learns, one forgets," he says. "Sometimes I look back at my notes and wonder whether I should take the course again. The marketing lectures were good, and the business strategy very good The vac schools were excellent Reading for exams always tends to be interesting but forgettable Using a lot of reading material is not that effective

"Business schools always encourage faddism — *In Search of Excellence* — that kind of thing

Once you get back to work you realise that much of business is concerned with purely personal relations. In that respect the "work while you learn" posture of SBL is very good You don't get too far away from the workface."

On balance, then, its super-critical students seem to find the SBL a valuable and worthwhile exercise in learning and self discipline

And some might argue that the propensity to question, to seek out new and improved formulae, is an important characteristic of any top executive It's one attitude, among others, the SBL nurtures in its MBL course. ■

SHOWING RESPECT

The late Seventies saw the growth of a determined anti-business school body of opinion overseas, especially in the US. There are still rumblings of such an attitude in SA. But are MBAs and MBLs toffee-nosed?

The main criticism in the US was the attitude of academic superiority which seemingly afflicted business school graduates. In offering a part-time degree, SBL probably avoids this kind of criticism more easily than most others. Its graduates are perceived to be "doing it the hard way" and thus, earn the respect of colleagues — and employers.

Dr George Marais, director of SBL until 1981, says that he believes the criticisms of a too academic approach on the part of US courses may well be justified. "I don't think you could do a Master's business degree at Harvard without first having a Master's in maths," he notes.

"During the Seventies — and even before — universities such as Harvard were very opposed to mixing business with studying. For example, they are very much against offering courses to specific organisations, as SBL does to Anglo American and Escom," adds Marais.

A senior executive at E L Bateman, says it is true that young people with business degrees "tend to believe that they can build Rome in a day On the other hand, at Bateman we rather like young Turks — we are looking out for people with drive and fresh ideas."

At E L Bateman, he notes, "an application from someone with such a degree would certainly be a plus in his CV. Although obviously most important would be his experience and skills in respect of the job itself."

Perhaps most concerned about the snooty image of business degrees — and the business world's attitude to them — are SBL students themselves. One noted as an advantage of Unisa's MBL courses that, as a result of working at the same time as he studied, "I don't feel any different from anyone else."

Voting for change

In a survey conducted by the SBL last year as part of a definite move into research, Pretoria businessmen came out strongly for reform

Last year, the Unisa School of Business Leadership (SBL) published the results of a postal survey conducted Pretoria businessmen. Undertaken Piet Human and Pat Rainey, its objective to "come to grips with the social meaning of change in our country."

The authors of the report note· "We are witnessing changes normal to the so-called industrialised countries — and having fair share of such concomittant problems rapid urbanisation, population growth, a shortage, increasing poverty and unemployment

An attempt at understanding how businessmen perceive some of the changes of our time can only contribute to the time horizons of our (political) decision makers."

Perhaps surprisingly, in what might be regarded as a relatively conservative corner of SA, the findings offer strong support for reform and change Take support for deracialisation of economic activity and public amenities. Postive votes came from between two-thirds and three-quarters of respondents Although the proponents of reform were more strongly represented by English speakers, there was still a majority of Afrikaners also supporting it.

Interestingly, too, in a rating of a list of political leaders, Chief Mangosuthu Buthelezi came second only to State President P W Botha — and not a bad second either Of the sample, 65% viewed Buthelezi positively compared with Botha's score of 74% Admittedly, there might be some argument as to which of the two leaders should be more worried by this result It was clear also that many black leaders were rated very negatively indeed. Nelson Mandela, for instance, achieved only a 7% positive reaction. The only listed representative who did worse was Alan Boesak with a 3% pro-vote

The statistics the report produced were compiled from responses of about 100 businessmen and businesswomen in Pretoria in trade and retail enterprises. Their average age was 43, and their average annual income R48 000. In terms of formal education, the standard of the sample was fairly high; 34% had a university degree. Nonetheless, the survey does seem to show some considerable enthusiasm for political change in SA Just over half the respondents appear to support the idea of power-sharing by all the people of SA

Free enterprise appeared to be the ideal socio-economic system for the overwhelming majority of respondents. As the authors say, this fact partly explains the support for the relaxation of influx control, with which 31% of the sample "agreed fully" and 35% "agreed."

At the same time, free enterprise is a system which continues to mean different things to different people There was a fairly strong (60%) antipathy towards labour unions, for instance, even although free enterprise might be taken to include freedom of association as well as freedom to make profits and losses

Even at the time the poll was taken (June 1985) there were sharp divisions on the way the government had handled unrest Opinions were fairly evenly divided between the "law and order at all costs" camp and those who believed that basic issues had not been addressed Only 15% "fully agreed" with the

method of handling unrest and 10% believed the police "should have been much harsher."

Almost everyone disliked the disinvestment campaign But in a sample of shopkeepers and traders this is hardly surprising. With 85% of respondents against it and 10% neutral, the oddest feature was the 6% in favour of it. Those in the neutral "don't care" category had confidence in the area that investors would be found to replace those who chose to disinvest. There was some support for the idea that the campaign would stimulate internal economic growth. The latter was a point also raised by those who were in favour of disinvestment.

While 78% of respondents were pessimistic about SA's international image over the longer period, 61% thought "life in general" would improve, while "security of borders" also attracted a 61% positive vote. Even on the issue of personal security a small majority (52%) was looking forward to better things over a five-year time scale

Perhaps these results reflect the fact that Alvin Toffler's *Future Shock* has finally arrived in SA As he wrote: "In a world of accelerant change, next year is nearer to us than next month was in the more leisurely era" Perhaps we need an update on how Pretoria businessmen see their futures on a monthly basis — if they have time to fill in the forms.

This kind of exercise seems to be — as SBL obviously believes — especially lacking in SA. It is true that 100 special people don't add up to a modern state. But especially in so divided and statisticless a country as SA, decent figures are like manna The idea is to update the survey at short intervals

"Management listens!"

Concern has often been expressed about the centralisation of SA industry. How would you react if you were a shop-floor worker in the northern Transvaal and your company was ultimately owned by an insurance mutual in, say, Cape Town?

In 1984, publication of a Unisa School of Business Leadership (SBL) research report named Project Free Enterprise caused a major stir in businesses and in the financial press.

But perhaps its findings may have done more than that For Professor Martin Nasser, the project's chairman, a major satisfaction is that "this may be a piece of research that actually does something; it could even change the thinking of government."

What worried SA management especially was the headline finding of the research that the SA workforce did not understand and was opposed to the free enterprise system. A further unpleasantness arose from the apparent perception of workers that most post-tax profit in companies was employed to provide cream for the fat cats in management Respectively, skilled and unskilled workers, for example, believed that 48% and 72% of such profit was employed as management bonuses and salary increases for senior management.

The study, which involved collation of information of 3 700 questionnaires from 78 leading SA private sector and other organisations, also produced numbers of other worrying statistics.

For example, a table on the sources of improving wages showed that in the view of 39% of skilled workers and 42% of supervisory management, the best chance of getting better pay was to put up prices. Interestingly, too, even the highest category of employees, middle and senior management, put this factor at 25%

Although at this latter level of employment the role of improved sales/production output was perceived as a much stronger cause for better pay (46%), it was noteworthy that management and workers came to agreement on any of the questions

That this inflationary process would lead merely to the higher wages being worth less

GOING INTO IT

Research can be seen as the backbone of any academic institution. Indeed, an academic institution without research activity, will surely fail to be dynamic and relevant.

In the view of the Unisa School of Business Leadership (SBL)'s Piet Human, the research function, which tends to be hidden behind the teaching and consultancy functions, is the "life-giving source of these more visible functions."

According to him, the research unit at the SBL is an expression of the belief in the importance of research on a formal level. Lecturers, individually, do a fair amount of research, but, having limited time and sources are not always in the position to execute major research projects

Indeed, the research unit has been involved in a number of such projects over the last few years. Dr Linda Human, now at Wits Business School, did a number of projects on black advancement and one on social mobility.

In addition, a study on the concentration of economic power in SA was conducted by Piet Human This study lead to another, on the consequences concentration of economic power may have for the structure of trade unionism in SA. This second study was done by Human and Mohammed Rajah.

Says Piet Human: "Concern about concentration of economic power also lead to a study on the meaning and implications of big bureaucracy" The effects of the bureaucracy on management thought were investigated in an article on the "Radical Rationalisation of Management Thought." Another project on "Ownership and Control in South Africa" looks at the dimension of power in SA and its implications in a changing environment

The pace and extent of socio-political change in SA motivated a series of surveys on the attitudes of businessmen in Pretoria to socio-political issues, discussed in detail elsewhere.

Two reports (September 1985 and February 1986) have been published thus far on this study. In the SBL's view, the monitoring of businessman's attitudes is important given their role in a changing society.

At present Rajah is busy with a report on the biographical profiles of trade union leaders. It is hoped that this study will lead to a better understanding of union leaders and may facilitate a process of peaceful change.

Although the research unit seems interested in issues of a sociological kind, the SBL argues that such a broad and structural approach better aids understanding of SA society — rather than a parochial and psychological approach. Explains Piet Human: "It's our belief that SA's present problems are found on this structural level. This is why it warrants our attention."

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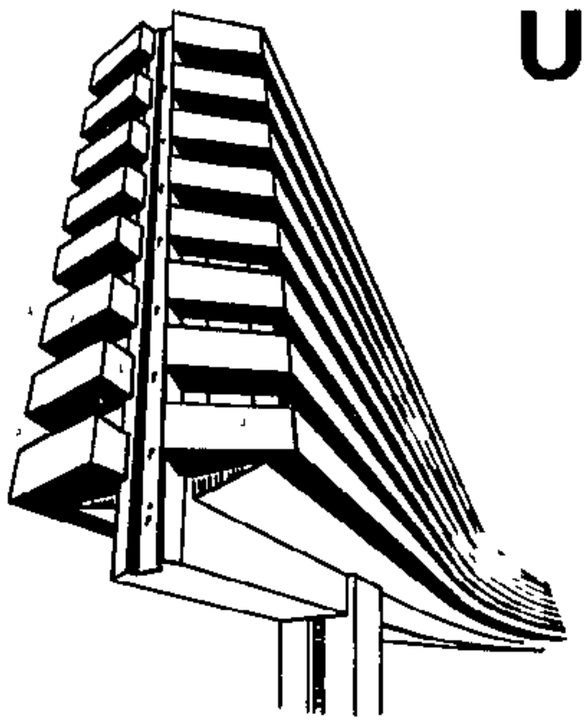

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either not to be understood or to be regarded.

Part of the brief of Project Free Enterprise to identify solutions to the problems by the survey questionnaires. The strategy, suggested in this second stage the project, represents the consolidated of 103 of SA's leading organisations both the private and parastatal sectors. The list of names involved in devising the suggests clearly the high level of the initial survey generated.

Divided into macro- and micro-strategies, latter suggested actions that should be by individual companies or groups to the situations the survey laid bare. Micro-strategies concentrated upon lines of essentially political in nature.

An endorsement of a majority of representative organisations was given to suggestions that the private sector should back its for change with action Among the companies could refuse to decentralise, and insist upon remaining in the WV. Such actions are seen as a necessary form of non co-operation with government. There are plenty of others which could be employed by private enterprise to bring pressure on government.

The micro-strategy devised by participants for employment within organisations involves four major priorities· participative systems, black advancement; establishment of worker perceptions; and incentive reward systems A large part of the final report is devoted to examining effective means of implementing these priorities within companies While such strategies have been less press-grabbing than the larger issues, they offer opportunities for interested management to address the problems directly

The reporters emphasised the implementation of macro-strategies are an essential prerequisite to overall success The final report points out, for example, that it would be foolish to attempt to "educate" workers to a system which discriminates against a major section of the workforce. The representatives from the private sector note that it must on the recommended changes, which such items as a Bill of Rights designed to protect individuals and minorities, and enforceable through an independent judiciary.

An interesting central conclusion of the report, in its treatment of organisational strategy, was that in many SA companies the criticisms often levelled at central government might be matched within the corporate environment. Such criticisms would include lip-service to objectives, too little action too late, and insensitivity to the environment and needs of the recipients of the proposed changes

The four major objectives are generally interdependent However, in this short article we have chosen to consider only the recommendations of the report on participative systems

The project takes the view that participative systems linked to incentive reward systems could form the strongest basis for other major areas, such as determining worker perceptions and black advancement It is also noteworthy that, as a result of its deliberations, the report considers participation "is a truism which can be applied in basically the same way to large organisations right through to smaller specialised merchanting units."

While it was not the intention of the proposals to position participative systems as a panacea to all ills, "the relative simplicity of the concept combined with the many bene-



Nasser ... changing government thinking

fits that are to be gained from it makes it necessary to position participative systems as a major priority for management in SA"

Focusing on certain successful applications of various forms of participative systems in SA, Iscor already has more than 600 operating teams in what it calls its "Omega" system, and is aiming for 3 000 teams throughout the organisation At Toyota approximately 7% of the workforce is participating in quality circle activities The company is aiming for an ultimate 20%

Some reactions of members of teams from companies suggest some of the positive results In reply to the question of whether the quality circle function at one company was not merely regarded as a way for management to place greater pressure on workers, a team member said· "Sir, you must understand that I am just a miner, but now I know that I can talk to management and management will listen to me This has really made me feel part of the company" A worker from one of the Toyota teams stated simply. "This is the best thing that management has ever done for us It shows that they trust us and respect us."

The concept of participation is perhaps best summed up by a director of Hewlett Packard (HP). At a productivity conference, he said, "HP set itself the goal of reducing the error rate at a constant percentage until the total error rate within the company would be reduced to less than 1% We are well on our way to achieving this. The only way that we were able to do it was to give the work and productivity to the only people in the organisation who still know clearly what their job entails — the lowest level of worker possible"

Looking generally at successful participation schemes produced some interesting conclusions from the team — and some words of warning. It was found that personal culture played no significant deterrent role, although the variety of these in a country such as SA is often advanced as a reason why such schemes are doomed to failure here But the reporters conclude "The only culture that could prevent the successful implementation of participative systems is the internal culture of the company"

Managerial visibility and direct support of the system is important Toyota's Colin Adcock notes "If it were a religion, management would have to be disciples" Top management must be committed to, and involved in, the process of ensuring that participation is integrated into the management structure Further, the organisation needs champions, "madmen" who are disciples of the cause

Nor is there any short, quick method of implementing such systems The systems examined succeeded because management accepted the need for multi-faceted medium-term approaches Typically, real signs of success begin to show after 18 months of determined effort

Although there is a need to personalise systems, there is no need to customise them either So it is easy for SA companies to learn from SA successes "Hopefully", say the reporters, "we will start looking inwards to our own successes rather than finding it necessary to spend thousands of rands to visit and rediscover our own existing solutions in the US or in Japan"

Moreover, all the instances of success were attended by a process of starting small and ensuring a small success before enlarging — a clear case of walking first and running later

Although participation in group schemes must be entirely voluntary at the lowest level of workers, an implication of the report is that some pressure from top management may be necessary to involve middle management in schemes It appears that it is at this

sort of level that insecurities and back-sliding is most likely to wreck such approaches before the advantages have had a chance to show themselves

Schemes are a matter of participation in management — and this must represent reality rather than a vague dream of top management.

The workers must be given authority to implement solutions and to investigate problems, even though these may start with apparently simple tasks

An initial, simple scheme at one company involved the placement of an asbestos heat-shield screen The workers' team involved co-operated with maintenance staff on this one. It sounds too easy to be effective, but taking part in decision-making had its effect Equally, scheme successes must be monitored and given exposure within the company. Some corporations go to the extent of competitions between teams, who may qualify for a national final.

At such a function several hundred managers and their partners are invited to listen to the presentation of the teams. It sounds like — and it is — a lot of effort. But the title of this article was the elated comment of a lady at an Iscor clerical function.

Finally, it is necessary to instill a basic understanding of the process of business, so that a worker can accept that the quality of his working life is related to the outputs of the organisation. These, in turn, depend on the quality of his own commitment and involvement A foreman at a large plant enthusiastically thrust forward a wad of production results, and asked: "Who can argue with such results?"

It all sounds like common sense, which in itself is attractive. And it depends upon effort rather than expensive equipment The reporters note: "There is a distinct lack (in the successful schemes) of sophisticated audio-visual technology. The emphasis is on experimental learning, during which, time off the job is minimised and application of training on the job is monitored. . . "

For management, the implicit question in this important section of the report is: if Caltex, Toyota, Tongaat, Barclays, Haggie Rand, Hewlett Packard and Edgars can do it, then why can't you? ■

The teaching team

Like any other organisation, the success of the Unisa School of Business Leadership can be measured by the staff it attracts — and holds

Over the years the Unisa School of Business Leadrship (SBL) has drawn together a highly talented team from a wide variety of disciplines and backgronds. Academic growth is ensured by interaction and mutual stimulation provided by committees formed in eachof the academic areas.

Activating management is the subject area which deals with the activation of man in the environment SBL academics working in this field are: Prof Erik Schmikl, MA (RAU), MBL (Unisa), D Litt et Phil (Unisa), who is highly regarded for his work in management assessment and top team building, Prof Dawie de Villiers, MA (Unisa), D Litt et Phil (Unisa), who heads the Development Programme in Labour Relations, Prof Karl Hofmeyr, DBL (Unisa), on sabbatical in the US and one of the country's experts on black advancement in management, Piet Human, MA (Stell), DPLR (Unisa), EDP (Wits), whose speciality is research; and Oscar Motsepe, MA (Unisa), who recently returned after five years in the US where he had been working on his doctorate at Purdue University.

Others in this area are Prof Martin Nasser, D Litt et Phil (Unisa), who has worked closely with the country's top businessmen on Project Free Enterprise, Prof Wynand Pienaar, Ph D (Kansas), DCP (Missouri), an expert in the field of body language and a dynamic teacher of bargaining and negotiation skills; Prof Johan Piron, LLD (UPE), author of a number of books and an authority on labour legislation; Prof Manie Spoelstra, D Com (RAU), who was one of the first academics to lecture in Japanese management systems in this country; and Silas Tlhopane, MBL, who is an exciting and controversial lecturer

Directive management deals with the development of planning, control and information systems The group working in this field includes Prof Petra van den berg, MAs (Stell, Unisa, Wisconsin); Andre Erwee, MBL; Prof Jan Kotzé D Com, who was recently guest lecturer at the University of British Columbia; Prof Gert Pelser M Sc (Pret), MBA (Pret) and DBL (Unisa), and one of the most senior members of the SBL

The financial management group includes Prof Hugo Phillips, D Com (Unisa), CA (SA), who specialises in financial strategies and capital investment evaluations; Prof Chris Coertse, CA (SA), M Com, MBA (Pret), who is deputy director of the SBL; Dick Lenamile, B Com (Unisa) and Fred McLeary, M Compt (Unisa), CA (SA), who is author of a new accounting textbook for business schools and an expert in the application of micro-computers.

Prof Eugene Potgieter, CA (SA), D Com (Unisa) specialises in the behavioural aspects of financial control systems. Faan Prinsloo, M Com (Pret), CA (SA), lectures in personal financial planning, management and financial accounting.

Lecturers in quantitative methods in management include Prof Werner Klerk, M Sc (Pret), MBL, DBL (Unisa) ITP (Harvard), who teaches quantitative analysis and the use of mathematical models and also lecturers on the application of micro-computers; Prof Jos Grobbelaar, MSc (Ucovs), PhD (Unisa), whose field is operations research; Jiri Baxa, Dip Imede (equivalent to MBA), who teaches project management, analysis and investment evaluation and Manfried Köster, MBA (Pret), a specialist in the field of project management.

Others are Prof Heinz Prekel, D Sc (Pret), MBL (Unisa), who specialises in technological forecasting and the management of technological innovation; Bart Smith, M Com (Ucovs), MS (Wisconsin), who teaches statistics, economics and quantitative analysis, Rudi van der Walt, M Sc (PU vir CHO), MBA, who teaches operations management and integrated management systems and Mr Peter Wilcocks, MBA (Pret), who teaches general management and business systems

The strategic management committee includes the SBL's marketing specialists professors Chris van Veijeren, MBA, DBA (Pret), ITP (Harvard), and Piet Ackermann M Sc (Unisa), Ph D (Unisa), PFE (Carnegie Mellon), Dip Marketing (IMI).

Flip du Plessis, MBL (Unisa), Dip Marketing (IMI) and Trevor Albertyn MBL (Unisa), CA (SA), MA (Alabama) also lecture in marketing.

Truida Prekel, MBL (Unisa), well known for her work on women in management; specialises in the field of communication; Paula Janeke, M Com (RAU), lecturers in economics and general management. Mike Meyer, BA LlB (Stell), AEP (Unisa) teaches the legal environment for businessmen. Prof Johan Murphy, MBL, DBL (Unisa) specialises in planning and control systems and budgeting for non-profit organisations ■

25/4/86 FIN MAIL

DEREK KEYS

No outsider

When international management consultants Arthur D Little completed a wide-ranging report on Gencor's management structure last year, observers expected sweeping changes. But few, if any, expected the chairman of Malcor and National Discount House (NDH), Derek Keys, to succeed Ted Pavitt as executive chairman.



Keys ... relaxed but excited unexpected choice

Keys (54) does not have a mining background but is not the outsider many assume. Gencor parent Sanlam is reputed to have acquired control of Malbak/Protea (now Malcorp) because of the high regard in which Keys and Malbak CE Grant Thomas were held by Sankorp GM Marinus Daling

After the Malbak/Protea merger, Keys proved he could handle a diversified company which had suddenly doubled in size, as well as its rationalisation and restructuring

In addition, Keys' association with Gencor goes back a long way — to 1957, in fact, when as an investigative accountant with the Industrial Development Corporation (IDC) he worked closely with Sanlam's Tienie Louw. Keys has been a director of Gencor companies Sappi and Samancor for years and has personal ties with born-again Christian Pavitt, a member of the same business-men's bible group.

But how will Keys handle SA's second largest mining house, with a turnover around eight times greater than that of Malcor and 20 times the assets? Keys feels relaxed and excited and views Malcor, with its diverse business interests, as a microcosmic Gencor "It's a different size," he says, "but really the problems are the same." In any case, Keys is not prepared to discuss any restructuring or changes now.

The son of a Barclays Bank branch manager, Keys spent his early years in Amersfoort and Trichardt speaking English at home and Afrikaans outside — a fitting background for the man chosen to head the meshed Afrikaner interests of General Mining and the waspy Union Corporation.

Keys' father died when he was in primary school, the family moved to Johannesburg and he enrolled at King Edward School Counting Donny Gordon and a number of other bright sparks among his classmates, he recalls having a struggle coming tenth Later, however, as a Wits B Comm graduate, he had no hassle in walking off with 16 out of 18 possible distinctions as well as becoming SA's top accountancy student.

After articles at Deloittes, he joined Kessel Feinstein and decided accountancy wasn't for him. He moved to the IDC, intending to stay for two years, and remained for nine. The IDC played a godfather role in the formation of NDH, a project Keys was closely involved with He also worked with Marmion Marsh on the development of Safmarine, as a "midwife" in the formation of Soekor, and played a seminal role in setting up SA's first oil-storage facilities.

In 1965, with NDH's agreement, Keys set up his own part-time financial consultancy. In the year of the worst drought since 1933, his first client was Malcomess, a farm machinery business. Keys helped change the structure of the business; when rationalisation was complete, it rained. "The Malcomess family then made more money than they'd ever seen," Keys recalls. "On this flimsy evidence, they decided to appoint me chairman, with a large stock option."

In 1969, over a cup of tea at the Mount Nelson, Keys and Bakke's Dan Benade decided to merge Malcomess and Bakke to form Malbak. Benade became chairman, Keys his deputy and Malbak was listed a few months later. In 1974, Thomas joined Keys and soon told him that the motor retailing division would go broke in six months unless radical action was taken "He fixed things up, I realised I was now superfluous and wanted to move on."

Benade persuaded Keys to take a year's sabbatical. He set off with his family to Germany, enrolled his son at a local school and himself at Munich's Goethe Institute. He set himself to learn German and at 45 again found himself top of the class He'd remained chairman of NDH and deputy chairman of Malbak. on his return to SA, Benade resigned and Keys succeeded him.

Soon he found himself local chairman of Swedish multinationals Asea and Sandvik and today is also chairman of Consolidated Industrial Holdings and OCL. "I was never full-time NDH chairman," Keys says, "and I developed an effective style being there only some of the time I'm still in the dealing room about three times a week and still influence investment decisions"

Life continued on an even keel until February 18, when Sankorp made him the proverbial offer he couldn't refuse As a full-time Gencor employee, the fate of his six chairs and other directorates hangs in the balance.

Though optimistic about the economy — moderate growth is his prediction — he could face tricky labour problems The firing of 23 000 workers at Impala Platinum last year led the National Union of Mineworkers to designate Gencor an "enemy company" and threaten international action to prevent shipping of coal abroad.

Whatever happens, though, Keys should take it all in his stride, since he considers that he's "computer-designed" for the Gencor top-slot ■

Sullivan urges code of misconduct

WASHINGTON — US companies in SA must adopt "a stringent course of corporate civil disobedience to challenge actively all apartheid laws", the Rev Leon Sullivan told signatories of his employment code this week

Companies must also immediately increase the number of blacks in senior management "to assure that, as quickly as possible, there will be appropriate representation of blacks in the management groups of each company at all levels"

SIMON BARBER

In a letter to 192 chief executives, the Philadelphia Baptist minister said "I am asking companies to use their legal and financial resources to the fullest extent possible . to assist blacks in the equal use of all private and public amenities, such as parks, beaches, hospitals, theatres, public transport, schools and housing"

This goes beyond the so-called fourth amplification to the Sullivan code which required companies to "work to eliminate laws and customs which impede social and political justice"

Sullivan did not make clear whether his latest call was a formal addition to the standards, by which signatories are annually rated, nor did he make any reference to Pretoria's decision to scrap the pass laws

Instead, he reiterated his warning of a year ago that, unless apartheid were completely dismantled by June next year, he would endorse total economic sanctions against SA.

D POST, MAY 24, 1986

Train for top jobs plan

Weekend Post Reporter

A CO-ORDINATED training session is being planned to upgrade the qualifications of black managers and potential managers in the Port Elizabeth-Uitenhage area.

Instrumental in getting it off the ground is the Eastern Cape branch of the Black Management Forum (BMF).

Its chairman, Mr Glenn Cuddumbey, disclosed this week that the BMF, in conjunction with the Institute for Personnel Managers, will hold a seminar for local business executives and employees, in which the role and use of black managers will be discussed.

The seminar, August 6, will involve the following speakers, Mr Bob Tucker, managing director of the SA Perm, Mr Eric Mafuna, national president of the BMF, Mr Ben Nkoatle, marketing director of Sales House, Mr Christo Nel, a business consultant with Nasser Associates, and possibly the managing director of General Motors, Mr Bob White.

Mr Cuddumbey said that at a time when there was a shortage of skilled managers, there existed a vast untapped market of potential black managers.

He said about 98% of managers in South Africa were white and that the black 2% was actually diminishing.

While some firms offered in-house training, the BMF believed black managers should be given a chance to study for nationally recognised managerial qualifications. These part-time courses would, depending on the individual, be between one and three years.

He said a lot of black employees, many of them matriculants and graduates, were "under-utilised"

Ratio of managers to workers is weakness

Industrial Staff

PRODUCTIVITY problems are related directly to South Africa's poor record of developing effective supervisors.

The local management-worker ratio of 1·42 will have to change dramatically if productivity is to improve

This will be the theme of a one-day conference on Wednesday at the Jan Smuts Airport Southern Sun Hotel.

Keynote speaker will be SA Institute of Supervisors (SAIS) president Dennis Etheredge Other speakers will include senior training officials from Anglo American, Standard Bank Investment Corporation, the Human Sciences Research Council and the mining industry.

Details of the conference, organised by the SAIS, are available from executive director Mike Taylor on (011) 339-2363.

New look at skills needed — Viljoen

GERALD REILLY

INDUSTRY and commerce will become more dependent on a balanced supply of highly skilled black engineers, technicians and artisans, says Minister of Education and Development Gerrit Viljoen.

He told the conference of the Federated Societies of Professional Engineers in Pretoria on Friday SA was confronted by a situation of inadequate funds, an inadequate, largely white skilled and managerial workforce and a large supply of black unskilled and semi-skilled workers

A Manpower Department survey last year found that actual vacancies for engineers amounted to more than 1 000; for engineering technologists 800; and engineering technicians, about 3 500

Because of the shortage of engineering technicians, industry had tended to use university-educated engineers in jobs which could be done by technicians.

Referring to negative tendencies in education, Viljoen said parrot work was stressed at the cost of independent thinking; and achievement and progress were evaluated on memory work, instead of on thinking ability and the ability to make decisions.

During the Standard Six and Seven phase of the career education model, it was planned that 70% of pupils should become familiar with building, metal and electrically orientated directions

Viewers rank M-Net in poll

STEPHEN CRANSTON

WHITE adult television viewers expect subscription TV — M-Net — to be of a similar standard to that of the current TV4 channel, according to a media study conducted among 200 people on the Witwatersrand.

When asked to rate TV1, TV4 and the subscription TV services, TV4 achieved a rating of 6 out of 10, followed closely by subscription TV at 5,9. TV1 lagged behind with a rating of 5,3 out of 10

Bid to boost the role of supervisor

Mr Phil Khumalo is a man with a mission.

Apart from being a senior lecturer in small-business development at the Business School of the University of the Witwatersrand, he is also a director of the nonracial, non-profitmaking South African Institute of Supervisors.

His aim is to upgrade the role and status of the supervisor as the first-line of management and, from what he and others in the institute say, full recognition of the supervisor as the pivot on which managerial success turns, cannot come too soon.

Until now, the supervisor has enjoyed little recognition from management as a key person in the chain of command. He or she has received little in the way of training and hardly any support from middle and top management.

"Investigation has shown that the supervisor is often appointed because of long service, not talent or ability to supervise.

'DOUBLE LOSER'

His role is not defined properly by management and not explained to those who work with him," said Mr Khumalo.

The supervisor was often a double loser in the sense that he was disregarded by management and at the same time, was regarded with suspicion and resentment by those he supervised.

Mr Khumalo said: "It is wrong of management to imagine that the supervisor is some kind of 'super-induna' who gets his job by telling tales about his co-workers. There is no place for the old-style induna in the modern workplace.

"The supervisor is there to help his co-workers understand their tasks and the operation of the organisation for which they work. His input is also vital to management in their decision-making but, unfortunately, he is seldom invited into the boardroom."

COMPLEMENTARY

It was also important to recognise the joint and complementary roles of the supervisor and union shop stewards.

"The supervisor at no time displaces or replaces the invaluable role of the union man," said Mr Khumalo. "It is important for the role of the supervisor to be explained and accepted by unions, which generally accept the principle of the need to have coherent chains of command. It is important that the two work together."

Although many companies in South Africa had recognised the need to improve selection of supervisors and supervising skills, few companies knew how these tasks could be tackled.

For further information contact Mr Mike Taylor at (011) 339-2363.

'More blacks to fill top posts'

PETER WALLINGTON

SA MANAGEMENT was starting to accept that most of the high-level manpower needed to run the economy in future would be black, Barclays bank personnel manager Doc Pascoe said in Sandton yesterday.

Addressing a Unisa School of Business Leadership seminar on "Black advancement strategies for success", Pascoe said it was unacceptable that whites, who make up only 15% of the population, should occupy 98% of all managerial positions.

"This situation will have to change dramatically in order to accommodate needs and aspirations of black matriculants, as was done for whites in the past."

Pascoe said black advancement became a crucial aspect of Barclays' manpower plan in 1977, when there were only 18 black people in senior supervisory and managerial positions. This figure rose to 206 this year and the projected total for 1990 is more than 500.

Barclays re-examined its black-advancement programme last year and came up with an equal-opportunity strategic plan through which it would recruit, train and advance black, coloured, Asian and white employees in such a way that the racial mix within the bank would move steadily towards reflecting the demography of SA.

While Barclays continued to focus on training and development, it also emphasised programmes which impacted on attitudes.

To change attitudes, it was necessary to change the environment, Pascoe said. "One of our strategies is to ensure that any branch of the bank which is not racially integrated will be integrated within a specific time frame."

He noted that equal opportunity presupposed a "level playing field", which SA — largely through inferior black education — did not have. Thus, simply to give black employees equal treatment did not amount to black advancement or equal opportunity.

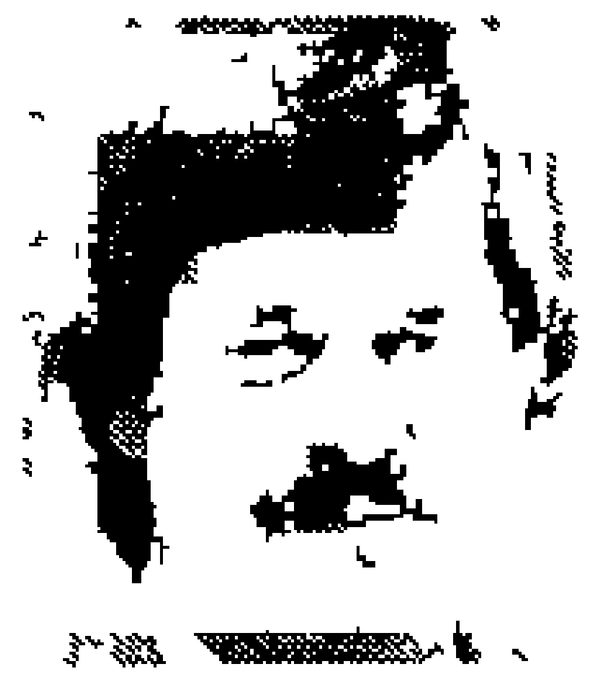
"This approach fails to distinguish between giving people equal rights and providing the tools for them to use the same opportunities."

172 BUS DAY 1/7/86

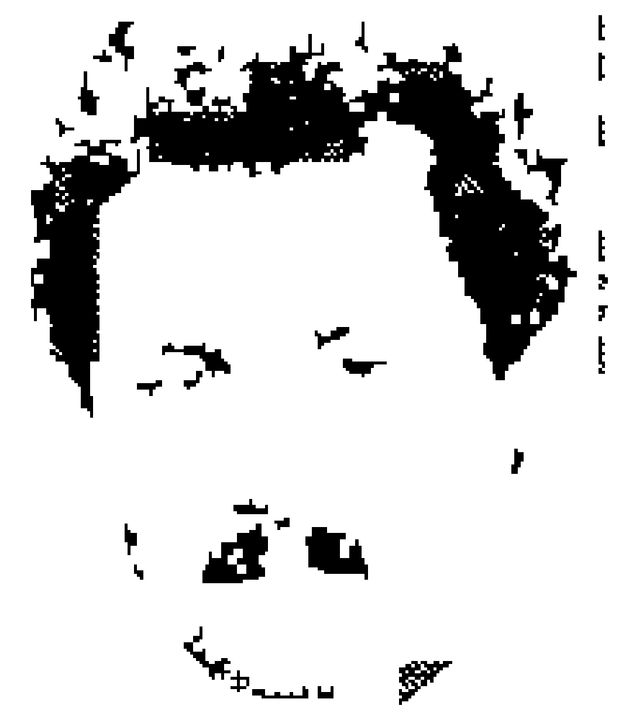
MANAGEMENT and MANPOWER

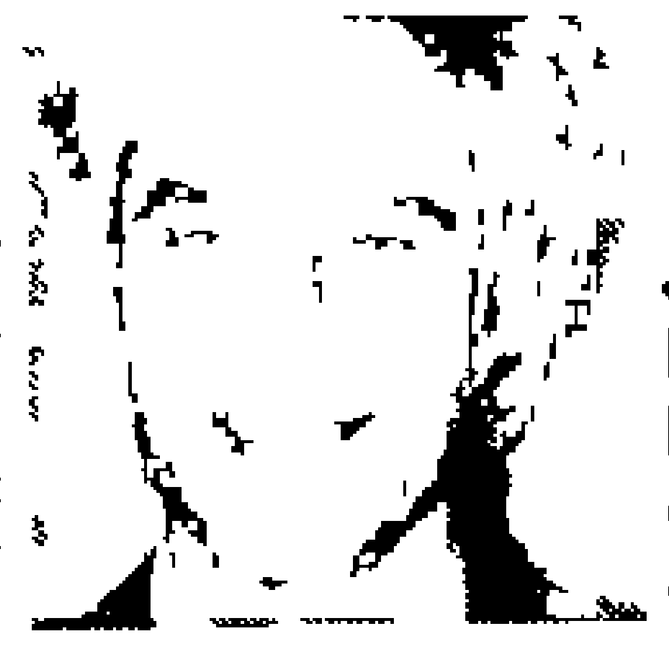
ON THE MOVE


PETER WATT has been appointed chief executive of Aberdare Cables, in the Powertech Group


MIKE BOSWORTH has been appointed sole MD of Tek Corporation


OBED KUNENE has been appointed executive director of the Urban Foundation


BEN VAN DER ROSS has been appointed executive director of the Urban Foundation


JOHANN DU PISANIE has been appointed chief economist of Senbank


GERALD MANNE has been appointed chief executive director of OK Bazaars' Hyperama board

Creativity is missing in local business

BUSINESSMEN have adopted an increasingly high profile in pressing government for political change. But the recently released Project Free Enterprise report has focussed attention on what business can do on the shop floor to further black advancement.

PETER WALLINGTON reports.


□ NEL

BLACK participation and advancement in management positions in SA businesses has been negligible, and workers perceive business as exploitative, discriminatory and as profiting only (white) management.

These were among the findings of the Project Free Enterprise (PFE) report released by Unisa's School of Business Leadership recently.

The report found that SA managements are generally still guilty of totalitarian and autocratic styles that negate meaningful participation by workers in basic processes such as performance improvement, productivity enhancement and decision-making.

Another problem, says project leader Christo Nel, is that reward systems in SA are lacking in creativity.

Delegates at a Unisa School of Business Leadership seminar on black advancement last week were asked why black advancement programmes had failed within their organisations.

The reasons included job reservation, poor black education, the lack of black participation in devising advancement programmes, fear of a white backlash, a lack of forward thinking, racism, and the fact that capitalists were comfortable in the past because the system had worked well.

Nel says one of the biggest challenges facing SA today is to increase the stake of the worker in free enterprise. But he says black advancement programmes, with few exceptions, had got nowhere during the last 10 years.

Barclays Bank personnel manager Doc Pascoe pointed out that while blacks make up 75% of the population, they hold just 2% of all managerial positions.

Premier Group Industries deputy chairman Peter Wrighton says the PFE report has shaken many previously-held beliefs about the acceptance of free enterprise. "We have to increase our efforts to change those perceptions," he claims.

Wrighton suggests capitalism might need to be adapted to suit African conditions. "Is it reasonable to expect blacks to change to a white business culture or is there a way inbetween that might be comfortable to both?"

Such a way might have been found by Cashbuild, a cash-and-carry building materials chain. It has developed a unique system of participative management on the shop floor and introduced profit-sharing schemes.

The rewards are evident — staff turnover ran at 126% in 1983, but this year is down to just 9%, before-tax profit has soared from R600 000 in 1983 to R3,8m in 1986, and Cashbuild has not suffered from strikes at a time when they have almost become the norm, especially in some areas like Queenstown.

MD Albert Koopman says there is no magic formula and, indeed, Cashbuild stumbled onto its winning streak rather than implemented a grand design.

When the company's profits dipped sharply in 1982, Koopman turned first to his managers and then to his workers for the reasons.

A series of "brainstorming sessions" followed from which it became clear that black workers wanted participation within the system and branch managers had to be persuaded "to move away from being a typical South African hardnosed boss to a leader of men".

Koopman says its important to understand that black culture is essentially eglaterian as opposed to the Western worlds emphasis on the individual. Thus Cashbuild has discarded imposing rank and status on its employees. "Workers want to be part of a team. Leaders emerge when they have earned the right".

Nel says it is important to appoint a senior line manager to monitor black advancement and for the programme to be "driven by top executives".

At Mobil it is Mel Palmer's task to interact with management in all of the divisions regarding advancement, setting objectives and overcoming problems.

In addition, Palmer says Mobil is putting together an internal induction course, along the lines of the 6M approach, that will explain the workings of the free enterprise system.

Mobil is also using integrated achievement and mentorship development programmes as part of their holistic thrust to ensure successful black advancement.

Nel believes participative systems are a crucial aspect to black advancement.

Black advancement became a crucial aspect of Barclays Bank's manpower plan in 1977, and the increasing number of black senior supervisory and managerial staff bears testimony to this from just 18 in 1977 to 206 this year, and the bank has a projected figure of 500 or more by 1990, says Pascoe.

Yet black advancement programmes, no matter how well intentioned, were fraught with difficulties.

Nel says management in general has not identified clear goals and inferior education has failed to produce black school-leavers with the basic skills necessary for business.

Thus, says Pascoe, simply giving equal treatment to black employees is not black advancement or equal opportunity.

Perils of negotiating with leaderless unions

CLAIRE PICKARD-CAMBRIDGE

NEGOTIATIONS between employers and unions have probably been more hair-raising than ever before during the current state of emergency.

Contacting union leaders on the run proved impossible and both management and workers initially found their normal working relationship in complete disarray after the declaration of the emergency on June 12.

While there are no easy answers to the situation, temporary solutions seemed to hinge on the flexibility of the parties and the improvisation which took place to enable talks to continue.

Alternatives were not always forthcoming. Many employers with urgent problems on their hands often found that their contact with union leaders was limited to clandestine "tickey box" calls which ended in mid-air.

Premier chairman Tony Bloom summed up the seriousness of the problem created by the detentions when he said: "We are now faced with attempting to run our factories and enterprises by dealing with the mob because the leaders are in custody."

Something akin to bedlam initially emerged in some factories, but details cannot be disclosed as many incidents concern police actions.

But management understanding of the enormous problems facing [illegible] during the emergency [illegible]

ascertain what steps they should take; and

□ Confusion among workers who did not know whether they were breaking emergency regulations by meeting to discuss wage claims or report back on negotiations.

Many series of negotiations could only continue following creative responses from the parties.

In an important development, eight major retail employers agreed to demands of the Commercial, Catering and Allied Workers' Union (Ccawusa) that shop stewards be given leave to attend to union activities.

The employers announced on Sunday that each company had agreed to release two shop stewards for a period of special leave. The first week would be paid leave and the situation would be reviewed in two weeks, depending on the availability of union officials.

Certain responses by the unions are also outlined by the Labour Monitoring Group, which found earlier that shop stewards had already stepped into the breach left by officials and administrative staff in some union offices.

Many shop floor workers were now directly responsible for important wage negotiations at plant and sectoral level and in some cases office bearers took their annual leave and filled gaps left in negoti[illegible]

after the emergency was declared.

However, demands related to the state of emergency and many employers felt they were not getting anywhere, Brown reports. In-company talks had not come to much until last Monday when a group of shop stewards from different companies — led by Ccawusa president Makhulu Ledwaba — met with employers.

"But the biggest frustration was the uncertainty about whether those we were dealing with had influence over the rest of the workers," Brown said.

Michael Wright of CNA said the situation provided for one of the most difficult times facing employers.

"At first the situation was totally chaotic," he said. "There were no responses from the union office. When we went to shop stewards at the company they were confused and did not act as positively as they normally did.

"Later when we were able to start negotiating, employers found themselves meeting with union representatives which many of them did not know."

But, he said, employers did not doubt the representivity of the group shop stewards as negotiations progressed.

Employers are also expected shortly to be faced with demands from Cosatu which believes unions cannot [illegible]

negotiations

Some problems outlined by unionists were:

□ Key union people were detained or in hiding and shop stewards were forced to lead negotiations themselves;

□ Difficulties in holding report-back meetings to consult with workers, especially in outlying areas. In some areas magistrates banned outdoor meetings and workers felt threatened at meetings where there was police surveillance;

□ Problems of co-ordination because union organisers were not in their offices and workers could not legal situations by contacting lawyers directly for advice.

But the climate of fear and the unknown factor regarding possible future detentions means that tenuous new bargaining arrangements could break down at a moment's notice.

And whatever government's aims in detaining unionists, it is clear that workers are quite adept at organising further strike action without their leaders.

Labour consultant Gavin Brown, who has been closely involved with retail employers, said the different companies got to various stages in their discussion with shop stewards

These include: wage hikes that have been delayed because of disruptions to negotiations be backdated; and that employers make facilities available to Cosatu representatives to enable them to restore union-worker communication and that employers allow shop stewards paid time off to attend to union affairs.

The extent to which union activities can be returned to normality — and hence normal negotiations resumed — will also depend on the way in which employers see fit to respond to some of Cosatu's demands.

X ARGUS: 7/07/86 (172)

Learning leadership the outdoors way

Staff Reporter HENRI DU PLESSIS reports on a Veld and Vlei adventure and leadership course

TEAMWORK and action is what Veld and Vlei is all about.

Some take the adventure and leadership course believing it will be a fun filled holiday, but Veld and Vlei is full of surprises.

The latest 14-day course, attended by 46 eager students, ended yesterday at a camp on Applethwaite farm at Elgin, a nature lover's dream

Situated near the Steenbras Dam in a pine forest next to a beautiful river surrounded by mountains, it is the perfect setting for an adventurous holiday.

But the course is tough and requires more than just a love for nature

Under the strict but expert leadership of warden Yusuf Haas, students and instructors rise at 5.30 am and training starts immediately with a long run

Students then have a quick breakfast and start training in earnest.

The training is survival-orientated and a wide range of subjects, covering everything from map reading and abseiling to basic first aid, is taught

Students also learn how to survive in extreme cold, recognise the symptoms of hypothermia and treat it.

Gavin Olsen, 15, of Somerset West decided to do the course to follow in the footsteps of his brother, Gary, who is an instructor

"It was a challenge to me My brother did well at it and I thought I'd give it a bash Some of the guys who came on the course thought it was just a holiday with lots of interesting things to do They were in for a nasty surprise

"When we got off the bus the work started — cleaning up the camp Then training started and I think there were a lot of guys who wished they could go home"

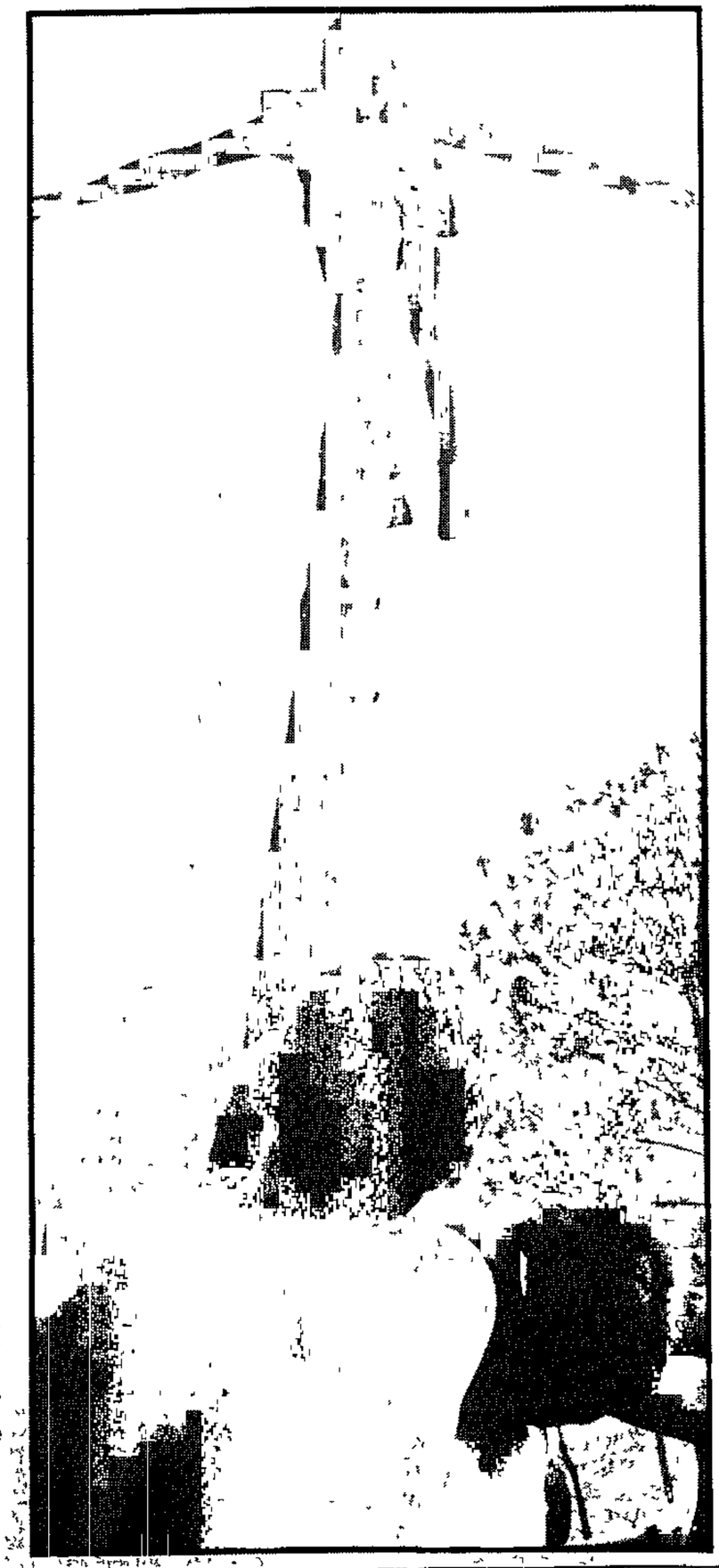
The tough parts are the various aspects of physical training which require strength, courage and the teamwork Veld and Vlei concentrates on.

The organisation emphasises that physical difficulties are "all in the mind" and should be conquered with a positive attitude and teamwork.

Guy Hallam, 17, of Durbanville said the most important part of the course to him was communicating with others and learning to know them.

"I found out about the course in an advertisement at scho





Veld and Vlei is full of surprises they say. The picture above right shows how pole exercises end. Assault training at Veld and Vlei include this muddy tunnel students have to crawl through (above left), but with the right frame of mind and a positive attitude they do it eagerly. The most pleasant part of the rope course is the cable slide (below). Putting everything he's got into it, a Veld and Vlei student clenches his teeth as he leans back to do his 149th sit-up (bottom). Pictures: DEON TROMP

it I wanted to see if I could do it

"Teamwork is all important here You do not compete against anyone except yourself and if you can't work in a team you lose"

There are three obstacle courses requiring teamwork

Most difficult is the one on, which teams, or patrols as they are called at Veld and Vlei, cross wooden obstacles with an empty 200 litre steel oil container.

Then there is the assault course with obstacles too difficult for a person to cross alone and the rope course with an assortment of rope bridges requiring a fine sense of balance and lots of courage

As can be expected, certain parts of the course are enjoyed more than others

André February, 16, of Stellenbosch likes the rope-course best

"When you are up there you just hold on for dear life, you are so scared you're going to fall

"Log-training is the most difficult At the beginning it makes you terribly stiff, but as you progress your muscles become loose as you get fitter"

Don Lambert, 16, lives on the farm

"I came to do the course because I thought I needed the discipline, especially to learn self-discipline I also like to be active and to test myself I wanted to see what I could do

"Teamwork is important especially in an exercise like log-training where working together makes it easier for everyone"

Don and Eric Edmonstone of Plumstead were instrumental in helping their patrol, Lion Patrol, break an obstacle course record.

"I came to do the course to show my boss I could do it, but I ended up proving it to myself rather than to him," Eric said

"Initially everybody had to get over the shock There was a lot of moaning at the beginning, but soon everybody worked together because we were all experiencing the same difficulties"

Veld and Vlei, started in Scotland in 1933 and operating in South Africa since 1958, aims to teach young people to be independent and to improve their health through outdoor physical and survival training on adventure camps during school holidays

Chairman Mr Simon Sutton said it sometimes appeared as if the South African youth were losing their individuality by blindly submitting to peer group pressure and opinion

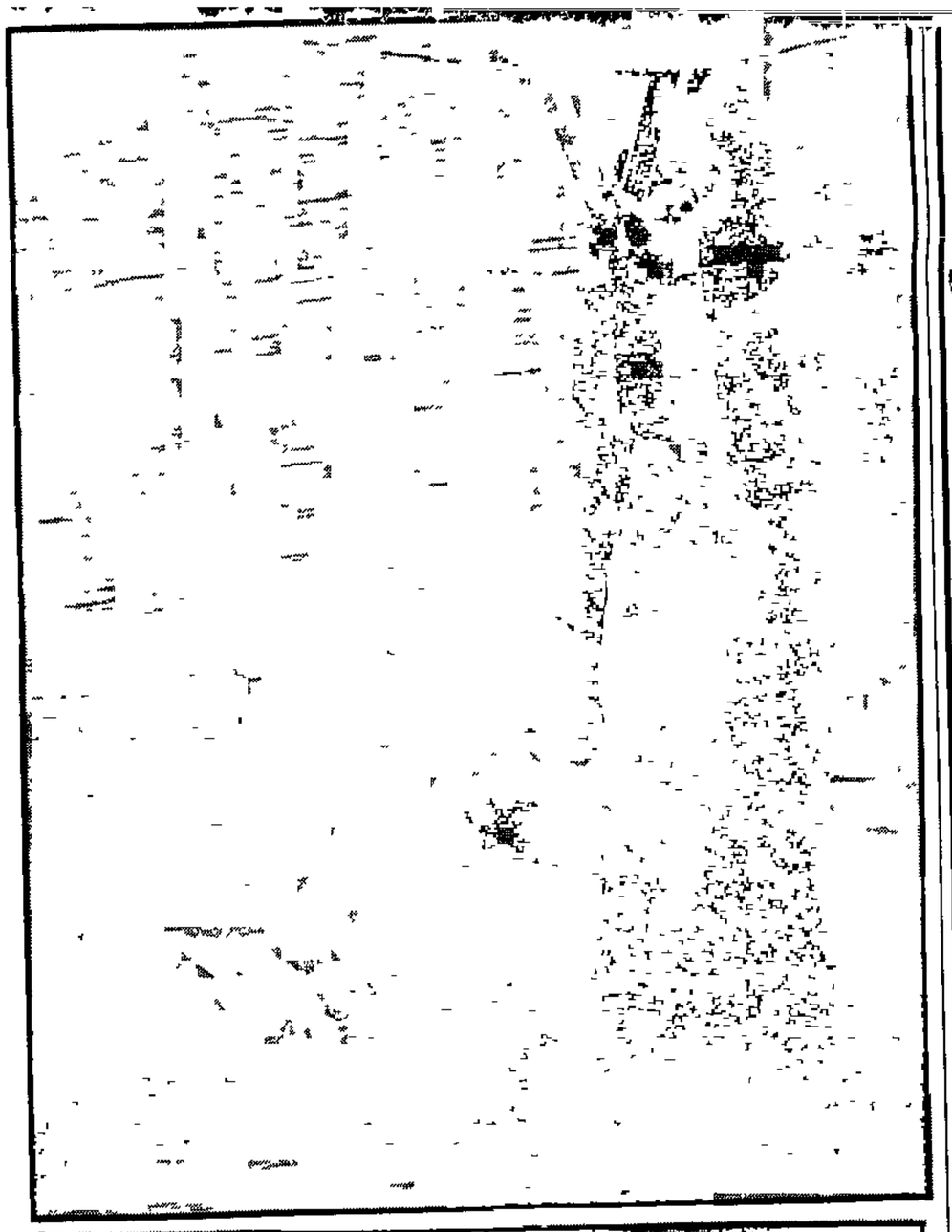
"There seems to be a reluctance among teenagers to come forward and accept leadership," he said

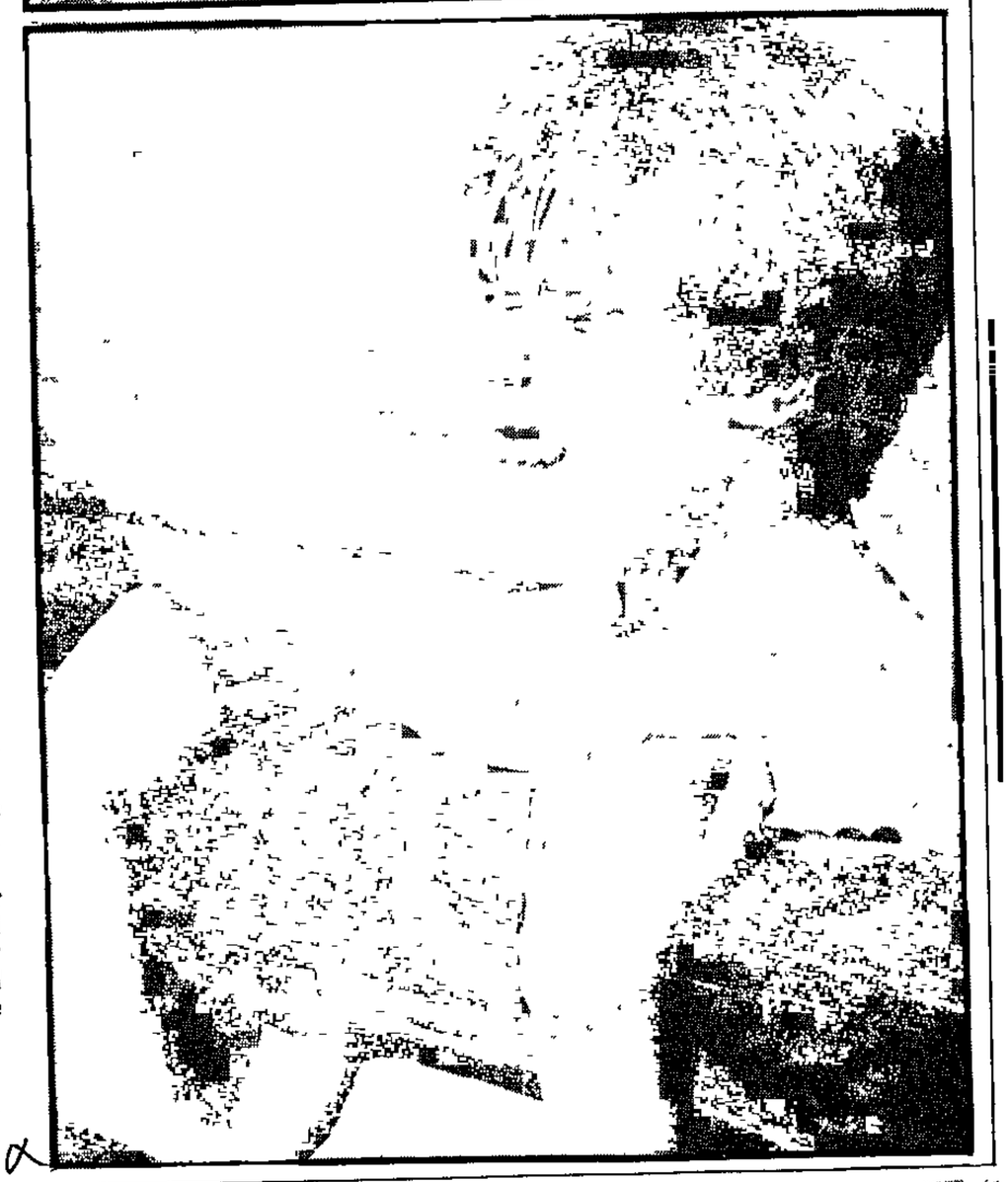
"We are often accused of being militaristic, but that is not the case

"One has to have discipline on courses such as ours and hardships are part and parcel of a student's self realisation

"We believe we were one of the pioneer organisations striving for non-racial youth development training and our course is designed to be educational and to develop leadership rather than to be purely physical"

Applications for bursaries and more information about courses may be obtained from Veld and Vlei secretary Miss Vivian Jones at ☎ 52 3101.





No place for 'sacred cows' in SA's future



By Bob Kernohan
Business Editor

INDUSTRIAL relations practitioners will have to be prepared to knock the "sacred cows" of South Africa as the country evolves on its path to a post-apartheid society.

And leading the charge will be Mr Malcolm Calf, national president of the Institute of Personnel Management (IPM), who was in Port Elizabeth this week for a meeting of the organisation's local branch.

"Organisations like the IPM have to play a more forceful role in preparing for the post-apartheid era

"We must look at a lot of the 'sacred cows' and draw up new methods and criteria for handling the rapidly evolving situation," he said in an interview

"This may involve re-assessing how we draw up the specifications for jobs as we are currently using First World criteria and may have to take into account that these are not entirely valid as there are also Third World factors

"The challenge lies in developing totally new criteria to suit our specific conditions," said Durban-based Mr Calf.

He also revealed that the IPM was drawing up a new "value statement" with guidelines and checklists to consolidate various codes of employment practices, such as the Sullivan Principles and the European Economic Community code.

"We are not saying that codes already practised are insufficient, but are rather providing this unique code to enable local companies which do not subscribe to any principles to adopt the one suggested by us, either formally or informally.

"It will provide a measure of what companies are doing and what they eventually wish to achieve," said the president of the 5 500-member national organisation

Mr Calf said the IPM had drawn up an "optimistic scenario" for the future of South Africa — "We also had a pessimistic one, but discarded that as it was just too terrible to think about," he said — among the assumptions of which were

- The Government would scrap all discriminatory legislation as the result of extra-parliamentary pressure, including that from boycotts, trade unions, big business and the international community
- Constitutional reform would be stepped up, but still may not be acceptable by a large percentage of the population
- Black education would remain a major problem
- The economic situation would not improve until the political situation progressed, so leading to increased unemployment

Against this background, the IPM had decided that it had to play a more forceful role in pressing for change by way of stands and statements on important issues

"Individual members will be urged to influence their own companies on the micro-level, and the institute as a body will, on the macro-level, provide greater information and training of members to prepare them for the new South Africa which is coming into being. We will also make greater use of public platforms and statements to put across our viewpoints," said Mr Calf

He added that maintaining links with international industrial relations practitioners — particularly in the United States and Europe — was also essential, although this was becoming increasingly difficult

"There is mounting resistance to being associated with South Africa, and I have already been barred from attending a meeting in Sweden," he disclosed

"Britain is also becoming more sensitive, but so far America has presented no problem

"We need these links to learn what developments are taking place in the personnel management field, and to gauge how we are performing

"So far, that feedback has been positive and we are regarded overseas as being leaders in some fields"

Quality circles — a growing trend across SA

PRODUCTIVITY

CLAIRE PICKARD-CAMBRIDGE

QUALITY Circle programmes, which can generate phenomenal improvements to product quality and the motivation and productivity of employees, are becoming increasingly popular among SA companies.

Until now, the concept has only enjoyed real success in Japan, where it is credited with contributing about $30bn over two decades to organisations by boosting communication and problem-solving abilities of employees

A quality circle (QC) consists of groups of volunteer employees (between four and 20) on the same production line or department, who meet regularly to discuss work-related problems. They identify problems, investigate causes and recommend solutions to management

But QC programmes have failed dismally in many Western undertakings where employers rushed into projects without understanding them or where workers showed no interest or ability to participate

They are nevertheless being used on an increasing basis in SA P-E Corporate Services says that since the last quarter of 1982 they have trained over 300 circle leaders and co-ordinators from more than 100 SA organisations

Iscor was one of the first SA organisations to use QCs It has used them on the broadest scale to date and has about 750 circles out of the 3 000 in operation in SA.

Secretary of the National Association for Productivity and Quality Circles in SA (Naproqcsa), Peter Evans, said other organisations using QCs included Escom, Middelburg Steel and Alloys, Toyota, Samcor, Barclays Bank, Sanlam, Johannesburg City council, Ohlssons Breweries and the Venterspost gold mine near Carletonville

Evans said the success of circles depended on how they were implemented and maintained He warned that QCs should not impinge on union issues

SA Boilermakers' Society president Ike van der Watt said most unions did not object to the concept of QC But he felt a major problem lay with managements that had imposed them without knowledge of what was expected

He believed that if productivity was increased through the use of QC, this would work in the unions' favour when it came to wage negotiations

Wits Business School senior lecturer in human resource management, Jay Owens, said QC programmes had met with a mixed reaction from unions

Sometimes unions were concerned that management was getting employees involved in something that was essentially management's responsibility, he said. Owens said essential steps in setting up quality circles were

☐ That management consult the union early on.

☐ That steering committees be established comprising management and union representatives

☐ To ensure provision of training for people involved in the programmes. Training included input on decision-making, problem analysis and resolution, handling meetings, presentations, as well as training for management in managing the process.

☐ Choosing a pilot area in an operation, introducing it and ensuring problems tackled lead to success It was vital that QCs had access to information and technical experts who could help with problems.

☐ Promotional work to publicise the success of groups and to give peopl recognition for their achievements

Several industrial relations practitioners maintained it essential that managements accepted workers as an independent group with a right t participate, and demonstrated a willingness to share information and decentralise decision-making with employees On the union's side, there must be an acceptance of the existence of common interests, joint objectives and a willingness t co-operate.

Practitioners maintained difficulties facing QC programmes were exacerbated by abysmal standards in black education in SA, not conducive to a worker' desire or ability to participate effectively in decision-making programmes.

Although QCs are gaining some popularity in SA, their long-term effectiveness has yet to be assessed It is also difficult to predict the future success o QCs in SA, given the fast-moving developments on the industrial relations fron and in the unpredictable political sphere

However, the success of QCs will probably be largely determined by the commitment of managements to improving and upgrading these programmes an the extent to which the full co-operation of unions can be obtained

THE National Productivity Institute has outlined problems which have been serious stumbling blocks in the implementation of quality circles programmes

☐ First line managers often agree to QCs without believing in them or understanding their role

☐ Executives see the merits of a circle programme, want to reap the benefits, but fail to provide necessary structures and framework for implementation

☐ Many QCs find they have no time for regular meetings due to shifts, work pressure and organisational issues. Circle members should attend all meetings or development of the group will be hampered The NPI suggests co-ordinators and leaders carefully consider meeting times before circles are started

☐ Poor leadership from circle leaders. Leaders need to have leadership qualities and must receive training in understanding human behaviour.

☐ Insufficient training — A period of full-time training is necessary for leaders, while appropriate training is also needed for all participants in the programme — from top management to circle members

Bus. Day 22/7/86

172

The personal touch pays off for Checkers' MD Weil

RUMOUR has it that Clive Weil, who has one of the best-known faces in SA as a result of his amiable hard-sell on behalf of Checkers Stores in TV ads, has become a heart-throb of the Southern Suburbs.

If so, it's a remarkable tribute to the success of the personal-touch advertising, which Checkers has initiated in emulation of Chrysler's Lee Iacocca and Remington's Victor Kiam in the US Weil is the first South African MD to go on the box.

But the advertising campaign is only a part, albeit an important one, of the overall strategy which Weil has set in motion since he became MD of the supermarket chain a short 14-months ago

That strategy identified seven priorities become single-minded, change the trading policy; improve the external image, improve the internal image, reduce shrinkage, control expenses, and tighten the financial ratios

Before the priority programme could be tackled, the group needed a strong injection of capital — which it got when Sanlam put more than R100m into holding company Kimet

A heavily over-geared Checkers had difficulty competing on price "When interest rates exceed 20%, a net difference in gearing of R100m-R200m compared with your competitors makes a big difference," says Weil

The need to get rid of superfluous activities and focus on supermarketing was immediately apparent. "It was difficult to define what the core business was We had a huge exposure to property We were in shopfitting, the video business, the photo business We had investments in delis, two department stores and The Cake Shop in Cape Town. It was a mish-mash," Weil says

"While they were small businesses, they were extraordinarily difficult to administer Clearly we wanted to be a major player in the supermarket game, but it takes time, money and effort to extricate yourself from those businesses But we are now a single-minded supermarket operation."

Checkers' property interests have become a free-standing division within the Kirsh Trading Group, and the department stores are one of four divisions of the new-look Checkers SA

An essential part of the re-launch of Checkers was a change in its trading policy. Market research showed that Checkers was more expensive than its competitors, notably Pick 'n Pay. With a greater number of stores, mostly in suburban locations, Checkers' one big plus was its perceived convenience

MANAGEMENT

TONY KOENDERMAN

Weil decided to slash margins in anticipation of increased sales. "But you can't do that by just taking 2,5% off every product you sell You had to find those products which send the strongest signals"

Weil and his management team defined a list of "KVIs" — known value items most valued by customers "These are the products which give the customer a warm glow when she finds them at discounted prices We defined hundreds of KVIs and put them under a microscope These are the vehicles we use to reduce our margins"

"We had to communicate the fact that we were cheaper and in a way that did not suggest we had been ripping people off in the past," Weil notes Of the five advertising agencies which pitched for the account, two suggested using the CE as spokesman for the company.

The agency, Kuper Hands, believed Weil's personality was right for the company's positioning warm, approachable, human, honest and believable Credibility was seen to be critical. Checkers was going up against Pick 'n Pay, among others, a company which had the high ground.

"The central communications problem was that we had a cynical, sceptical consumer," says Kuper Hands MD Laurance Kuper

To strengthen his credibility, Weil's spiel was careful not to overclaim Checkers did not claim to have the lowest prices It conceded that the opposition would be cheaper on some items, and Checkers would be best on others — but that "trolley-for-trolley, you shouldn't pay more"

"Research has shown that only 4% of the audience has any doubts about credibility Most advertising carries a much higher percentage of doubt," says Kuper.

Closely tied with the external image campaign was an internal motivation and morale programme

Priority No 5 was expense control Checkers decided to cut expenses without major retrenchment — and saved R24m/year "The usual way to turn a company around is to go in with a hatchet," says Weil "But nothing is more demotivating. You can't afford to do that in a service business"

Shrinkage is a closely related problem, as 75% of this is staff-related and thus closely linked to motivation and morale. Shrinkage has been brought down from 2% of turnover (costing the company R30m/year) to around a more acceptable 1% — although Weil fears the recent strike will exacerbate the position

Finally, financial ratios had to be improved The critical one was gearing "We are a cash business. If you improve stock turns and hold creditors, this should be a self-financing business. But we had a bad name with suppliers We had to enjoy the right credit terms and get stock turns right," says Weil.

"Stock turn was improved by promoting the right merchandise with our KVIs — almost a self-correcting stock management system We are now totally self-financing and will move into a position of cash generation."

Weil was reluctant to disclose too much about how well Checkers was doing, for fear once more of raising expectations too high But after "bleeding through every pore" during the second half of 1985, he said there had been a notable improvement in 1986.

"We are budgeting to be profitable this financial year There are still many clouds around, with boycotts and strikes threatening Margins are still uncomfortably low, but we are budgeting for sales of more than R2bn this year, and I think we can make a profit of R6m-R10m"

BUSDAY 172 29/7/86

Security through employee b[illegible]outs

WHEN Rohm & Haas, the US chemical company, started to consider selling its SA subsidiary last October, Peter Harding started worrying.

Harding, MD of the New Germany-based subsidiary, did not relish the prospect of being sold to a new corporate parent. He and other executives worried about their jobs, and about the jobs of their 100 employees.

Harding found job security and corporate independence through an employee buy-out. When the deal is completed this week, he and 62 other Rohm & Haas employees will have paid R500 000 for 80% of the subsidiary's equity (Barclays Merchant Bank, in addition to supplying medium-term financing, will buy the rest) Harding and three other senior executives will control 52% of the company.

Most experts believe foreign disinvestment will continue at least at its current pace. And for many local companies facing disinvestment, the management buy-out has become an attractive course

Genwest Industries, the local subsidiary of General Electric, Berkshire International, the apparel-making subsidiary of VF Corporation, Cooper Industries' Gardner Denver unit and Stanley Tools all have completed buy-outs in the last year.

Independence

The appeal of an employee buy-out is clear. Everyone keeps their jobs, the effect on the company's operations and environment is minimal, independence reduces corporate bureaucracy and those with a piece of equity have a chance to make money if the company does well.

But success in a buy-out situation is not automatic. As in any sale, the corporate parent wants to get the best price it can for its business, and will consider bids from other companies to buy the subsidiary.

Although many parents favour selling to local management — because this improves the chances that profitable distribution and licensing agreements will be maintained — few will give their subsidiaries away when another buyer is willing to pay more.

And "the price at which you can do a buy-out isn't always the price you could sell it for," observed Standard Merchant Bank's Andre Roux.

A foreign parent will look not only to get the highest price for its SA operation, but also to take as much of the proceeds out of SA at commercial rand rate as possible.

A foreign company can repatriate as dividends, at the commercial rate, any profits earned after January 1, 1984. The sale price of the subsidiary usually is reduced by the amount of profits the parent is able to repatriate

Some companies have found other creative, but legitimate, ways to withdraw dollars at the commercial rate

At least two US companies this year will receive payment from the sales of their subsidiaries through repayment of internal loans owed to other subsidiaries within the corporation as long as this debt falls outside the standstill agreement, it can be repatriated at the commercial rate

Bankers say, in addition, that some companies may be repatriating the sale price by artificially inflating the terms of continuing royalties and distribution agreements, but no companies have been connected specifically to this practice.

In the majority of cases, however, companies will be forced to take most of the sale price out of SA at the financial rand rate

In an employee buy-out situation, a typical arrangement — like that negotiated by Stanley Tools — calls for payment of the sale price out of operating cash flows Stanley executive Bob Frost said his company would be paid for in this way by year's end.

Not every company is an ideal leveraged buy-out candidate. Barclays' Roux looks for "predictable cash flows, a proven track record, and a cohesive management team" in the buy-outs he finances

In addition, says Barclays Merchant Bank GM Jacko Maree, a company with local manufacturing or assembly operations is more likely to get buy-out financing The absence of fixed investment, he says, is seen by bankers as a risk

Those able to find financing and execute an employee buy-out say the surest sign of success is that little has changed.

At Rohm & Haas, Genwest, Berkshire International and Stanley Tools, most top management has remained intact Genwest is the only company of the five to reduce employment substantially, to 500 from 700.

Importantly, all five companies still rely on their former US parents through some sort of distribution, licensing or trademark agreement

At Genwest, where nine senior executives engineered a buy-out in April, products imported fro[illegible]nder 42 distribution agreement[illegible] acco[illegible] 95% of sales, according t[illegible] Hofman. In addition, he said, the [illegible]aintains licensing and authoriz[illegible] contracts with General Electric

Rohm & Haas has licensed to continue using existing technology for local manufacture, and has been promised future product development information and technological support. "If we have problems, we know where to go," Harding said

Rohm & [illegible]s and other companies say they pay the same f[illegible] imported products as when they were [illegible]diaries In some cases, as at Rohm & H[illegible]s and Stanley Tools, this sort of agreement represents preferential treatment over other international distributors

What MBO executives talk about most if their newfound freedom from the corporate bureaucracy previously required by their foreign owner. "It used to be that we had to send 50 sheets of paper every month to the US," said Stanley Tools' Frost "Now, I can spend more time seeing customers, and our controller has time to oversee assembly operations"

Control

At Genwest, independence has brought greater control over decision-making, said MD Hofman And the company is growing faster, because "we're plowing back dividends" rather than repatriating As a result, Hofman says he is offered the chance to buy companies "weekly"

The buy-out route brings risks, as well. Dependence on foreign companies for products and technology creates the possibility that supplies will be cut off if the former parent is caught by trade sanctions or political pressure to completely dissolve SA ties.

In addition, the independent company has no access to corporate financial support should business go bad Without a corporate parent, it is forced to seek financing from banks and other lenders "There's no big brother out there if you need him," said Gardner Denver MD Terry Spratt.

"I'm not kidding myself that it will be exactly as it was before," admits Harding. But for him and others, independence justifies the risk

MANAGEMENT

KEITH HAMMONDS
Economics Reporter

19/2/86 SOWETAN

172

Lack of black managers highlighted

A CRITICAL management crisis exists in South Africa, with an urgent need to accelerate the training of black students, says Mr Veli Mokoena, a member of the International Association of Students in Economics and Business Management.

By NKOPANE MAKOBANE

He told the *Sowetan* in an interview that according to the Institute of Manpower Research, there is a need for some 3 700 black, coloured and Indian managers a year, against an intake at present averaging 300 a year

For this reason, he said, Aiesec (South Africa) was this year revitalising and giving top priority to its vacation employment scheme (VES) for disadvantaged students during the summer holidays.

Giving a brief history of the organisation, Mr Mokoena said it was formed in 1948 by students from seven European countries. Their intention was to foster international co-operation and business education.

It is entirely student-managed, non-profit making and non-political. It has affiliates in 64 countries, on 460 universities and technikons and has a membership of over 45 000 students worldwide

Its objectives among others, are to promote both national and international understanding and goodwill, as well as empathy between social and economic attitudes

"Here in South Africa, Aiesec's important programme is to organise vacation employment. Although the VES programme is emphatically non-racial, it is clear that the greatest need for vacation employment is to be found in the case of black students — for obvious socio-economic reasons.

"Aiesec (SA) has found over the years that the practical development of black students has been restricted for various reasons.

"These include the remoteness of black campuses from commercial and industrial areas, the lack of business experience attributable to the rural or semi-rural background of many black students and the inability of most black students, through financial stringency, to participate in the International Job Exchange Programme," he said.

According to Mr Mokoena, his organisation has targeted 450 jobs for disadvantaged students this December. At last year's scheme, he said, 48 jobs were provided.

He said once a student is working for a company, he or she is evaluated according to set criteria. Should the student pass the evaluation, the company may choose to do one or more of the following.

Send him/her on an

- Internal company internship programme,
- Leadership development programme,
- Aiesec exchange programme,
- Long-term employment;
- Offer the student a bursary

He asked those students who wanted assistance in getting vacation employment to contact Aiesec offices at their universities or technikons. Alternatively they can also get in touch with the organisation's headquarters in Braamfontein. The processing of applicants for jobs started on Friday.

172

Management talks on black influences

A group of leading political, labour and other experts will meet in Sandton next week to discuss the growing impact of forces within the black community on the workplace.

Among those who will address an Institute of Personnel Mangement (IPM) conference on August 27 are Dr Tom Lodge, a senior politics lecturer at the University of the Witwatersrand, Mrs Sheena Duncan, past-president of the Black Sash, and Mr Tony Gilson, chairman of the Port Elizabeth Chamber of Commerce, who has considerable experience in how outside forces impinge on business.

Speakers from the private sector will focus attention on how to manage the workplace of the future.

SABOTAGE AND INTIMIDATION

Mr Andre Lamprecht, group industrial relations manager of Barlow Rand, will examine sit-ins and how these can be managed, and Mr Bruce Evans, chief executive of Gencor's Gold and Uranium Division, will discuss sabotage and intimidation.

Our aim is to expose the people who will have to manage labour relations in the workplace to ideas of our time and the future," said Mr Graham Shaw, chairman of the industrial relations committee of the Johannesburg branch of the IPM.

Further information about the conference can be obtained from Miss Lesley Tanner at 482-1930 or Miss Dianne Kassel at 833-7676.

254 FINMAIL 5/7/86

JOHAN VAN VUUREN

Armscor and the man

Armscor's new CE, executive GM Johan van Vuuren, has over the past nine years presided over development and production of most of the weaponry now on the world market as part of Armscor's export drive

"Our main objective is always to provide arms required for the South African situation," he says "Our export drive is designed to allow us to develop economies of scale that overcome the disadvantage of having so few clients in SA And it's succeeded Clients compare our products price-wise with those overseas and find them equal or better "



Kaymond Preston

Van Vuuren ... state-of-the-art products on offer

As senior GM in charge of internal production from 1977, Van Vuuren (49) controlled seven of Armscor's nine subsidiaries A burly, straightforward man, he waxes enthusiastic about his products

Weaponry he has nursed into production include the G5 and G6 (an artillery piece on a sturdy-tyred vehicle designed to move through dense bush and to enable highly mobile use of artillery in battle), the Ratel and a range of armoured landmine resistant vehicles, the Alpha XH1 helicopter, the Kukri air-to-air missile, and many others — "everything," he adds, "except electronics "

Armscor, with 23 000 employees and more than 1 000 contractors, is the centrepiece of SA's arms industry The R2,2 billion turnover parastatal sells to military and police bodies in 35 countries It won't deal with "arms bazaar" intermediaries or agents, having burned its fingers in the past

Of products lately unveiled, Van Vuuren says the Cheetah, an upgrading of the Mirage III, is designed to cope with the Soviet MiG 23 "Our Atlas Aircraft Corporation got a new lease of life from the Cheetah and the recently unveiled Alpha XH1 helicopter," he says

What does Armscor have in mind to beat the boycott on sale of computers to the military? In that very competitive field, Armscor already relies a good deal on local industry, and will continue to do so, Van Vuuren says.

As to rumoured development of submarines, he says blandly. "Naturally if our main customer, the SADF, has an ageing product, we're interested in taking care of its future needs As with the missiles and aircraft we developed to meet specific needs, we're out to get involved "

Electro-optics is another area of development It is used in ranging, sighting and night sights, most successfully in the special sighting facility of the Kukri missile "Our subsidiary Eloptro was specially created for this kind of manufacture "

According to Van Vuuren, Armscor's concerned to avoid having all its eggs in one basket "We try to do the minimum, producing only the strategically essential component of a given system, and contracting out the rest " That's why, he says, talk of privatisation is not relevant to Armscor since the maximum possible work is given to the private sector in any case

Van Vuuren's predecessor, Fred Bell, who left "on an assignment for government" was reportly seconded to sanctions-busting. Van Vuuren will only say "We don't know what he's doing He's not involved in Armscor at all "

Nor will Van Vuuren disclose the value of orders from overseas, or any other information on exports — for the sake of the buyers, he says They are reported to range from Sri Lanka and Thailand, to Morocco, Zaire, Middle Eastern and South American countries — among others.

What about buying in new and necessary technology? "We started out in the Sixties and early Seventies with a free supply of technology and licences from all over the world Then with the 1977 embargo looming, it became a race to establish the basic industry in SA Now, because we've developed our own technological capabilities, we're safe "

He adds. "If it's a matter of one-way communication, it's easy to impose an effective boycott. But now we have state-of-the-art products, those on the other side are as eager to learn from us as we are from them And with a low-grade war to battle-test weaponry, as well as having products designed specifically to cope with heat and dust conditions, we have an advantage "

Van Vuuren joined Armscor in 1971 with a Pretoria University B Comm, which he took extramurally. He'd been working for the Pretoria City Council, specialising in productivity systems His original brief was to audit Armscor's productivity Evidently he made a good impression after six months, at age 35, he was offered the running of subsidiary Lyttelton Engineering Works

In 1977 the Armaments Board and Armscor were amalgamated to form the new Armscor, soon afterwards Van Vuuren became senior GM. internal production, which at 40 made him the corporation's youngest GM.

This was the year of the United Nations arms embargo, and of the beginning of what Van Vuuren calls "Armscor's big explosion " From being in charge of weapons production, which was mainly mechanical, he had to brief himself as the parastatal's scope expanded to cover combat vehicles, aircraft, chemicals, electro-optics .

"People are often surprised that I'm not an engineer," he comments "But for 14 years I've been engaged in intensive private study of a range of technologies "

Looking to the future, Van Vuuren sees Armscor developing into more and more sophisticated product areas. "Now we've licked the basics, and with better equipped forces throwing more at us, we'll get into more ambitious and sophisticated fields," he concludes ■

CECIL SMITH

New man at Metro

Cecil Smith's appointment as new Metro MD was announced only a few hours after Metro chief executive Lionel Katz, collapsed and died on the pavement outside a Johannesburg hotel last week — just after he'd announced the group's results. Smith certainly isn't taking over in happy circum-



Robert Tshabalala

Smith . . . Katz will be a hard act to follow

stances and he quite rightly says that Katz will be a hard act to follow But apparently Smith was the man whom Katz himself had marked as his successor

Though the group is still reeling from the shock of Katz's death, Smith (41) says there was no point in sending mixed signals to the market place. "While this is a traumatic period, we know where we're going and will continue along the same path.

"There are no dramatic changes or disagreements as to the road the company is taking We rule in conjunction and collusion so there were three or four other people that could just as easily have been appointed to this position We said in the prospectus that we had a good team and that succession was ensured, and it was true. But on the other hand," he says sadly, "success planning is baloney, nothing prepares one for a shock like this.

"Yes, Lionel Katz *was* Metro," he says, "and the group's reputation revolved around him. Though this might be a problem initially for the investing public, from a business point of view we don't see any effect on trade

"I'm going to keep relationships with the traders going which is where the future lies. Results, sales and profits will then convince the investing public In the short term, I'll retain my portfolio as stores director which is where my strength lies I'm more of a 'Lionel person' — I have better people and administrative skills than finance skills

"I'm not as comfortable with the financial side and ratios and balance sheets are something of a problem But Metro is a trading company and I understand the nature of the business and customers' needs

"We have a strong financial team and their skills will give me time to liaise closely with customers. Good management really requires identification of good talents and skills and identifying the right people to help

ROBBIE WILLIAMS AND ~~BEN VOSLOO~~

FW MAIL 172 5/9/86

MERITORIOUS MARKETEERS

Chairman of Tiger Oats Robbie Williams, and Dr Ben Vosloo, MD of the Small Business Development Corporation, have been nominated for the Institute of Marketing Management's 1986 Marketing Man of the Year award. The winner will be announced next week.

Since Robbie Williams became Tiger Oats CE and deputy chairman in 1983, the food giant's share price has rocketed from R30 to a current high of over R86, making it the most highly rated in the food sector Last October, Williams was appointed chairman. This year he's banking on turnover reaching R3,8 billion. But his business and marketing talents have also transformed products as diverse as lawnmowers, televisions and domestic appliances from market laggards to brand leaders.

"Tiger has always been a good company," says Williams (45), who is also executive chairman of C G Smith Foods and a director of Barlow Rand "But I don't think it was adequately understood by the market. It was always perceived as a family company with a lot of underused assets."

Williams wrought many changes during his three years at the helm. For one thing, before his time there had never been formal strategic planning: "Previously, centralised management led to most decisions being taken by the person at the top I don't believe in a large head office, rather, I favour decentralised and autonomous decision-making with action at the coal-face."

One of his greatest challenges, Williams says, was merging Tiger's "entrepreneurial Newtown culture" with the more staid Barlows professional management style. Then he set about computerising the group and selling off stodgy investments in Metro, Bibby and Colgate which weren't producing particularly good returns.

In the process, he made substantial gains· "The money was brought back into Tiger when interest rates were high, enabling us to earn well on our cash."

Williams is sitting on a cash pile of around R220m. "I'm not concerned about it," he says. "It's not burning a hole in my pocket. We're not buyers for the sake of buying but when opportunity presents itself, we'll put it to good use "



Arnold Pronto

In all likelihood, disinvestment will provide the opportunity "If multinationals are forced out," he says, "we're in a position to pay a fair price "

Williams' most recent acquisitions, Wainsteins (Tastic Rice) and a controlling interest in wholesaler W G Brown, have helped secure a dominant place in the staple foods market "The black consumer," says Williams, "already accounts for 60% of food purchases and represents the market of the future "

Though Tiger has investments in non-food interests like Adcock-Ingram and shipping company Island View, Williams is adamant that its future is in food — "unlike Premier which is in food but outside food. In the past, many people confused Tiger and Premier. Now we've strengthened our corporate identity; Tiger is firmly established as a blue-chip and perceived so by analysts.

"We're in food and that's a plus. Food is stable and our role in the Barlows portfolio is to help provide stable earnings. Growth is slow in buoyant times and we can't keep pace with the industrial companies, but in downturns the true value of food comes to the fore."

On the other hand, "Adcock-Ingram is in an ungeared situation so there are also non-food possibilities. We have a lot of cash, a lot of possibilities and are doing a lot of talking."

Williams grew up and went to school in Zimbabwe Though he did an LLB at UCT, he served as a public prosecutor for only three months before abandoning law His work, he says, posed a moral dilemma the desire to win sometimes got in the way of fairness.

He joined Lever Brothers as a marketing trainee, switched to a managerial job at Chloride, joined Barlows Manufacturing (BM) as a video salesman and soon became marketing director. Williams made Victa the top-selling lawnmower, and when TV was introduced was instrumental in establishing a major manufacturing facility as well as a national dealer network.

He then became BM MD, steering many products to market dominance and the company to leadership in brown as well as white goods. The successful marketing of National Panasonic, Nashua

me in my weak areas."

Smith hopes to do a R1,6 billion turnover this year in Metro's 131 stores; he's targeting for R30m in pre-tax profits and looking for 25% growth in sales. In terms of geographical spread and number of stores, he says that Metro is near saturation in SA, but he believes there's a good deal more potential in southern Africa even in the current situation

Right now, his immediate task is to convince the investing public and staff that the group has direction. Then he'll look at expenses since he says margins will be squeezed by increasing competition One of his pet projects is launching a "year of no shrinkage campaign" and he's set a target of saving R3m bottom line on shrinkage

Smith has a similar informal unpretentious manner to his predecessor. Like all other Metro staff, he usually wears an open-necked shirt and a badge proclaiming "Hi partner, I'm Cecil " But last week, about to conduct a memorial service for the man he refers to as "Mr Lionel," the *FM* found the new MD more soberly dressed

In the middle of a strategic planning exercise, Smith is about to launch Metro's third trade centre this year This "hyper" concept caters to business, he explains, and carries a huge range of goods from office stationery to liquor "We're doing about R300 000 in beer a week in our Pretoria store alone. Liquor will be a major growth area as will the black market "

Smith started the highly successful cash-and-carry wholesaler Afrimet in Soweto, but pressure against white ownership forced Metro into selling its shares The group still retains a management contract and Smith envisages greater scope for management contracts in black areas in future.

Smith has had three jobs since leaving Vereeniging's General Smuts High School. First, he spent nine years with a catering company before leaving to join Checkers as a trainee manager, then Metro He's covered a lot of ground and held a variety of portfolios in the 12 years he's been with the group.

He's also put on a lot of weight — a problem common to the late chairman and former Metro MD Clive Weil. But their girth-control problem, he says, has nothing to do with executive lunches Rather the Metro "flying circus" is to blame — at least three days a week are spent traipsing round the country visiting branches and this means an obligation to eat melktert in at least four different stores a day

So when Smith is at home, he says he's very anti-social if possible, and doesn't go out.

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copiers and Electrolux as dominant brands were all his babies.

Ben Vosloo, MD of the Small Business Development Corporation (SBDC), was formerly a Stellenbosch professor and head of the department of political science. He believes small business development is vital for job creation, and has sold the concept so successfully that in July the SBDC received more than 15 000 requests for information, guidance, counselling and consultation

"There's no limit to the number of jobs that can be created in this sector," he says. "US studies indicate that in the past 10 years, two out of three new jobs have been created here

"In SA, small business development is particularly important because of its job creation potential for less-skilled people. If we want to give deprived communities a stake in our economic system, small business development is the only vehicle Only grave-diggers start on top "

Since the SBDC was set up five years ago, it has financially assisted 7 804 small entrepreneurs. Though he's used TV, the print media and radio to sell the concept, Vosloo says word of mouth has been his most important marketing tool.

Vosloo's basic objective is to promote entrepreneurial skills in all race groups. Fluency in Zulu has certainly helped. He's particularly happy that about 40% of inquiries have been from black entrepreneurs since at present most small entrepreneurs are not black.

The success of the SBDC is in large measure due to how Vosloo has sold it as a non-government body It is, in fact, a joint enterprise between government and the private sector. "But when it comes to control we're a registered public company with tax liability," he explains "Government has only 25% representation on the board."

Vosloo's marketing skills have also been successfully harnessed in selling the concept to corporate investors. His talents have enabled the organisation to increase more than tenfold the money lent out for business development since inception — shareholders' funds, grants and loan capital are the main sources of finance.


Raymond Preston

"We can hardly cope with demand," Vosloo says "We're like an emergency hospital in an epidemic Last year we loaned over R102m, double the total amount loaned in the four previous years "

The SBDC, Vosloo emphasises, is a lender of last resort and only lends to people who can't raise finance elsewhere. Though project viability is the most important criterion, it is also impossible to fulfil — the lender has by definition to have been turned down by everyone else "Our task is similar to refining sand from dumps and getting gold ore."

Other criteria for financial assistance are sound capital structure and a reasonably established market for the product or service One of the most important is contribution to job creation and the multiplier effect

The SBDC's function is not just as lender of last resort but also as a developer of last resort — to identify needs not met by private developers where return on investment is low and risk high. As a result, the SBDC has built business premises, factories, shopping centres, offices and workshops and spends about R50m year on property development.

In addition, the SBDC offers guidance and advice. Vosloo spends a sizeable chunk of each day putting together rescue packages

"US figures indicate that 50% of all start-ups fail in the first five years We've been in action for five years now and up to 40% of our clients are in arrears. This is where our free advisory system comes in," he explains

Vosloo's first lessons in business were learnt as a child selling paraffin in his family's Zululand store He gleaned further expertise as a director of his own private property development and investment company, as well as of Rand Merchant Bank

Until his SBDC appointment, Vosloo's real interest was constitutional change He has a BA cum laude in political science and a Ph D from Cornell, where he taught for three years. He served on the Theron and De Lange commissions among numerous others, and claims that the Natal-Kwazulu plan was originally his idea

He has not considered entering political life because, he says, his ambition is to be part of the solution, rather than of the problem

"I'm not a verligte Nat, I'm a verligte Afrikaner I've spent much of my adult life involved in reform, trying to create a better future," he concludes "Now I'm trying to make the SBDC an agent of constructive change."

BUS DAY · 9/9/86 ·

172

MANAGEMENT and MANPOWER

Communication crucial to SA's evolving society

Communication — so often ignored by most South Africans — can no longer be regarded as superfluous. In achieving a new socio-political reality, it should become an obsession.

TONY MANNING

THE visitor to SA becomes immediately aware that communication between our various races is not easy.

Yet we who live here take the situation for granted We shrug off the day-to-day difficulties in making ourselves understood, and give little thought to the crucial role of communication in our evolving society.

However, we can no longer ignore the need for better communication — especially in business.

Last year, the Human Sciences Research Council reported in its "Investigation into Intergroup Relations" that "ineffective communications, often even a total lack of communication, was in the past one of the main factors causing conflict to escalate to violence"

The report went on to note that 59,8% of blacks could speak neither English nor Afrikaans, while 91,8% of whites spoke no black language And, it said "A critical factor in the lack of contact and communication between different population groups, especially between whites and Africans, is the comparative lack of inter-cultural communication skills."

Breakdown

More recently, when about 23 000 workers were fired from Rustenburg's Impala Platinum mine after a dispute with management, a senior Gencor official admitted problems had come to a head as a result of a communications breakdown.

And when Professor Tjaart van der Walt conducted his one-man inquiry into the causes of unrest in Vaal Triangle townships, communication was once again cited as a key issue

Anglo American industrial relations consultant Bobby Godsell says the workplace is the crucible of post-apartheid society For it's at work that blacks and whites have the most meaningful contact — for some, the only contact. And it's at work many of today's most pressing issues are being thrashed out

Unfortunately, post-apartheid society is still a long way off SA is in the early stages of evolving a new socio-political reality. Tough negotiations lie ahead So do increasing tension, escalating violence and a widening gulf between the negotiators

Communication is difficult enough now, while bargaining positions are being staked out. More problems, and more breakdowns, are certain in the months and years ahead.

Communication lies at the very heart of any progress we might make Improving communication skills and creating goal-orientated communications strategies and tactics must be seen as a national priority

For managers, however, improving communication must become not just a priority, but an obsession.

At the same time, and daunting as it may seem, managers must plan for the future. For the things they do today form the foundation of the companies they will run tomorrow

Unfortunately, too many managers pay lip service to the idea of improved communications. They agree it's an important issue, but then do little about it Or, at best, they send a few people on impressive-sounding courses at great cost, then complain the results weren't worth the money.

This is bound to happen if communication is seen as just another skill that can be learnt — or if managers assume from time to time they can call in consultants who will "give the chaps a few ideas"

One reason communication fails is that we assume it will function flawlessly. When we say something, we assume others are actually listening.

In fact, most of us do not make ourselves nearly as clear as we think we do Nor are most people particularly effective listeners

The problem doesn't end there, however As *Fortune* editor Walter Kiechel III says, most executives "are unaccustomed to communicating candidly, even with fellow executives".

To do so is to reveal oneself — and in the corporate power game that could be dangerous. So to protect themselves from threats that could be real or imagined, executives act ineffectively.

The problem grows as it passes down the line into the hierarchy. In the good old days of "scientific management", top managers assumed total obedience from their hirelings.

But things have changed. Workers want a say. Managers need new communicating skills Few have taken the trouble to learn them.

What's really called for is a total communications strategy, aimed at effectively reaching all the organisation's "stakeholders" — including company employees, customers, competitors, suppliers, influencers and facilitators

It's important that all stakeholders be identified, and ranked by importance.

There are any number of media that might be used to reach different stakeholders. Some will be effective against a specific, limited audience.

A phone call, for instance, is essentially a one-to-one medium Others will be broader in their coverage — the annual report might be intended most specifically for the investment community, but will also impact upon employees, suppliers, customers, thought-leaders, and so on.

Still others — such as TV commercials — will potentially reach every stakeholder.

Strategy

Once audiences and media are listed, messages may be tailored to suit them This, the third step in the development of a communications strategy, is the hardest part.

While identifying stakeholders and the media that will reach them is largely an analytical task, a great deal of creativity is needed to make the actual communication — the message — truly effective

If this sounds like a lot of work, it isn't really Most companies do many of these things already on a less structured, more informal way.

All that's needed is more thinking up front, and more discipline as the strategy is implemented

Nor should such a programme cost much more than an organisation already spends on communications efforts.

Tony Manning is marketing manager, Coca Cola Export Corporation.

Post Focus

It's tough running a chain of 180 stores

172 Sunday Post 16/9/86



THE LIST of unfamiliar problems confronting Clive Weil, the burly and genial MD of the 181-store Checkers chain, and other SA managers has greatly lengthened since unrest erupted in black townships almost two years ago. "It's like juggling at the moment," he says. "There's no way you can plan for all the problems we've had. You can come to the office and the most mundane and innocent event can turn on you in a second."

LONDON — Clive Weil makes no bones about the problems of steering SA's biggest supermarket group through a period of unprecedented economic and political turmoil.

"It's like juggling at the moment," says the burly and genial MD of the 181-store Checkers chain.

"There's no way you can plan for all the problems we've had. You can come to the office and the most mundane and innocent event can turn on you in a second."

The list of unfamiliar problems confronting Weil and other SA managers has greatly lengthened since unrest erupted in black townships almost two years ago.

Consumer boycotts, wildcat strikes, two states of emergency, detention of trade union leaders, bomb explosions and rising Right-wing militancy among whites are among the hot potatoes landed in the business community's lap

To make matters worse, business has to cope with stormy economic conditions — the worst recession since the 'twenties — inflation at 17%, volatile interest rates

Checkers has found itself in the eye of both the political and economic storms

As Weil puts it: "In a service-orientated business, we feel people's wrath. People are frustrated by inflation, by the tough economic climate and by the lack of (political) vision in this country There has never been so much up-tightness."

As a well-known and highly visible company, Checkers has inevitably been drawn into the political maelstrom swirling through SA.

The company receives countless bomb threats. With 17 500 workers, it has been the target of dozens of wildcat strikes

On the business front, economic uncertainties have greatly complicated forward planning

"How do I sign a 30-year lease on a supermarket today?" Weil asks

The recession and high inflation have already led to pronounced shifts in shopping patterns According to Checkers' research, supermarket customers are abandoning their traditional month-end shopping spree in favour of less big but more frequent visits

Checkers' problems have been compounded by an over-ambitious expansion programme in the early 'eighties, which gobbled up cash and turned the company into a heavy borrower

Fierce competition from SA's two other leading supermarket chains — Pick 'n Pay and OK Bazaars — eroded Checkers' market share.

Poor staff morale was reflected by a high level of shrinkage, reaching almost 2% of sales last April.

Weil, who took over as MD in April 1985, is Checkers' fifth chief executive in eight years

The company had revenues of R1,7bn last year Bottom-line figures are not disclosed, but it is no secret that Checkers has run up uncomfortably big losses.

Weil is acutely aware of the widening political dimensions of SA business

Despite calls by black trade unions to be more outspoken, Weil believes that both Checkers' and the country's interests are best served by what he calls "quiet diplomacy"

He argues that "the more you criticise, the tighter the laager gets. I get the impression that Government sees business as a bunch of opportunists trying to curry favour with the ANC, but at the same time trying to stay on good terms with government"

Weil is confident that his tactics of dealing with Pretoria "in a quiet, dignified way" achieve better results.

He cites an unpublicised visit to the normally unyielding Law and Order Minister Louis le Grange shortly after police began detaining leading trade unionists when the current state of emergency was declared on June 13.

Several union officials have been let out of jail since then Weil thinks that his quiet intervention contributed to the decision to release them

Within Checkers itself Weil says that "we've tried to conduct ourselves in a businesslike way I've tried to be as charitable and reasonable as one could be, having regard to the fact that this is a company which is not in profit".

Workers who obey political stayaway calls are not dismissed, but neither are they paid Unions have criticised Checkers, however, for employing white casual labour to replace absent blacks

On a more daring note, Checkers is one of a handful of SA companies breaking new ground by examining innovative ways of increasing the long-term loyalty of their black workers

A recent informal survey of the chain's black workforce failed to turn up a single individual who favours free enterprise In contrast to many private sector leaders who argue that business should work harder at converting blacks to the capitalist ethic, Weil says that "we will not get the black man to move closer to us We're going to have to move closer to him.

"We're going to have to make the same moves in the micro-economy as the Government is going to have to make in the macro-economy."

Among the ideas being mulled over at Checkers are active worker participation at board level, greater participation by workers at lower decision-making levels and some form of financial stake (other than share ownership) for black workers.

Checkers has traditionally concentrated on affluent white housewives. But falling white living standards and an already over-traded market have persuaded Weil to give greater attention to black custom

"We have to attack the black market as best we can," Weil says. "That is going to be the growth market."

Weil predicts that the integration of residential neighbourhoods will benefit not only SA but also his business

"I think we'll find that some of these under-traded (white) shopping centres will become very, very viable," he says.

Faith for Today

Handling difficult people

Don't let evil get the upper hand but conquer evil by doing good. — Romans 12:21 (Living Bible)

THERE are many difficult people in this world. You may have to live with someone who can be classified as awkward or even objectionable. If they have authority over you they can make your life most unpleasant

It is natural that you should inwardly seethe and become antagonistic, and the suppression of these emotions often leads to ill health and an ever-deepening annoyance

The way of the world is never conducive to a satisfactory solution.

MANAGEMENT/BUSINESS SCHOOLS

Blacks and women needed on top rungs


□ WIEHAHN

SA'S seven graduate business schools are playing a crucial role in providing the country with skilled management, but there is still a desperate need for more blacks and women to enter management.

Although thousands of students pass through the business schools each year, SA faces a dire shortage of entrepreneurs and high-level business executives — those who initiate and direct economic activity.

Other problems include the flight of skilled people from the country and the shortage of blacks and women managers.

The majority of students who pass through the business schools are white but, as Professor Philip Spies of Stellenbosch University's Institute for Futures Research points out, whites will account for only 20% of the matriculants in 2000.

Spies says business schools have the "absolutely crucial" task during the next 10 to 15 years of developing leadership qualities SA so desperately needs.

Stellenbosch University's Professor Koos Sadie estimates the ratio of managers to the rest of the labour force (excluding farmers and domestic servants) is 1:50, compared to the industrial world's 1:15.

But Spies warns if present trends in SA continue, the ratio could reach 1:74 by 2000.

He says. "In terms of high quality manpower, we are going to have to change our ways."

Political and social change will herald further changes in the economy, and business schools say they have adapted courses to meet SA's particular needs.

University of Pretoria's Business School director Professor Leon Brummer says the biggest challenge facing business schools is to "supply the economy with the top level management it requires."

Indeed, Unisa School of Business Leadership director Professor Nic Wiehahn says the "major cause of the crisis in Africa at the moment is the lack of managerial skills and expertise".

He feels strongly about southern Africa's human resources, and says he is totally opposed to a "sanctions campaign that seeks to prevent the export of skills and knowledge that affects the development of people".

Wiehahn sees three major sources of wealth in SA — its minerals and metals, its fauna and flora, and its human resources.

"We have 30-million people with high potential. Relations between all people — white and black, black and black and white and white — are one of our top priorities.

"If we can find a formula that can combine those three resources, can you imagine what a prosperous country this would be?"

He sees the need to develop a new management culture in SA.

"We must weld into the management system the contributions of black managers and their background. I think industrial relations will become more and more important, as well as strategic planning in finance, marketing, consumerism and organisational behaviour."

BUSINESS education is a process that seeks to meet the challenges of a changing society and thus business schools today offer a wide variety of courses, both full-time and part-time.

The Unisa School of Business Leadership (SBL) has taken a different route compared to other business schools. It offers a Master of Business Leadership (MBL) as opposed to a Master of Business Administration (MBA).

Says SBL director Nic Wiehahn "The founders of the school wanted the emphasis on developing leadership qualities and so Unisa is the only school that offers an MBL."

The course is part-time, and involves a number of different teaching methods:

□ By correspondence.
□ Group visits to the various centres where students are concentrated
□ Students attend "study schools" in Pretoria twice a year for week-long comprehensive lectures.
□ Finally, assignments are done individually and on a group basis

Totals

This year the SBL has 365 first year MBL students, 186 second-year, 137 third year and 147 final year.

Last year about 3 000 participants passed through the school's various programmes, seminars and conferences. Apart from the MBL and DBL, Unisa offers Management Development Programmes, an Advanced Executive Programme, a Development Programme in Labour Relations, and numerous seminars, symposia and conferences.

How the schools cope with change

The roots of the University of Pretoria's Business School go back to 1948, but it was only in 1975 that the business school was established as an independent institution.

Director Leon Brummer says apart from the MBA, other executive courses include basic management development programmes, which are aimed at middle managers and are conducted during an eight-month period.

There is also a senior management programme run on the same basis, a senior financial management programme and many shorter programmes. Courses are also conducted for certain clients such as Volkskas and the SADF.

The University of Cape Town's Graduate School of Business also offers both full-time and part-time MBAs

Professor John Simpson, director of the school, says enrolment is limited — there are 65 full-time and 90 part-time students.

Professor Andy Andrews, director of the W[illegible] Business School, says only one in four applications are accepted — and there has been a 300% rise in applications in the past four years.

Wits follows the international standard of a two-year MBA, he says, and the school has 450 students, of whom 300 are part-time and 150 full-time. Wits accepts 120 students a year.

Other programmes include the innovative "Junior Achievement" programme.

Says Andrews: "We take schoolchildren from Standard 9, countrywide, black and white, and they make real products, operate bank accounts and make real profits. We are trying to build the entrepreneurs of the future."

The Centre for Developing Business offers programmes for small businessmen.

Another 2 000 students go through executive programmes on finance, marketing and banking. Wits also offers a higher diploma in personnel management and a general management programme.

The University of Stellenbosch Business School offers full-time and part-time MBAs as well as modular MBAs in which students can specialise in chosen s[illegible]

172

Important: small business development

SMALL business development has become an important issue in recent years

The Wits Business School has a Centre for Developing Business and director Professor Andy Andrews says it offers programmes for the small businessman, and consults with black businessmen in industrial parks.

Some 2 000 people make use of this programme each year.

The University of Stellenbosch has a Unit for Entrepreneurship and Small Business Management which follows a five-point approach: research, deployment of latent entrepreneurial potential, the stimulation of businessmen regarding critical aspects of management, continued training and individual supportive work by way of consultancy services.

The aim is for students to begin their own businesses, and last year 32 did so.

USB's director, Professor H P Muller says that while studying financiers evaluate their plans, and then venture capital is provided.

Business schools focusing on SA development

SA BUSINESS schools have modified their courses in recent years to ensure they are relevant locally, while remaining abreast of international trends and developments.

Political, social and economic reforms have meant business schools have had to focus concentration on issues pertinent to a society that has both First and Third World components.

University of Cape Town (UCT) Graduate School of Business (GSB) director Professor John Simpson says the university's Master of Business Administration (MBA) has been adjusted, especially over the last few years, to have a more specific South African input.

He says: "While there are still business principles common to the Western world, the SA situation demands greater concentration on certain aspects, for example industrial relations, black advancement and business ethics".

The GSB has established a centre for African management that will focus on integrating blacks at executive level. Simpson stresses it is not just a matter of bringing blacks into senior management, but getting existing managers to become agents for change.

University of Pretoria Business School director Professor Leon Brummer says the biggest challenge facing business schools is to supply the economy with top level management, "but we need a South African approach. Our environment differs from the US, Europe and Japan".

Part of the challenge revolves around incorporating the black manager into the mainstream.

There is a dire shortage of black MBA students throughout the country. At the University of South Africa (Unisa) School of Business Leadership, figures vary from course to course — enrolments for the Master of Business Leadership (MBL) are as low as 5% of the student body, while those enrolled on labour relations courses are as high as 50%.

UCT's GSB has seen a big increase in black student enrolment recently, and this year it accounts for about 10% of the total student body.

However, University of Stellenbosch Business School (USB) director Professor H P Muller points out there are not enough black graduates with business experience interested in an MBA.

University of the Witwatersrand (Wits) Business School director Andy Andrews says society has changed in that it now values the person with a wide, general approach who can adapt to changing circumstances.

Wits has moved away from concentrating on different subjects — "no-one takes a purely marketing decision. There are cashflow, distribution, people and motivational implications".

In recent years, industrial relations has become a crucial part of any management programme, reflecting the growth of the black trade union movement in the late 1970.

Unisa's School of Business Leadership held its first labour relations course in 1976, when present director Nic Wiehahn was still presiding at the Institute of Labour Relations.

It attracted 30 students then. This year 119 students have enrolled.

The Wits Business School offers a certificate programme in Industrial Relations.

BUSDAY, 172

The second choice is not necessarily second best

THE emigration of highly qualified whites threatens a skills shortage of unparalleled proportions during the next economic upturn

Does this mean South African companies will have to settle for second-best when recruiting professionals and middle managers in future?

Many recruitment experts believe so, though sounder recruiting practices could alleviate the difficulties

"Many employers tend to over-specify," says Syd Catton, MD of Professional Assignments Group (PAG). "Often, they'll ask for a CA when a B.Comm will do, or a computer scientist when they want a programmer.

"The average engineer spends far less than 20% of his time actually doing what he was trained for. The great majority of his time is spent on administrative or routine tasks, not on engineering

"So correct matching of available skills and company needs is vital. We are going to be forced to match properly by getting a certificated person rather than an engineer, or a B.Comm rather than a CA What we need are people with CBEs — qualified by experience.

"And we will have to spend a lot more time on training — which will do the country a lot of good. But don't call it second best. In our experience it is better to go for the person who is under-qualified and has to stretch to do the job. The over-qualified person tends to be slovenly and bored out of his mind."

Renwick Group MD Charles Rowlinson agrees. "We say to clients today it is not a question of making do with even second best They are just not available any more A lot of the cream have left the country, and the top executives who are still here are sitting tight.

"So we have to settle for less than the best. The demand is there but the supply is very short That is why you get a trend towards very young managers in SA."

Rowlinson: "We suggest to a lot of clients they consider a good hands-on CIS instead of a CA. In our opinion, a CIS is an excellent second choice because many of them have the management skills We are perhaps moving towards accepting a very good resource that top management often discounts.

"I believe a very good CIS is as capable as a CA."

St Thomas Group MD Eric Henderson says there is a "keen perception" among clients that they will not always get the ideal man for the job. "By and large, clients who have operated in SA for many years are well aware of the situation," he says "They appreciate that they are not always going to get their first choice."

Two options, of course, are training and recruitment overseas. The latter is not as hard as many people think, says George Macris, MD of De Ridder Appointments.

"Despite the political and economic problems facing SA right now, people overseas often still have a positive perception of the quality of life available here," says Macris. "We have not found major problems in recruiting abroad. If anything, the problem is getting visas and work permits"

Macris argues that recruitment abroad is not a substitute for training, which remains a critical part of the equation. "Although we have a tremendous shortage of skills, there is still top class management in SA — but it's thinly spread," he said. "Training often has to address itself to making best use of those management skills

"Because of takeovers and closures, there is a tremendous fear of losing one's job. Even senior employees don't feel secure People are getting ousted, not necessarily because of their failure to perform. This insecurity has been aggravated by the disappearance of succession planning in companies There is a need to reintroduce succession planning"

The other side of the coin is that the "Peter Principle" — which holds that people tend to rise to their own level of incompetence — is rife in SA.

"The most obvious example of this is the salesman who aspires to become sales manager," says Catton "But the qualities required are completely different. A good salesman is hungry, and enthusiastic about selling The manager has to be a manager first and foremost — one who is in charge of salesmen, a delegator, a desk man

"With the wrong scale of values, all too often the Peter Principle will apply. This is because people, hoping for better fringe benefits, are aspiring to become managers If you look at the European or Australian norm your salesman often earns more than the sales manager. Becoming a sales manager there is not treated as a step upwards and people are happy to do what they can do well It is a totally different scale of values which we put too much emphasis on"

The trouble with over-promoting someone, Rowlinson notes, is that it is difficult to correct the error. "You can't demote the man. But many organisations have handled the problem by implementing a major restructuring.

"In the early Eighties you had a very big build-up of head offices, so tough times provide a good excuse to cut down. It is an expensive business but it can be justified. Another option, in a big organisation, is to move the man back into his previous role, but in a bigger company"

MANAGEMENT.— 1987

Too many managers said to be illiterate

London Bureau

TOO many managers are illiterate, unable even to spell properly, and desperately reliant on their secretary's skills, says Mr John Davies, senior tutor at the world famous Sundridge Park Management centre in England

'Having in the past two years read hundreds of job applications from graduate managers and academics, I have been astonished how many of them neglect to take the simple precaution of using a dictionary,' Mr Davies writes in Personnel Management, Journal of the Institute of Personnel Management.

'Too many managers, excellent in every other way, lack the ability to express themselves logically, clearly and concisely

'For senior managers, the implications are particularly serious,' he adds

'Senior executives in control of large numbers of people may simply not have the time to hold face-to-face meetings with their subordinates'.

Language, in the jargon of the computer world, has to be 'user friendly' or it will not be read It should also be remembered that it is so easy to be misinterpreted, often with serious consequences

'Communication is at the heart of all management skills, and inadequacy in this area creates confusion and damages morale,' warns Mr Davies

'The ability to write one's thoughts clearly and with sensitivity is one of the primary skills of the senior executive, and yet so many of them are guilty of written incoherency'

He identifies three reasons for the poor standard of management writing — the way English is taught, the growing use of jargon incomprehensible to those other than specialists, and the advent of word processors and dictating machines which have led to sloppy thinking and undue wordiness

SA business schools top of the class



☐ ANDREWS . . . SA standards high

SOUTH AFRICA HAS a management/staff ratio of 1.40 compared with Europe's 1 12. And SA shapes even worse in comparison with the US, where the ratio is one manager to five workers.

SA business schools say that, on the whole, SA has a high standard of management but it needs more training They stress that it is not simply a question of training managers to the required level, but keeping them at this standard.

Dean Andy Andrews, of Wits Business School (WBS), says managers need retraining every six to nine years, depending on position, as this will prevent them falling too far behind developments in management techniques.

ANDREW GILLINGHAM

In SA there are seven university business schools as well as a number of commercial colleges. Some faculty members say the industry may be considered over-traded, but given the management shortages this is not really the case.

The recession has reduced demand for courses. Most business schools have cultivated a high profile image to combat this, and even Unisa has dropped its policy of avoiding the limelight.

This year SA universities suffer a 20% cut in their budgets, and business schools have suffered in tandem. However, most of the schools are buffered to some extent by the revenues earned from executive courses

These monies are used for expenses which cannot be handled by the university budget. WBS, for example, has used these funds to give it a better student to computer ratio than even Harvard Business School.

The Pretoria University Business School has also invested in computers, giving its lecturers PCs. The extra cash is also used for such things as building extra facilities and sponsoring additional overseas contacts.

Cuts in budgets are having some detrimental effects, with lecturers suffering under heavier course obligations and unable to devote time to vital research

Research is an essential part of any business school's operation, and Pretoria Business School's Leon Brummer points out that research is needed to keep the course material up to date and to produce new techniques. He also believes that a major research effort is required to develop a specifically SA style of management.

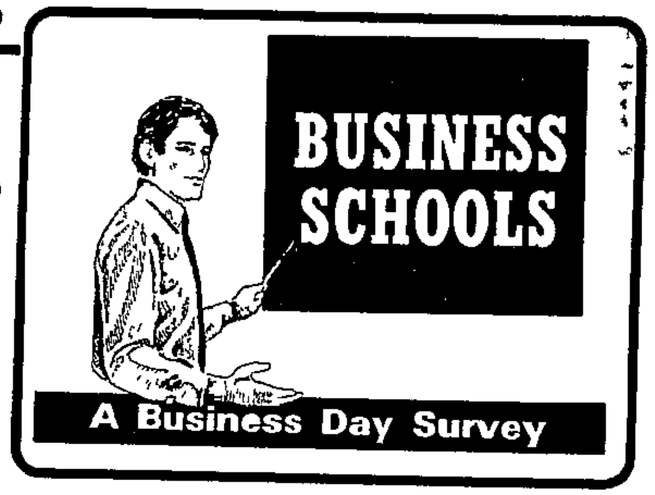
He says the US and Europe have produced techniques which are directly related to their own needs. SA would do better to research a management style which would be better suited to the differences in SA business conditions.

Accepting that SA is an unusual mix of First and Third World economies within the same economic structure, Brummer believes developing SA's own managerial techniques would have major benefits, but this needs more cash.

Quality is a major consideration among SA's business schools. WBS's Andrews says the standard is very high in SA. He notes that in the US there are about 650 business schools, but there are wide fluctuations in standards, and probably only 15 are worth attending

In SA the standards tend to be more consistent with industry's requirements and students who have followed post-graduate courses continue to be in great demand in the private sector, with good salaries to match.

SEE ALSO PAGES 10 AND 11



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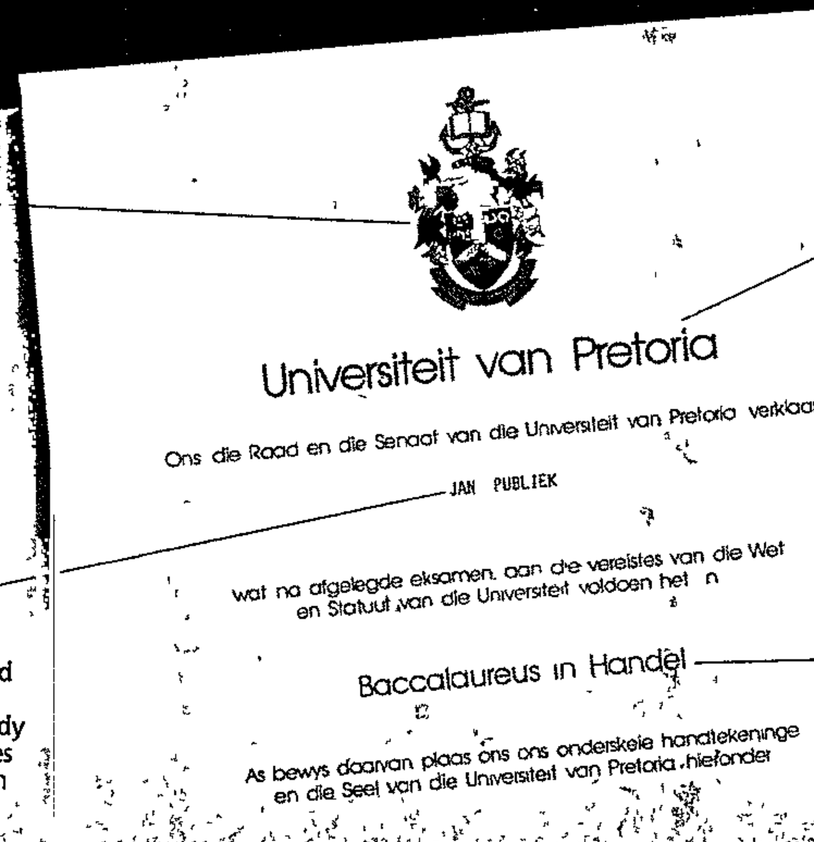
1. You graduated from South Africa's leading and largest residential university A university whose qualifications are accepted worldwide due to the excellence of its research and training

2. You studied in Pretoria – the beautiful Jacaranda city and educational capital for young people This stimulating environment encourages continuous interaction between theory and practice and gives you the opportunity of keeping pace with the latest developments in new knowledge and research.

3. Your name here shows that you were exposed to the best possible education. And that you are now a mature all-rounder ready to accept the challenges of our times Because in addition to an outstanding education you've received part of

4. Your course of study was chosen to suit your individual talents and interests from the most extensive range of courses offered—4 156 study courses in 11 faculties! Another


Universiteit van Pretoria
Ons die Raad en die Senaat van die Universiteit van Pretoria verklaar
JAN PUBLIEK
wat na afgelegde eksamen, aan die vereistes van die Wet en Statuut van die Universiteit voldoen het en
Baccalaureus in Handel
As bewys daarvan plaas ons ons onderskeie handtekeninge en die Seel van die Universiteit van Pretoria hiefonder

Management needs in SA are critical

THE University of Durban-Westville has SA's smallest business school. Since its inception in 1974 with six Indian students, the school has grown to accommodate 90 students, 55 new students are expected to enrol this year

According to Joop Venter, director of the graduate school of business, the trend since the university was opened to whites in 1978 has been for fewer Indian students to enrol for the MBA course offered at the predominantly Indian university.

"Of the 55 new enrolments this year, 30 are white, 15 are Indian and 10 are black This is quite disappointing, because Indians generally have a natural business acumen but tend to prefer the professions, like medicine and law But they must move away from retail shopkeeping and into management," he urges

MANDY JEAN WOODS

'Bridging year'

SA's management needs are critical, with an average of one manager for every 40 workers, compared to one to five in the US.

The number of blacks signing up for MBA's is increasing, but few manage to complete the programme. "There is a tremendous need for blacks to get this kind of qualification. We have had 10 blacks start the course over the past four years and only two are left," he says

Environment and background problems seem a factor in the high drop-out rate for black students in the MBA programme. "I think a bridging year is needed for black students. We have found quantitative subjects are a real problem for them," Venter says

The business school offers only a three year part-time MBA course, "I am against full-time MBAs. In a full-time programme, students deal with perhaps four or five subjects every two or three months. It's a real pressure on them. On the part-time programme, my students have contact with a course for one academic year," he says.

Venter adds that part-time students tend to be more mature and older — the average starting age at Durban-Westville's MBA programme is between 29 and 30 — with an average of eight years practical business experience. "A survey showed that, over the three-year programme, students spent 880 hours in the classroom, 100 hours in the examination room and between 880 hours and 1 000 hours in study and preparation time. The MBA is really a full-time job that needs a lot of commitment," he says.

But even students with substantial business experience find the MBA tough going About 40% of all first year students at Durban-Westville drop out before taking their year-end examinations.

Venter says the first year is a winnowing one, and for that reason selection and admittance of students to the programme should not be limited. "All schools basically use the American graduate management admission test, but with our cultural differences it is better to stay away from that. So far, we have accepted all the qualified students who have applied, but that could be a problem if we have more applications than we can accommodate," he says.

"I think SA is losing a lot of potential manpower because of the selection criteria employed by the business schools. Some students may not do well in an entry examination but may have determination that propels them through the course. On the other hand, students who easily qualify to enter the programme can sometimes lack the determination to finish the course," Venter says

There are only four full-time faculty members in the business school, but a variety of businessmen contribute their specialist knowledge to students on a part-time basis, and this extensive outside input is one of the programme's strong points

"We believe in a strong theoretical input which the faculty provides, and then we go to the outside world for strong practical input in areas like marketing, economic environment, financial accounting, industrial relations, marketing management, personnel management and human organisation and behaviour," he says.

Visiting professors

There is a need for the business and academic worlds to work closer together, and this is one way in which that goal can be achieved, says Venter.

"This is an area prominent in business schools abroad. Some of the best business executives are invited to be visiting professors, and I would like the local captains of industries who have South African experience to teach our students," he says.

Despite the similar lack of closeness between business and academics in SA, the business schools in SA compare well with the standard of their counterparts abroad. "Our standard in SA is excellent and I don't think we have to worry about anything, except perhaps the funding of schools," says Venter.

172 Bus. Day 26/1/87

Industrial relations specialists in demand

THE political and economic problems facing business in SA are having a marked effect on students and what they study

Peter Seneque, dean of the faculty of commerce at the University of Natal, Durban, says current business trends are making finance, accounting, marketing and industrial relations the most sought-after subjects by students

"The demand from industry has been strongest in these areas, especially for specialists in industrial relations, a field which tended to be neglected in the past by universities and businesses alike," he says.

Enrolment in the university's industrial relations honours course is expected to double this year

"The number of part-time students is on the increase, primarily because economic conditions are preventing students from studying full-time, Seneque says

"There has been a trend for an increasing number of students to study part-time. I feel all post-graduate studies should be done part-time because students tend to be more mature, already working in their field, and bring a high level of expertise and experience to their studies," he says.

Expertise in specialist fields such as industrial relations is what corporations are looking for and, Seneque says, they are finding this in academics who are being lured into the business world by big money

MANDY JEAN WOODS

Lecturers at the University of Natal, Durban, are specialists in their fields, invariably with substantial business experience.

"We are trying to meet an increase in demand for specialist education on a shoestring budget, and we cannot compete with big business It has become very difficult to recruit faculty members because of the remuneration we have to offer," he says.

Costly text books

Of the many costs involved in attending university, text books have become an important factor in students' budgets "The cost of books are astronomical and we are trying to minimise the number of essential texts students must buy They will have to make more use of the library"

The need for well-educated and well-qualified business executives is increasing because of the effect the brain drain has had on the business arena

"The business world is becoming more demanding, and experience alone is no longer sufficient for progress. Post-graduate studies will ensure a superior education which will be useful in a competitive marketplace," Seneque says.

The demand internationally for business executives who are qualified and experienced in finance has led to many local experts emigrating.

Seneque says the standards set by SA business schools compares favourably with those abroad.

"Our own standard is pretty good and we compare well Our experience in terms of emigrating alumni has been that all our undergraduate and graduate courses have been recognised internationally, especially in the accounting and financial areas."

Business honours courses offered by the university include business finance, financial management, business administration, marketing, computers and business information systems

The post-graduate diploma offers management accounting, leading to CMA qualifications, taxation, which gives specialist qualifications to lawyers or accountants; and accounting, the most popular post-graduate diploma course, which leads to CA qualifications

Post graduate business courses cost R1 500-R2 000 each.

Post-graduate diplomas are directed toward the practical application of a subject, while honours courses are theoretically orientated.



Stellenbosch BS claims a 'first'

CHRIS CAIRNCROSS

THE University of Stellenbosch Business School — which had its first student intake in 1964 — proudly declares it is the first academic institution of its kind to open all facilities to all SA's population groups

If true, it is a significant claim, given the university's ties, heritage and location More important, perhaps, it is a philosophy current staff show demonstrable resolve to perpetuate

"We are a Southern African institute in the broadest terms, servicing the needs of the widest spectrum of the business community rather than those of a select, privileged group," says the school's director H P Muil er

New set-up

"Most of our programmes favour a change in SA's situation Perhaps our biggest (personal) change in direction is to become a Southern African business school in the true sense," he says

"Young executives must use this opportunity to prepare themselves for a new set-up, and new dispensation in this country," Muller adds

This is not to say that Stellenbosch's GSB — newly located in handsome premises overlooking Bellville, and almost equidistant from Stellenbosch and Cape Town — is really any different from any other in SA.

Like others, the MBA course structure it offers is formalised, once patterned on American lines but now better tailored to suit local conditions

Muller sets the tone in a foreword to the 1987 MBA programme which effectively got under way last week.

He notes it must be recognised that the demands on the manager over the next decade would be accompanied by drastic changes in the systems of values of the Southern African community, and changes in the role and influence of the international community on Southern Africa.

Business colleges aiding management

SA'S TURBULENT recession has had a positive impact on local business colleges, and today's executive is being confronted by a whole new set of rules.

Peter Shikkerling, director of training and partner of the Rapid Results College (RRC) Group, says "This is evidenced by a thronging of people to colleges specialising in the recharging of business executives and the need for knowledge to evaluate business trends that are likely to be critical in the 1990s"

The major issues plaguing business today — inflation, disinvestment, shifts in buying power from whites to blacks, and extreme fluctuations in currencies — were barely covered by universities and other executive institutions in the 1960s and 1970s, yet now they can make or break the viability of any enterprise, he says

Today that has changed Universities and colleges around SA are now offering full- and part-time courses that reflect current business needs.

"This trend first became evident [illegible] in the second half of 1985 when



□ **BARBARA CARROLL (right), principal of the Rapid Results College classes division, greets a new student**

re-evaluation of theoretical knowlege is essential Business is facing problems which cannot simply be solved through lessons learned from past experience," he says.

The escalating cost of fulltime education and the attendant necessity to acquire increasingly costly texts and prescribed works have made many people realise the value of fully inclusive courses for correspondence or evening tuition.

Sorely pressed management finds the combination of practical daytime experience in a work environment, coupled with academic input after hours, provides bal-

Another trend is the increased demand for qualifications with international acceptability

Barbara Carroll, principal of the RRC classes division in Rosebank, says the enrolment for the CIS and CMA, both London-based institutions, has more than doubled over the past year

Commenting on the development of executive education trends, Carroll says her greatest challenge is the effective cohesion of lecturers' theoretical knowledge with the tried and proven experience forged in boardrooms across the country

□ *Rapid Results College was*

MANAGEMENT PROGR FOR SOUTH AFRICA'S EXECUTIVE BUSINESS

It is a fact that there are many managers aspiring to improve with

THE University of Cape Town's Graduate School of Business (GSB) lays stress on the international flavour of its MBA course content.

The school hosts many visiting lecturers from abroad, and its courses are recognised worldwide

Because of this emphasis, UCT GSB has tended to have a higher profile than the six other business schools in SA Foreign academics often provide a new or different perspective on relevant issues and do, therefore, attract media attention

The GSB was established in 1966 and its approach was modelled on Harvard Business School This link has been stressed ever since

Emphasis during the formative period was largely on US case study analysis — an approach that was adopted by most of the other new business schools

"But," remarks Arthur Money, professor of business administration and acting director, "we have since graduated, moved to a new orientation"

CHRIS CAIRNCROSS

Case histories remain a fundamental element of the course structure, but are far less important than before

This may be a reflection of the increasing maturity of SA business schools Local concepts and insights are often as good, if not better, than imported analysis

The idea is now to tailor the MBA programme to meet the perceived needs of the domestic business environment.

Outgoing director John Simpson notes "A key area of concern is to ensure that our teaching is relevant and meaningful in both the SA and international contexts

"Our objective is to maintain the standards of excellence that we demand of ourselves and that are expected of us by leading business schools overseas"

Simpson takes this a step further: "We also believe we have a social ening pace of change in SA society, where it is appropriate and where our resources can be of help."

Original research in the form of technical reports by students and staff has, consequently, been given a far greater role in curriculum creation

"There is considerable pressure on students and staff alike to carry out research," Money says

He estimates that a typical MBA now allocates 25% to research or the compilation of a technical report and 75% to core courses in a variety of fields.

UCT's MBA programme is available as an intensive, one-year, fulltime programme, or as a two year part-time programme

The latter has lecture sessions twice weekly and a compulsory, three-week, fulltime module in each of the two academic years

Both programmes have identical academic content and enjoy equal recognition in the business community

Personal growth offsets MBA costs

ANDREW GILLINGHAM

THE COST of an MBA at Wits Business School (WBS) ranges from R15 000 to R25 000, depending on living costs

But, says WBS dean Professor Andy Andrews, although the payback period is about two years, personal growth is the greatest benefit of taking an MBA.

"For the right person the MBA course acts like a supercharger The course builds confidence and puts the student into the winning habit," he says

Selection criteria for the WBS MBA are high, and of the potential students who fulfil requirements, only one in four is selected

WBS is frank about the fact it wants only the cream of the crop

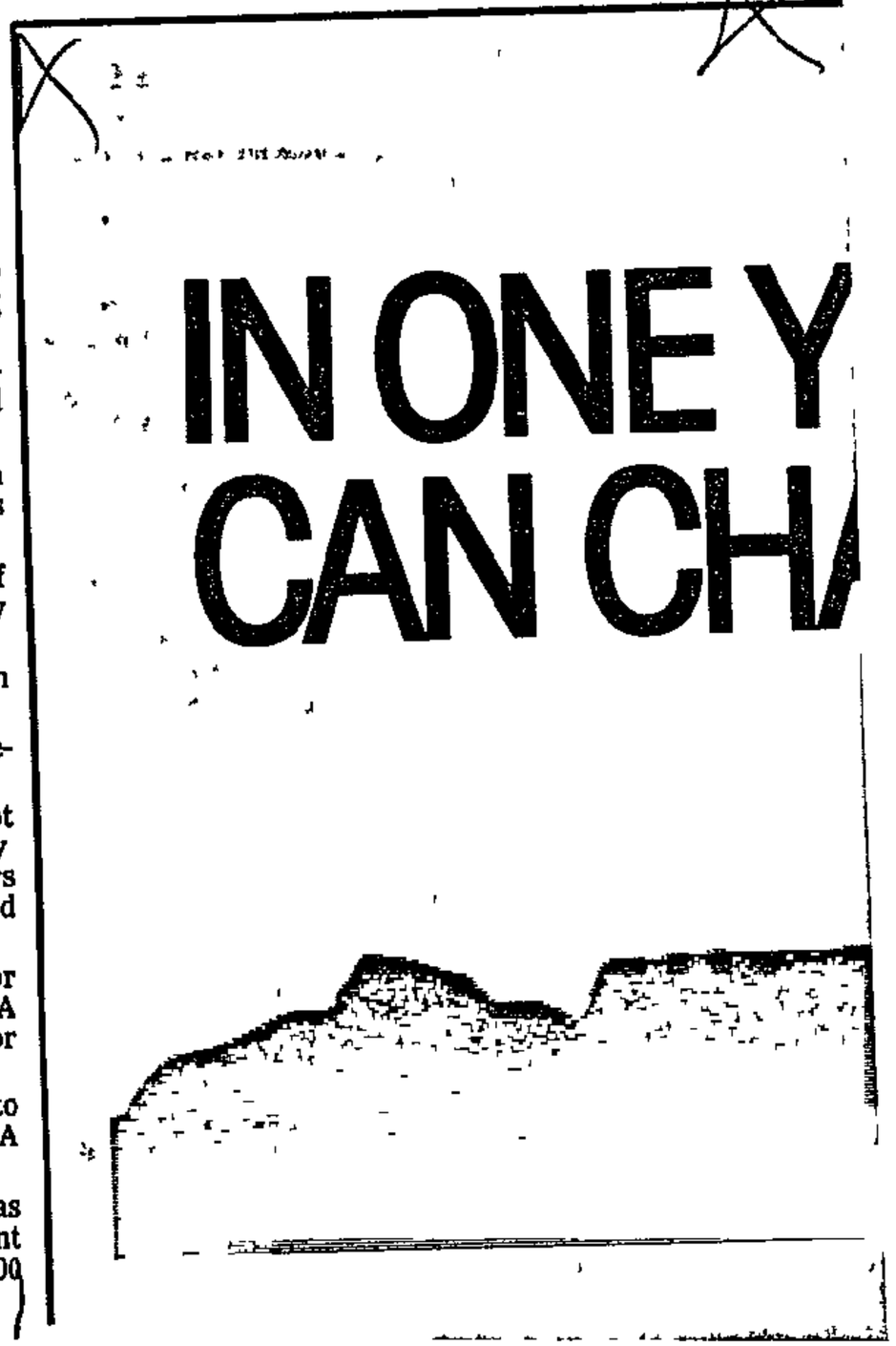
The MBA is a post-graduate course and WBS requires five years' senior-level experience

The drop-out rate is high, although students do not necessarily withdraw because of a lack of ability Some students underestimate the costs, and others face an ultimatum from a spouse no longer prepared to sacrifice in the interests of long-term benefits

Pretoria University business school's Professor Leon Brummer says the differences between an MBA and a normal Masters degree could cause problems for most students

In a standard Masters degree the student is able to devote attention to a specific area, while the MBA covers a wide range of topics

Brummer believes many applicants have false ideas about an MBA — treating it as a ticket to instant success and expecting an unrealistic salary of R100 000 on completion of the course



Steyn: effective leadership needed

Without the emergence of effective, representative and visionary leadership in South Africa, a negotiated settlement of the country's problems was impossible, the executive chairman of the Urban Foundation, Mr Jan Steyn, said in Johannesburg yesterday.

Mr Steyn was delivering the keynote address at the opening of the second session of the Joint Management Development Programme.

"Far better that this country develop strong leaders of the different forces that are at play in our land and that those leaders help to negotiate a future acceptable to all, than to stifle dissenting leadership to the point where the fundamental precondition for a negotiated future . . . cannot be met," Mr Steyn said.

The South African business sector has a social responsibility record that equals most performances elsewhere, he said citing as an example education, where it is estimated that the private sector spends about R4 billion a year on non-formal education.

"The private business sector must surely have certain social rights. Included in those rights is the right to promote sociopolitical reform that will improve the quality of life for all South Africans and establish an environment where all have access to a market economy

"Blacks account for almost 70 percent of the workforce. According to a recent survey not more than three percent of managers are black," Mr Steyn said "Thus, while there is an oversupply of unskilled labour, there is a damaging shortage of skilled resources, particularly at managerial and executive levels."

Mr Steyn said it was increasingly clear that joint rather than separate action was required in order to promote the development and advancement of competent managers in South Africa. — Sapa

'Not enough black managers in SA'

BLACKS account for 70 percent of the workforce in South Africa and yet not more than three percent of managers are black, Mr Jan Steyn, executive chairman of the Urban Foundation, said this week.

By SY MAKARINGE

Delivering the keynote address at the opening of the second session of the Joint Management Development Programme (JMDP), Mr Steyn said while there was an over supply of unskilled labour, there was a damaging shortage of skilled resources, particularly at managerial and executive levels.

"That this it so is in no small part due to an inadequate education system but also, as one black management consultant recently observed, 'the economic highway to power has few entry lanes for black Africans'," Mr Steyn said.

He said the situation could not continue.

It must be one of the factors constraining the growth and development of the economy, it also accounted for high stress levels among South African executives and was clearly intolerable for much of the black workforce.

Mr Steyn said in this time of transition, the private sector had a vital role to play in promoting, supporting and contributing to the management of change.

He said there was, however, a continuing and even disproportionate share of both opportunity and responsibility for leadership and management in South Africa. This he said, posed particular challenges to the business sector and, in particular, to those new managers especially black managers, who would take leadership responsibility in the future.

Training managers for the future

LINDA ENSOR

- THE Joint Management Development Programme (JMDP) may be small in scope, but it is potentially big in impact
- The project, which was initiated in Johannesburg in November 1985 by the Paris Chamber of Commerce (PCC) and its SA partners, has entered its second year of existence with a new intake of 38 trainees
- About a third of the 38 participants who started the three-year course last year have been promoted by their employers
- Nineteen major companies and organisations have pooled resources for the project This year the PCC is to send six professors from its highly regarded business school in Paris to lecture to them

172 B|Day 29/1/87

Business experience

- The participating companies also assist in managing the programme, which is designed for those who have had at least 10 years of business experience, proven ability in their technical field, and who are considered capable of moving into management positions in three years' time
- Chairman of the steering committee is Bernard Lafitte, president of the French Chamber of Commerce and Industries of Southern Africa and MD of Total SA The National African Federation of Chambers of Commerce, the Urban Foundation and the Black Management Forum are also represented
- Trainees spend four two-week periods a year participating in the programme which lasts three years This allows them practically to apply their knowledge
- With only 3% of SA's managers black, the need for training is great So is the cost — R24 000 a trainee

Flow of skilled foreigners slows

SKILLED people, especially experienced young CAs, foreign exchange dealers and capital market dealers, have traditionally flocked from London and Europe to good local opportunities

Renwick International, an executive search group, says until this year there has not been a shortage of people wanting to come to work in SA But figures from Central Statistical Services show there is likely to be a negative balance of professional, technical and managerial people coming into SA this year (see graph)

Renwick International's MD, Bryan Magennis, says there are many skilled people who could be motivated to come to SA

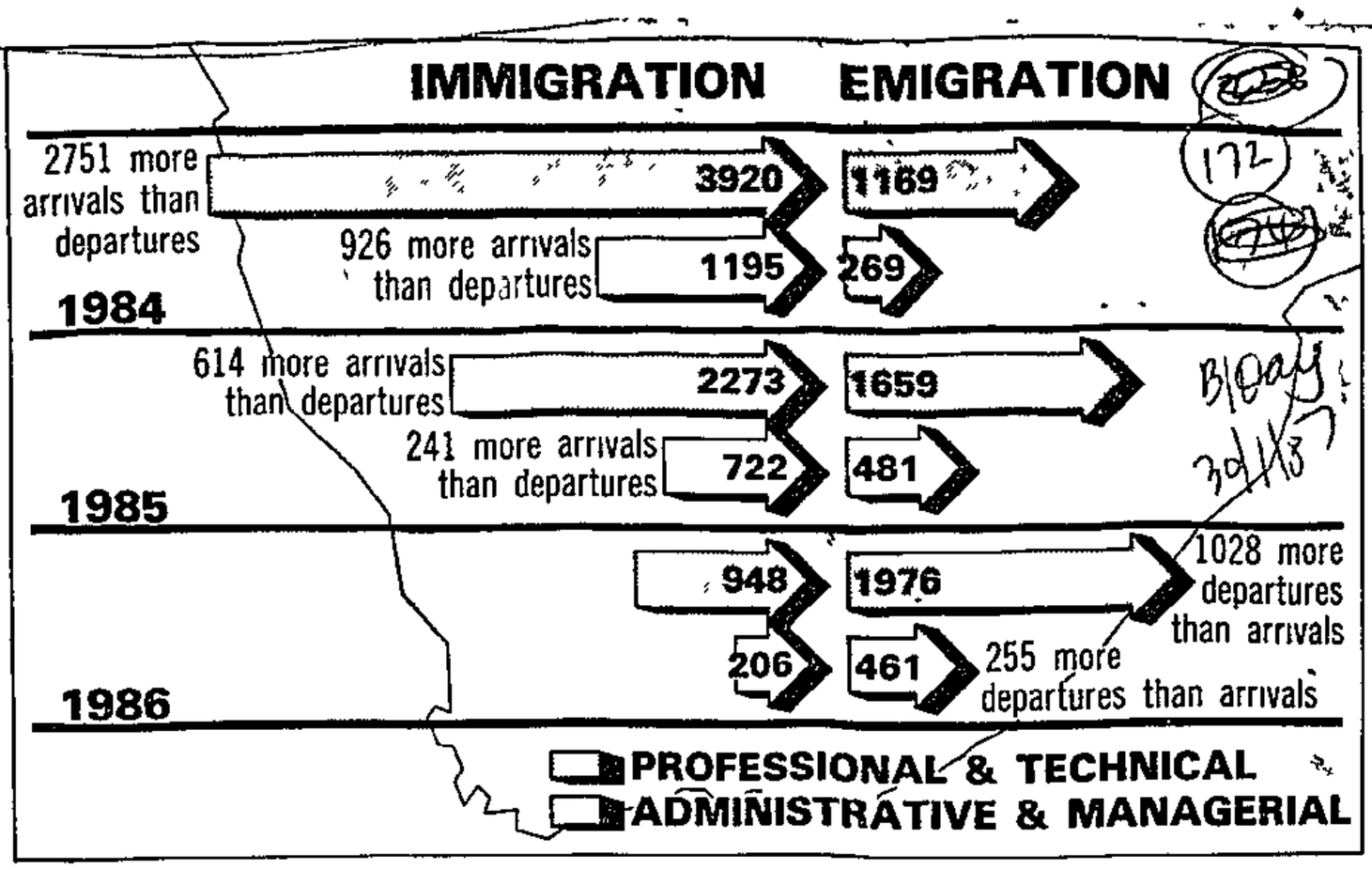
"There is a relatively low level of active recruiting from overseas, but we are now engaged in an aggressive move to market the opportunities that exist in SA by going abroad and making periodic visits to the UK and Europe," he says

With the economic and political environment in SA, persuading executives to come to SA requires a high degree of innovation.

"Local management must be persuaded to create innovative packages attractive to skilled people abroad Responsibility for the current brain drift away from SA cannot simply be laid at government's door — top management's apparent impotence to effectively communicate the reasons why managers should be staying must be a key factor," says Magennis

The opportunity factor is the message to the world about SA

He expects a mass emergence of small businessmen, particularly over the next five years, and believes this will give banks huge opportunities to service them financially



Co-director of Renwick International David Hutton-Wilson says: "The tremendous wealth of SA, coupled with the population explosion (there are 15-million blacks under the age of 15 in SA) and political reform, will lead to a potentially massive consumer-led growth and development in industry."

But the "selling" of SA is difficult because of the negative image created by media internationally and because executives consider it a high-risk country.

"Concern for family safety, future and job stability makes it difficult for young men to perceive a long career here And many skilled workers who would like to come to SA don't because of the South African Citizens Act," Magennis says

The Act says that any non-resident aged 25 or older who has been in SA for five or more years is eligible for compulsory military service

"People who come here want to build a career, but, essentially, the Act restricts them to only working here for five years. They don't have the depth of patriotism that long-term residents have. Military requirements must be looked at in terms of the shortage of skills in SA," says Magennis.

The rand's poor exchange rate against foreign currencies is another key factor deterring skilled immigrants

"Professional and technical salaries are low if converted to another currency Many of these staffers would prefer to be paid in a free monetary system so they can repatriate hard-earned money," Magennis says.



Overseas buyers scavenge for top SA

MANDY JEAN WOODS

SANCTIONS, negative media coverage, civil unrest and competition from abroad are keeping many immigrants from SA and sending many emigrants to rosier horizons

One of SA's leading management recruitment organisations, the Renwick Group, which specialises in executive search consultancy and advertising management staff selection, is concerned about the growing number of well qualified executives who have already left or are planning to leave the country, and the dwindling numbers of executives coming to live in SA.

Renwick CE Charles Rowlinson says. "The global headhunters are scavenging SA management, especially from the financial, computer and banking sectors Already they have recruited significant numbers of profit centre managers, including gilts and forex dealers, assurance and insurance entrepreneurs as well as chief executives."



☐ HUTTON-WILSON ☐ ROWLINSON ☐ MAGENNIS

Mike Steenfeldt Kristensen, assistant GM of Treasury for Barclays Bank, says the political and economic situation is affecting the importation of skilled labor

Merchant banking in particular is a highly specialised activity involving corporate finance, project finance, money markets, mergers, acquisitions and treasury. Critical shortages of qualified staff have led banks to pay highly to acquire and keep people from abroad, and increasingly, in SA.

Traditionally there has not been as much movement in the industry as has become the case during the past three years.

Factors affecting the import of skilled labour and movement of staff locally include the political and economic scenario, attraction to international markets and the world-wide demand for experienced, qualified people.

Steenfeldt Kristensen says: "In 1987, I think we will see a number of people changing jobs, especially within merchant banking locally because of the changing role of merchant banks, and the emergence of building societies into the banking world They will need to buy existing skills because it takes too long to train staff, and available skills are already a scarce resource

"Another factor is the political situation which has simply made the package to executive managers more unattractive and there are few takers. At the same time we are not losing too many merchant bankers from SA, packages are being made more attractive to retain their services"

Rowlinson says "Salaries are becoming a major attraction to South Africans as they begin to recognise international levels of remunerations — a fact which SA management is slow to accept."

Banking deregulations in London and Australia have created a highly competitive environment between banks, merchant banks, stockbrokers, money market dealers and commercial banks world-wide, and the demand has made it easy for local forex dealers to leave.

Rowlinson says "There are several ways to deal with this problem One is to convert skills, namely by taking someone with related skills and training them in finance This trend is occurring in SA on a small scale"

Renwick executive search director David Hutton-Wilson says "Another method is to try to recruit from the international market We are doing this and are finding a lot of interest, but not enough takers"

In the banking field, SA skills are highly rated The training given in SA merchant banks is considered to be of the highest order

Rowlinson says SA bankers are traditionally hard working, innovative, dedicated and competent individuals That's why they are vulnerable to the lure of big money in international markets at a young age

He says "At the lower level we are finding better quality people attracted to the industry In the old days, people who relied on instinct were attracted to merchant banking, but now it's the more qualified academic who is being attracted to the business"

Britain has always been a big source of skills but because of privatisation and the shortage of certain skilled workers, that labour source is drying up

A lot of international banks are coming to SA to find out about local skills Hutton-Wilson says SA is being seen as a source of highly skilled management staff

MBOs — established corporate feature

172

MANAGEMENT buy-outs (MBOs) are occuring at an ever-increasing speed, and it has become impossible to escape the impact of this phenomenon on the business scene.

At the start of the 1980s, the concept was virtually unheard of in SA At best, it was perceived as being the least desirable means of disposing of an ailing company. Today, the buy-out concept is becoming an established feature of corporate life

Andre Roux, assistant GM of Barclays National Merchant Bank, responsible for eight buy-out transactions in 1986, believes the MBO concept is emerging as one of the fastest growing alternatives to corporate ownership

He says: "Disinvestment has certainly given impetus to MBOs in SA — but the concept has extended to locally-owned companies, as demonstrated by the buy-outs of D & H Services and Industex."

31/1/87

Largely external

Roux differentiates between "real" MBOs where the financing is largely external — and "management give aways" where the financing is largely provided by the parent company.

He says "We are primarily concerned with the genuine MBO, where the parent company insists on a fair price and the major portion of the purchase price is paid upfront in cash."

The MBO phenomenon is not without its detractors. Certain parts of the financial community view with suspicion the large amounts of debt that the MBO company takes on and the subsequent vulnerability of such companies to interest rate rises.

Roux feels that provided the golden rules of buy-out finance are adhered to, namely: don't over-pay, don't gear the MBO company to excessive levels and don't compromise sound lending principles, these risks can be managed

"What is not sometimes appreciated is that companies are driven by management attitudes and not capital structures. In a transaction we completed at the start of 1986 — where the MBO company had more than 400% gearing on acquisition date — the gearing was reduced to 130% by December 1986 We anticipate that all buy-out finance for this transaction will be repaid by the second half of 1987 — more than three years ahead of schedule."

One of the secrets of this successful performance lay in the distribution of equity — which was spread among middle management as well as the executive team

Fairly lengthy

The MBO process is complicated and fairly lengthy. For the manager buyer, it is likely to be his first and only opportunity of entering into a transaction of this nature.

Obtaining finance, structuring the deal, as well as determining a fair purchase price can hold pitfalls for the management team. Roux says. "We see the choice of advisor or sponsor as being highly critical to the success of the transaction

"Consequently, the main characteristic the management team should look for in an advisor is credibility — have they got the expertise? What is their track record? And will they be able to raise the necessary finance?"

It would seem that management teams would be advised to look at sponsors who have resources and support teams to put the deal together within the time frame set by the seller, an understanding of the key success factors of the business and an investment capability to invest as principal and to syndicate the deal with outside investors.

B|Day 30/1/87

Management crisis looms in business

Finance Staff

South Africa is heading for a management crisis which could cause a sharp increase in business failures, warns Mr Nick Hough, marketing manager of Repfin

"Although the growth in small businesses is encouraging, many of these entrepeneurs tend to concentrate on their manufacturing and marketing needs, often overlooking the need for sound financial management Unless a business has top financial management skill and controls, it's chances of success are limited," says Mr Hough

Mr Hough was speaking at the launch of a new product by Repfin, a member of the Bankorp group and one of the country's leading factoring houses

He added that the projected growth in small businesses over the next two decades and the predicted shortage of financial management skills had led to his company developing a new business unit offering an advanced debtors management service

"Without doubt, the most valuable resource in businesss today is that of management time Too many managers get bogged down in administration control, trying to do something they are not experienced in and using valuable time which could well be applied more productively elsewhere in the business," he added

MANAGEMENT

Managing trouble at home and work

3/2/87/B/Day (172)

THE position of black managers in SA's racially divided society is ambiguous, to say the least.

Recently-appointed industrial relations adviser and Anglo American, Don Ncube, reported on the difficulties black managers faced in a University of Cape Town Graduate School of Business newsletter article, and in an interview with *Business Day*



□ NCUBE

On the one hand, he said, black managers were seen by their own communities as having moved to the bourgeois and elitest enemy camp, and were perceived as the middle-class element which would act as a bulwark between government and the black masses

On the other, some white colleagues saw them as a threat as they challenged the myth of white supremacy

And any incompetence on the black manager's part reinforced the racial stereotyping, while blacks saw the manager as merely a puppet

The latter tendency was compounded when the black manager was not given the same authority as his white counterpart

And the black manager was disadvantaged by the fact he generally did not mix with his peers on the golf course or at the club — the very social activities known to give rise to successful business dealings

As regards his own position, Ncube

ALAN FINE

said he was genuinely accepted as a fellow manager at Anglo head office. This, he believed, was based on the relationship built during his 14 years at the company.

What about his dealings with more conservative line management at Anglo's mines and industrial concerns? "Because I have shown myself to be competent they have had to accept me," he said But, he warned, it was not something achieved overnight.

Ncube seemed philosophical about his status in his home community in Soweto.

It goes without saying he is opposed to apartheid laws like the Group Areas Act and the disenfranchisement of SA's black population But he is not particularly concerned at being rejected by parts of it

"People should be free to live their lives as they choose. And they are entitled to reject those that choose different lifestyles — so long as they are clear about why they are doing so"

Ncube said he was able to interact as an equal with all strata of black society. And he related a suprising recent exchange with a group of young radicals, who were fascinated to discover how he had reached the position he has.

There might be some fears about the forms rejection takes today But "my greatest fear is failure as a manager, because that will be interpreted as a failure of black people," Ncube said.

Despite enormous obstacles, the process must start now if there is to be any chance of success

Black advancement race is on

172 24/2/87 Star

By the year 2000, experts say, South Africa will need to produce 210 000 executives and more than 1 million highly skilled managers and white-collar workers.

Blacks, coloureds and Indians will have to fill 74 000 new managerial posts and 901 000 skilled office and teaching posts

There are only 256 000 South Africans managing and administering the country and its businesses out of a total economically-active population of 8,7 million, according to the latest official population analysis

This analysis and others show that there are more than 33 workers for every manager or administrator, compared with ratios of about 6 1 in the United States and 8 1 in Europe

If the public sector in South Africa is omitted, the ratio rises to about 50 1

At present, only 10 802 blacks are officially listed as managers or administrators — less than 4 percent of all such workers.

'Racism is a matter of extreme naturalness to us whites.'

By contrast, some 60 percent of all economically-active South Africans are black

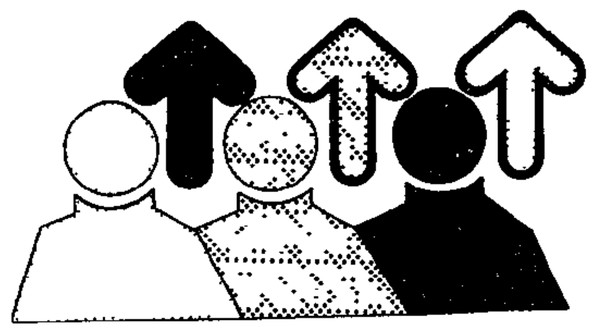
This means the ratio of all workers to black managers is currently about 820 1.

At the end of 1985 there were 56 264 white matriculants compared with 55 330 black, coloured and Asian matriculants By 1990 the projection is that there will be 62 954 white matriculants compared with 96 791 black, coloured and Asian matriculants

Out of sheer economic necessity, say the experts, the race is on for black advancement

Building for Tomorrow

Black advancement has become an economic necessity in South Africa: the key to success and survival for white management is to train black managers. Most companies admit not enough is being done; many say the job is not being tackled properly. In this series, Sheryl Raine examines the successes, the rewards and the mistakes as private enterprise prepares for the 1990s.



Leading personnel consultant Mr Mike Alfred says "I believe it is wrong to see blacks as the problem The problem lies in black/white interaction and as much work must be done with whites as with blacks if we are to find solutions

"South African businesses are as much representative of the national ethos as a braaivleis

"We take racism for granted, it's a matter of extreme naturalness to us whites Over the years we have developed a highly sophisticated set of rationalisations to prevent blacks from 'climbing the ladder' "

Whites accepted myths about other workers having

- No sense of time.
- No sense of technology
- No sense of achievement
- An inability to compete.

Mr Alfred believes, like many others, that the approach should be not so much "black development" as development of the business organisation as a whole

There are encouraging signs that the advancement of all employees is becoming an important aspect of company planning

Although company task forces, academics and researchers say black advancement cannot occur unless there is radical socio-political change in South Africa, the experts agree the process has to start now if there is to be any chance of winning the race

The obstacles along the way, however, are enormous

Number one on the list of problems is the generally poor quality of black education

It is not only in the formal educational structure that deficiencies abound In the informal and non-formal educational environment, childhood deprivation is the rule rather than the exception in most black townships This in turn, can impede child development and success at school

For example, just 4 percent of all pre-school children in Soweto attend creches while 17 500 pre-schoolers are left with childminders

Many companies have found themselves trying to compensate for decades of educational shortcomings in the space of a few years

Socio-cultural differences between westernised whites and aspirant black employees affect performance and advancement in the workplace

White resistance to black advancement and the realities of "white backlash" are other rocks on the road to success

There are also a host of legal constraints which kill black entrepreneurship and the very qualities which need to be nurtured to enable black employees to compete on an equal footing

Inside organisations themselves, despite top-level commitment to equal opportunity and black advancement programmes, managerial inertia at lower levels often sabotages such projects and results in confidence-shattering experiences for black employees trying to progress

Political and social pressure not to co-operate with the capitalist system, which has become increasingly associated with white rule in South Africa, as well as black employee disinclination and lack of assertiveness, are other obstacles which companies bemoan

It is little wonder that leading researchers in the field of black advancement, such as Dr Linda Human of the Wits Graduate School of Business, Professor Karl Hofmeyer of the Unisa School of Business Leadership and Mr Roy Smollan, lecturer at the Mangosuthu Technikon in kwaZulu, find that almost any study on the subject of black advancement turns up results which highlight an almost ubiquitous underperformance among black managers

'Managerial inertia at lower levels often sabotages equal opportunity programmes.'

But these experts have also discovered certain keys which, if used correctly, could open the right doors to admit blacks to the hallowed corridors of real economic power, corridors which have been the preserve of white males for centuries

Apart from the many multinationals which have had to comply with employment codes to ensure equal opportunities, some South African firms have started to implement equal opportunity programmes Others have only got to the "corporate intent" stage Still others are embarrassed to say they have done nothing at all

THURSDAY: The bank with an impressive record in black advancement

Expected Number of Matriculants

	White	African	Coloured	Asian	Total
1985	56 264	37 130	8 306	9 894	111 594
1990	62 954	71 937	11 948	12 906	159 745
1995	52 422	123 835	15 001	12 825	204 083
2000	54 520	186 922	19 392	14 439	275 273

Source: Manpower and Management Foundation (1983)

Special project

Working life in South Africa is being revolutionised and never before has equal job opportunity been such a key issue

The Institute of Personnel Management (IPM), recognising that the introduction of equal opportunity in the workplace will be its most pressing concern for the next five years, has launched a special project to help companies cope with the changes which lie ahead.

Mr Wilhelm Crous, executive director of the IPM, said although the advancement of people hitherto discriminated against, such as women and blacks, could be justified for practical reasons alone, there was a clear moral issue involved in South Africa

All available statistics made it clear that the South African employer needed to develop worker skills, but because of the country's socio-political climate, additional pressure was placed on business to compensate for the inequities of the past

Mr Crous said the IPMs equal opportunity project entailed:

- **Establishing a blueprint which was flexible enough to be applied to a wide variety of management styles**
- **Creating and maintaining a comprehensive data base of information on methods, results and limiting factors in implementing equal employment opportunity programmes.**
- **Co-ordinating effors by various companies and organisations involved in the field**
- **Seminars and workhops for line managers, human resources practitioners and senior executives. The first seminar will be held in June**
- **Research into factors which hamper black advancement such as education.**
- **"The institute is an effective agent for change and reform as its 7 000 members, most of them practising personnel managers, are drawn from most area of the economy," said Mr Crous**

Human resource failings

5/T/13/87
172

HUMAN resource practitioners are neglecting some important areas of their profession, says the National Productivity Institute

In particular they

- Rely too much on off-the-job courses as a means of improving job performance when there is evidence regarding the scale of the problem of transferring learning to a job situation
- Do not review often enough the content of their training courses to match the speed of environmental change
- Do not adequately define learning needs associated with excellent performance, but rely too much on non-customised packages
- Are not often associated with organisational design, and therefore with the need for more flexible organisation structures
- Rarely realise that the cost of training and development is an investment in performance improvement Hardly any training programme can be clearly linked to performance improvement Still less are the benefits matched against training costs

MANAGEMENT & MANPOWER

Politics impact on SA management

MANDY JEAN WOODS

IT IS a regrettable reality that skilled managers from abroad are turning down jobs in SA because of the political climate, and also because of the impact the devalued rand is having on SA salaries.

SA is losing an average of three highly trained professional people every day of the year. Most business people are aware of this picture, and salary comparisons merely bring another perspective to the broad picture, says Hay Management Consultants MD Ib Ravnsborg.

SA has traditionally recruited skills from Europe using high salaries, job progression and sunshine as the lures. But the current SA salary positions lack competitiveness, he says.

"The impact of the fluctuating exchange rate has had a devastating effect on the ability of South Africans to buy goods compared with counterparts in other countries," he says.

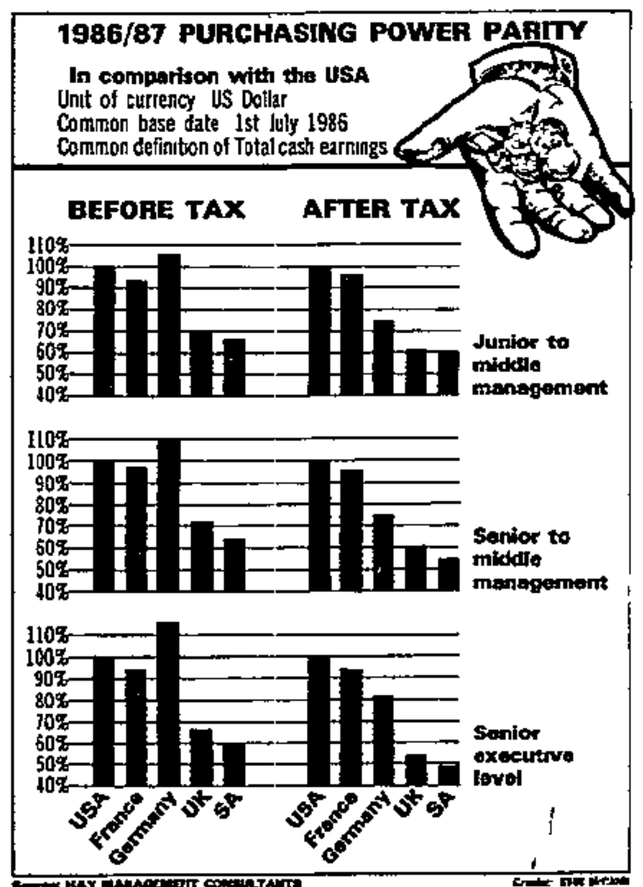
Because exchange rates are a poor measure of the comparative value of money, the European Organisation for Economic Co-operation and Development developed money value comparison system based on purchasing power parity (PPP)

"PPPs show how many units of currency are needed in one country to buy the same amount of goods and services as one dollar in the US. the change in PPPs from one year to the next between any pair of countries is determined by the relative rates of inflation in the two countries," says Ravnsborg.

SA executive salary increases have not kept pace with inflation. In effect, executives in SA are worse off than they were a few years ago; their standard of living in SA has dropped, says PE Remuneration Service manager of salary surveys Naomi Brehm

Local executives currently earn an average of 40% to 50% less than most of their European counterparts in terms of PPP. West Germany and France now dominate the world in executive pay PPP, she says.

"Good executives are highly mobile globally and will move to what they view as favourable jobs if they are able to maintain or improve their standards of living," she says



The top five US executives earn $12,7m, $11,426m, $8,431m, $6m, and $4,756m The top five UK executives earn £883 000, £542,000, £449 000, £410 000, £392 000

The situation that has developed in SA over the past two years can be attributed to the high inflation rate and the heavy tax burden, says Brehm

"The effect on the SA pocket has been disastrous we have lost vital management skills overseas where prospects appear brighter In return it has become far more difficult for us to recruit people from abroad. This seriously impacts on productivity and the way in which companies in SA are being run," she says

"Companies are doing nothing overt to try and remedy the problem. Usually they try to provide more favourable circumstances to attract multinationals But since companies have gone through a recession themselves they don't have the money to provide fancy fringe benefits The result is that there are fewer and fewer multinational managers"

SA will continue to hold a mass of real opportunities for skilled management at all levels, but these opportunities will have to be aggressively marketed through a sensitive, well thought-through plan, professionally presented, because the reality is that SA business needs these additional skills to grow and prosper.

[illegible]	250 000	275 000	50 000	350 000	60 000	1 000 000
TOTAL COST	**274 900**	**306 900**	**77 900**	**407 900**	**92 900**	**1 081 650**

MANPOWER MIRROR by LYN SMERCZACK

The GM could cost R1m to replace

THE results of a survey into the costs of replacing key executives and specialist personnel shows the need for companies to retain high-level employees

For instance, the survey arrives at a cost of more than R1-million for replacing a general manager responsible for a R75-million turnover

A departing marketing manager could set the company back more than R306 000 in the long term

The figures are averages of company estimates, says Sydney Clinton, chairman of Paul Tingley Selection, which conducted the survey

He says "PTS took a cross-section of jobs that would be found in most companies and asked the participants to indicate their most conservative estimates

"The figures do not show imponderables such as the loss of goodwill for, say, a salesman with excellent contacts or the cost of repeat advertising if efforts to replace the staff member are not immediately successful

"Such costs, properly estimated, would probably inflate our figures

"The results also stress the importance of good selection in the first instance"

He says South Africa's loss of professional and technically qualified people is causing companies to consider offering attractive contracts to workers from abroad

There are tentative signs that this approach is working

Mr Clinton says "There is no longer the voluntary flow of immigrants of the volume experienced in previous years But the Government reports a small but steady stream of applicants, despite our bad press abroad

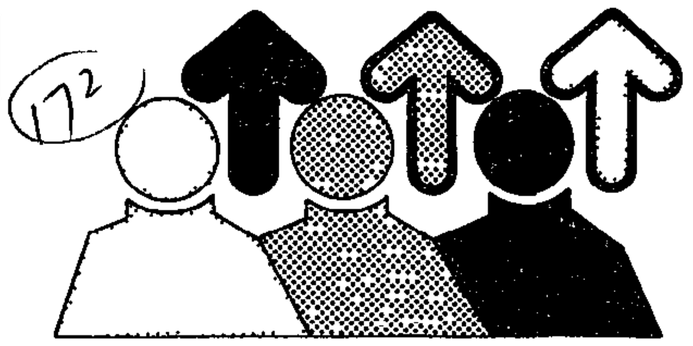
"There is still the problem of chronic unemployment in Britain and many job seekers are willing to move where career development opportunities exist We expect overseas recruiting to be stepped up as the economy improves"

Mr Clinton says SA companies should explore foreign markets for manpower to counter present losses

Scientific programme helps Mobil ensure a fair deal for all

Building for Tomorrow

Mobil Oil has tackled its management development programme as scientifically as if it were planning a new oil refinery. Companies about to embark on equal job opportunity programmes would do well to emulate this approach. SHERYL RAINE looks at the Mobil story in the final article in the "Building for Tomorrow" series.



Mobil Oil, which has about 3 000 employees of all races, has a highly structured and holistic approach to equal opportunity and its programmes are as scientific as possible.

"In 1972 the company was restructured so that theoretically a black labourer could become chairman," explains Mr Mel Palmer, a civil engineer who speaks Xhosa and who is an assistant to the chairman in charge of management development

"In retrospect, I see the biggest difference between our policy then and that adapted now is that we treated everyone equally then and now we ensure that everyone has equal opportunity. There is a fundamental difference between the two. When you treat people equally you make no differentiation between them and take no cognisance of their different backgrounds"

Today Mobil believes in equal opportunity with unequal effort on the part of the company Today the company does not hire skills It hires people with specific attributes to suit the jobs it has clearly defined and then trains them in the skills needed.

Today Mobil believes in equal opportunity with unequal effort on the part of the company.

"People from disadvantaged backgrounds, white or black, need additional effort on the part of the company to ensure that they have truly equal opportunity," says Mr Palmer.

"Our prime objective is to get people of all races into senior management and to do this we have a comprehensive Management Development Programme While the emphasis may be on getting black people into the company there is no neglect of other groups

"We examined Mobil and found that 91 percent of our upper-middle management structure was white, 3 percent Asian, 2 percent black and 4 percent coloured. We were unhappy about that and decided to change it. Crucial areas that needed addressing were identified, including

- Company policy and environment

"One has to ensure that there is no overt discrimination. One can accept that because company policy is based on Western norms it automatically discriminates against those who do not subscribe to those norms. It will take many years for these policies to become totally South African to accommodate all people

- Poor understanding of the free enterprise system which impacts deeply on black employees coming into the company
- Effects of education and socialisation on cognitive development

"People are innately identical but their educational, social and cultural experiences make them what they are.

- Conflict between cultural values and the Western business value system

"There is a powerful example of what I'm talking about Mobil was involved in building a refinery in Saudi Arabia. Safety is very important in such operations and the company erected safety signs The next thing we knew we had a strike on our hands

"Workers said safety was Allah's business and had nothing to do with Mobil Oil What we had was a severe clash of values. This example points to a lot of other areas where values clash.

"We need to identify where these clashes take place and adapt the organisation to allow people to develop what will becomeSouth African norms

"If businesses don'tdo that and if they prescribe just Western norms, they cannot survive These norms have to evolve with al cultures contributing"

- Socialisation of employees within the company

Mobil has its own culture and to advance, employees must be assimilated into the corporation It is a high-tech business which strives for excellence. Standards are high and discipline a priority Neither standards nor discipline can be diluted due to the potentially dangerous products Mobil handles Training and management stadards are important and there is enormous investment in training.

While the emphasis may be on getting black people into the company there is no neglect of other groups.

"There is no quick fix Our objective is to ensure that there is an adequate supply of suitable competent candidates and representives of all South African population groups to meet the needs of the company," says Mr Palmer

"We have set realistic targets in conjunction with the managers who must meet them in the various departments."

Mobil believes that the keys to success include line management acceptance and implementation of the management development programme and constant monitoring by the company's review board which is made up of the chairman, two deputy chairmen and Mr Palmer

Employees develop in line positions and there is no diminishing of jobs to accommodate trainees.

Training is scientific, structured and a full training-needs analysis is done for every individual. Theory is taught in such a way that it is integrated into performance on the job

"There is no quick fix."

"This is time-consuming but it works," says Mr Palmer.

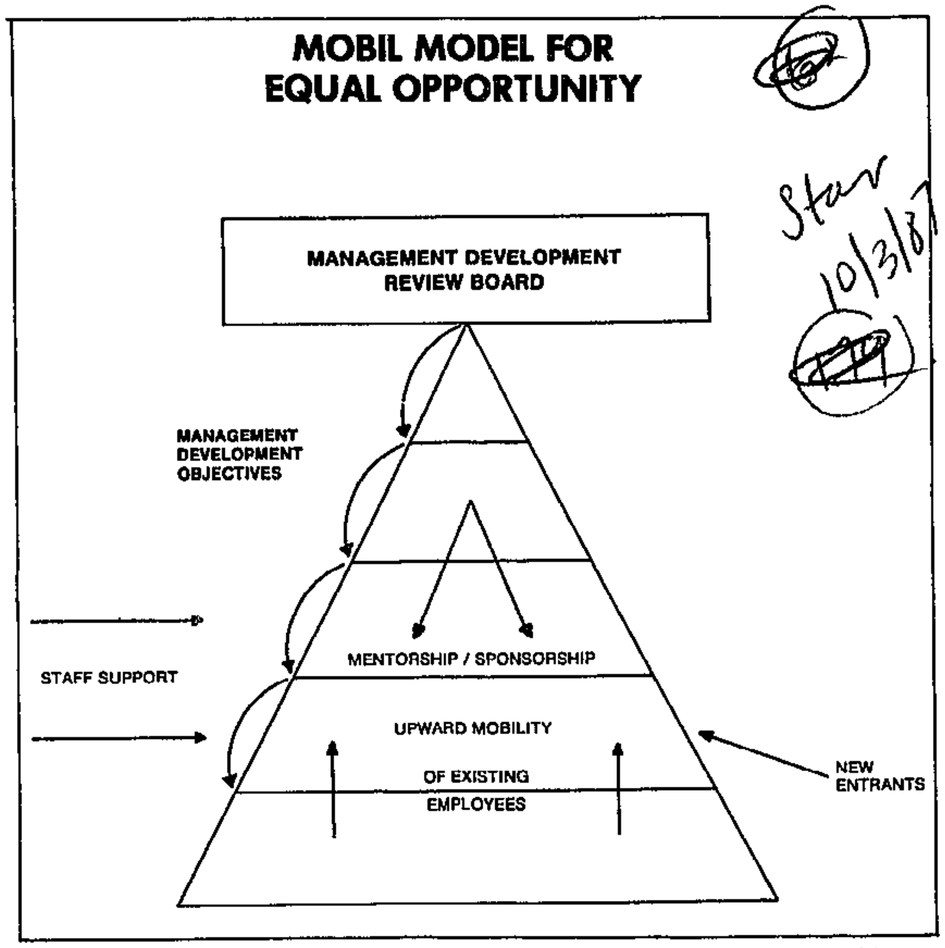
The company devotes considerable time, effort and application of the most advanced learning methods to develop an employee's ability to think

"Through detailed assessments and interviews we can identify cognitive deficiencies, get the employee to recognise them and improve"

Strict objectives are set by and for trainees who continue learning on the job There is considerable emphasis on formal mentorship, feedback and rewarding the success of trainees as well as mentors

Another vital element in Mobil's total approach is a data bank of more than 420 identified potential achievers within the organisation Their details are recorded on computer, possible career paths plotted and training strategies mapped with consultation

"Roughly one third of these achievers are not white There is no appointment made in Mobil today that does not come through this system and it ensures that no one is overlooked"



Mobil's management development programme is closely monitored by a review board headed by the company's chairman. Mentorship and sponsorship are key components of the programme which aims to promote upward mobility for existing staff and new entrants to the company. Mobil ensures that line management is responsible for the programme with staff support.

MANPOWER MIRROR by WILHELM CROUS

Black advancement vital for 'new SA'

THE creation of equal employment opportunities (EEO) which also refers to black advancement and in certain cases, to affirmative action, is most probably one of the most widely discussed issues at the moment in organisations

But we can show little movement in setting up a work-force mix, up to the highest level of the firm, which is representative of South Africa as a whole

Critical

Although general market forces will form a natural black advancement process, because of previous discriminatory practices and the inferior education system among others, the process is far too slow and a great deal of catching up needs to be done

It has become critical for the organisation's growth — even survival — to act *now* and engage in EEO programmes The need for this urgency results from

- ☐ It is morally wrong to discriminate on the bases of skin colour, sex, handicaps, etc
- ☐ The supply of white labour is proportionately decreasing and with low immigration and high emigration we certainly have a net decrease of white labour skills
- ☐ Organisations in South Africa are operating in a market which is increasingly becoming black, and in order to do it effectively this trend should also be reflected in the human resources mix of the organisation
- ☐ Lastly, through organised commerce, businessmen individually and collectively are urging and lobbying the Government to draw blacks into the highest decision-making forum of the country. However, in business in general blacks are still badly represented at management and supervisory levels

Strategic

The creation of equal employment opportunities and black advancement in particular does not stop after a black has been appointed to the board of the company It is a programme which should be part and parcel of the organisation's strategic plan, with active top management support

Goals, objectives and policies should be developed to implement the programme and to eliminate all discriminatory practices

It is commonly held in the human resources and personnel field that greater attention should be paid to the possibility of restructuring the organisation — and jobs

Attitudes

Where possible companies should cater for the aspirations, needs and preferences of all the employees Aspects such as training and development, mentorship, communication and overcoming resistance to these programmes should be addressed

Judging by the attitudes of the Institute of Personnel Management's members, there is no doubt that the larger organisations in SA are taking the lead in black advancement This is not to say that small companies are less enlightened or pragmatic when it comes to skills, but they usually do not have the formalised manpower programmes of large organisations

In addition, the successful implementation of these goals is severely hampered by the lack of normal socialisation opportunities These are entrenched by legislation, but also by attitudes in the company itself

People are referring to a new South Africa without racial discrimination The question is Is your organisations ready for it?



Wilhelm Crous . executive director of the Institute of Personnel Management

BUSINESS

ARGUS 6/4/87

ECONOMY

172

Salaries of top executives rise

From MAGNUS HEYSTEK

JOHANNESBURG — After a period of nearly five years during which renumeration showed a marked decline in real terms, salaries of chief executives are now once again on the move and closing the gap with inflation

According to the latest survey on executive renumeration recently completed by PE Corporate Services, companies have indicated that they will increase executive salaries this year on average by more than 14 percent

"We are still getting poorer — though now at a slower pace," says Miss Naomi Brehm, who headed the survey

For long-suffering executives, who witnessed a steady erosion of their purchasing power from 1982 to 1986, this is still good news It is also a reflection of increased profitability in the corporate sector which now enables large companies to start passing down these benefits

An analysis of actual increases in average basic salaries from July last year to the end of last month, show that financial, manufacturing and data processing executives were granted the highest increases at 11,5 percent, 11,0 percent and 11,1 percent respectively

Lower down the list were personnel executives (plus 9,3 percent), marketing executives (plus 6,2 percent) and chief executives (plus 6,1 percent)

While the average basic salaries in the 11 classes of executive categories surveyed increased by 7,2 percent in the nine-month period to end March this year, the average total cost of employment showed a higher increase, namely 7,9 percent

This reflects the current concern with improving the aftertax effectiveness of top executive's packages through the introduction of non-cash benefits, says Miss Brehm

The assistant chief executive received the lowest increase of all executives if the total cost of employment is used (6 percent), followed by the sales executive (6,1 percent) Once again the financial executive received the highest increase in the total cost of employment (12 percent), followed by the manufacturing executive (10,5 percent)

An analysis of the cumulative salary increases since July 1979 makes for interesting reading

Starting from that time and placing salary increases and the increases in the consumer price index (CPI) on the same scale starting with 100, it shows that executives were well ahead of the increase in the CPI until July 1984

From that time on,the CPI started showing larger annual increases with the CPI index now standing at 281,1 (July 1979 — 100) and salaries on 269,8

17 plaques, eight special men-

36 percent of companies change chief executives

D/T Argus 18/5/87 .172

From MALCOLM FOTHERGILL

JOHANNESBURG — More than a third — 36 percent — of South Africa's companies changed some of their chief executives during 1986

Replacing the men cost the companies a combined total of millions of rands.

Most of those who were dismissed or retrenched, or who decided to move to greener pastures, were personnel executives (14 percent)

They were closely followed by sales executives (13 percent), assistant chief executives (13 percent) and marketing executives (11 percent).

The turnover rate among chief executives was eight percent

The cost of replacing executives whose jobs were not destroyed by rationalisation was frequently horrendous, says P E Corporate Services' Remuneration Division

A finance executive, for instance, can cost R24 000 or more to replace.

PE's salary surveys manager, Ms Naomi Brehm, says that as organisations streamlined their structures in 1986 many incumbents of "superfluous" posts were encouraged to leave

Many of the marketing men who left had been enticed away by more lucrative offers from companies preparing for an upswing

However, 13 percent of them were dismissed outright, as were 14 percent of the chief executives, 15 percent of the assistant chief executives and 18 percent of the finance/administration executives who moved

Only four percent of the men were formally retrenched, against 57 percent who left voluntarily and 26 percent who left for other reasons which might have included genuine retirement, ill health or death

As Ms Brehm points out, this figure could also hide early or even forced retirement

Research finds many don't care

28/6/87 ST

DO South Afrian companies really care? Are they concerned at all about social issues?

When a chairman speaks about his company's concern for its employees, for the community and for the ecology, how much of it is corporate window dressing and how much of it is the truth?

Walter Murton, of the University of the Witwatersrand, has conducted research on the Witwatersrand since 1979 to try to find answers to these questions and to discover whether companies do have social consciences

Dr Murton questioned 220 managers and directors of medium and large companies He asked questions about the support which companies gave to community projects, about their attitudes to employees and about the kind of help which they could give to Government-inspired social schemes

Art gallery

The questions were devised by Dr C F Wagenaar who in 1979 was working in the area of social responsibility at the Rand Afrikaans University

The research of 1979 showed that companies cared little about all kinds of issues in social responsibility, though there were (and presumably still are) some exceptions In essence, companies were lukewarm about things such as providing money for parks or for extending an art gallery or assisting civic projects

They displayed a lack of interest in assisting government-inspired schemes These might include black housing, the electrification of townships or the installation of piped water to townships Companies believed that the Government was better equipped than they were to solve social problems

So far as their workers were concerned, companies did not consider it their duty to make work more interesting Nor was worker participation in making decisions thought to be really necesary

The Japanese commercial miracle, of which the work force and its ideas had been powerful ingredients, appeared to have made no impact

Although the employee was not to be allowed to assume too much importance in the work place, there were indications that companies thought that they should assume some responsibility for the dependants of their employees Cynics might see some management self-interest here After all, directors and managers are also employees

Marginally

Towards the end of 1986, Dr Murton repeated the 1979 research Managers (not the same ones) were again asked about their companies' social consciences The results of the research showed that attitudes had improved, but only marginally

Companies were still uninterested in assisting community projects Nor did they feel any greater responsibility to their employees, except that workers should be allowed more participation in management decisions

Dr Murton says "By 1986 things were only a little better than 1979 in the realm of companies' social consciences One is tempted to ask whether these consciences will be pricked by the flood of stories of misery which now occupy a lot of space in our magazines and newspapers

"Perhaps companies think 'all of this is none of our business' and that social issues need not concern them"

Managers and directors were asked what *did* concern them when corporate decisions were made Dr Murton says they were given a list of people (and groups of people) who might be expected to be considered when companies were proposing projects or when they were formulating plans for the following year.

The list included white employees, black employees, black trade unions, white trade unions, the community, the works committees, the Government, suppliers, shareholders, competitors, customers and creditors

Managers and directors were asked to place the most important group in their estimation at the top of the list and then to rank them in order of importance

Backgrounds

What came top? The customers — and the community ranked last

Another group which did not fare too well either was that of black employees They were listed ninth in order of importance on the list of 12 groups Behind them trailed the black and white trade unions and the community

It was interesting to look at the backgrounds of the managers who replied to the questions in 1986 About 28% of them were immigrants, 3% were women, 79% were English-speaking, 12% were Afrikaans-speaking and the remainder used Zulu, Tswana, Dutch, Italian, Spanish or German as their primary language.

Established

It appears to be a part of South African folklore that the English-speaking community is more "liberal" in its attitudes and perhaps displays a greater benevolence than other language groups

However Dr Murton contends that research casts doubts on the social conscience of the English-speaker as a company man

The research indicated that companies on the Witwatersrand do not really care

One word of caution, though If the research had been limited to the large, established companies on the Witwatersrand, says Dr Murton the results — probably — would have been different

Regardless of any limitations, the research is continuing and perhaps later results will bring more cheering news

his supporters hoped would end and other Socialist leaders have to zil — Sapa-Reuter

Conservatism too deeply entrenched to budge

SA business unlikely to lead moves for change — consultant

172

29/6/87 Business Day

BUSINESS in SA is unlikely to become the spearhead for political and social change because it is essentially conservative and operates in a conservative environment

That is the opinion of manpower consultant Mike Alfred, who recently completed a report on managing business in times of political turbulence

It is possible, however, business's role could evolve as a middleman in a free market socialist system, he says

Information gathered from senior executives in the pharmaceutical, chemical, engineering, and retail industries, he says, indicates business is least likely to initiate change because

☐ It does not speak with a coherent voice despite the outspokenness of some prominent executives,

MANDY JEAN WOODS

☐ There is no uniformity in its political strategy, goals and leadership,

☐ It is generally not willing to change,

☐ There is a lot of malicious compliance, even though some executives publicly support equal opportunities and social reform, and

☐ The task of labour relations is becoming more difficult because workers are increasing their demands, so the inclination to spearhead change is not gaining much ground

"There are a few SA companies that are making great strides in initiating change — Cashbuild is one for example And there are other more traditionally structured companies, like Ergo, AECI and Afrox — which are doing tremendous work in developing a model for a future SA," he says

"A lot of petty apartheid in business has been changed, but some companies are dragging their feet in implementing such change"

Alfred says the future role of business lies in what he calls a free market socialist system

"Capitalism and socialism are not necessarily mutually exclusive I think companies could well become a middle ground for the growth of what might be called free market socialism

"This will give employees a greater stake in the company and also offer them better employment opportunities It will also be a situation where management and employees will not be racially divided"

● See Page 12

Plan ahead for changes in SA

LOCAL management must quickly identify trends influencing their businesses in order to progress safely through the turbulence caused by a changing environment.

Managers must plan now for fundamental changes which are already occurring in SA, says Mike Perry, marketing consulant of Perry & Associates A company can avoid becoming a victim of change by perceiving and measuring such change and then matching its corporate strategy with the level of change, Perry said

The six major areas of change influencing the SA business environment, he said, are disinvestment, sanctions, new Competition Board regulations, industrial unrest, an erratic economy and technology

□ DISINVESTMENT this is being internalised into political systems abroad, said Perry For example, the 1988 US presidential race is unlikely to have a candidate not supporting disinvestment to some degree

"When the comprehensive US Anti-Apartheid Act comes up for review in August or September this year, it could result in further debate and media exposure on SA, and again raise the question of disinvestment for multinationals still in SA," he said

Locally, decision-making is quicker and freer in what was the multinational component of new operations US companies also have much stronger management systems than their SA counterparts, because they have to replicate their business in many countries

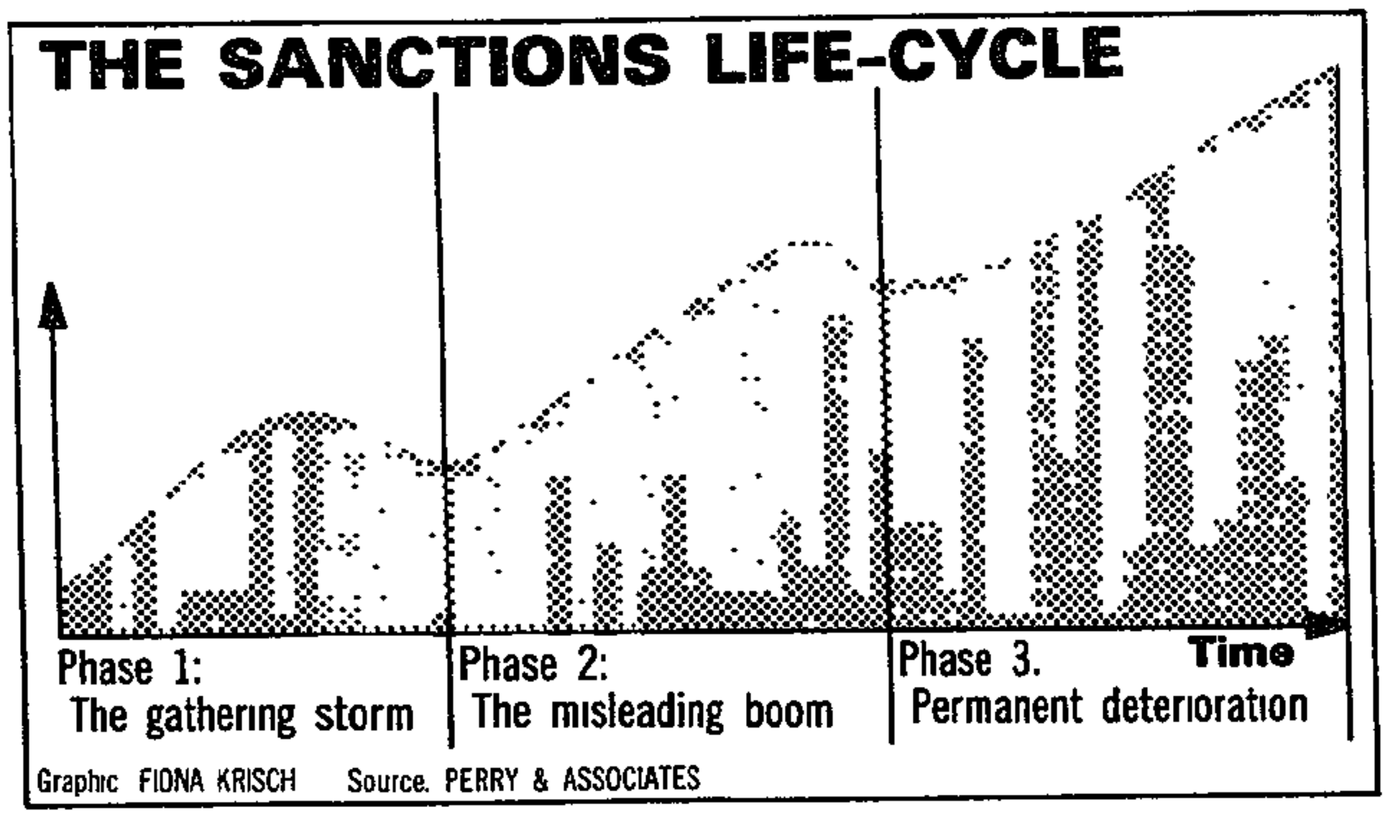
"A company can end up with less heads running bigger businesses Also, a lot of well-trained managers with international experience come with subsidiaries of multi-national companies"

□ SANCTIONS managers should keep track of where SA is on the sanctions life cycle and plan ahead accordingly The effectiveness of sanctions and its subsequent impact on business evolves over time in three phases

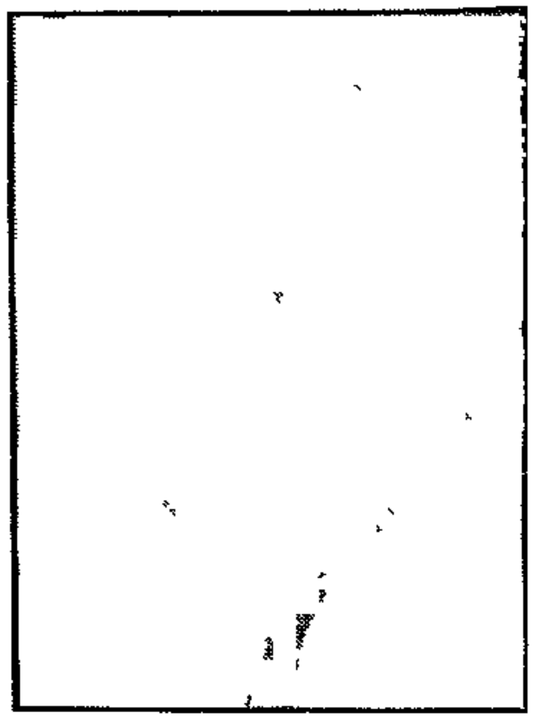
The "gathering storm" (where SA is at now) is identified by import substitution, export product and market diversification, import exchange controls and resourcing of supplies

The "misleading boom" phase is identified by a growing domestic economy, job creating, increased taxes, accelerating inflation and shortages of capital

The final phase — "permanent deterioration" — is identified by attritional impact of sanctions, increasing impact of security, deteriorating fiscal position, acute capital shortages, increasing emigration and high inflation



Graphic FIONA KRISCH Source. PERRY & ASSOCIATES



□ PERRY ... "new strategies require new strengths"

MANDY JEAN WOODS

□ COMPETITION BOARD REGULATIONS new rulings imposed since May 1986 could affect businesses by directly governing the behaviour of competition, by increasing the possibility that buyers will precipitate action through lodging complaints with the Competition Board, by weakening the barriers to entry into certain industries, resulting in more new competition, and by influencing the attitudes of other regulators.

"If the nature of the competition is going to change, make it change in your favour. New strategies require new strengths, including training managers and salesmen to live in a tougher, more competitive environment," Perry said.

□ INDUSTRIAl RELATIONS. management can expect to be attacked on several fronts Marketing strategies cannot ignore the potential impact of industrial unrest In the past two years there has been a dramatic change in the distribution of goods to the black consumer

Cash and carry wholesalers, with an informal distribution system, are growing at a rate twice that of traditional supermarkets.

□ ECONOMY it is increasingly important for companies to get good advice on the state of the economy Business must closely track trends which affect their industry Companies with strong black consumer profiles are doing extremely well, some companies are showing a 40% to 50% per annum growth Companies with white consumer profiles are battling to show any growth at all.

Businesses must learn to manage in a stop/go economy by keeping a small staff and buying expertise from the outside on a short-term basis, said Perry

□ TECHNOLOGY· business leaders in technology were established before the collapse of the rand, therefore it is generally more expensive for technology followers to try and catch up than for the leaders to stay ahead

This, combined with sanctions and disinvestment, may keep leaders well ahead, so companies will have to find new ways to be competitive Money spent trying to play "catch-up" might best be spent in advertising and market developments

While change creates opportunity, it also demands innovation. "Some SA businesses are already benefiting from the challenges of change, but it requires bold management action to make the most of the kinds of change we are seeing," said Perry

THE ECONOMY

The place is glitzy Sun City. But the talk is earnest politics

Amid the glitter of Sun City, personnel managers meet to talk about the future. And it proves to be worried talk indeed. By HILARY JOFFE

SOUTH AFRICA'S managers are pre-occupied with the problems of change and how business should respond to a changing environment, if this week's 31st annual convention of the Institute for Personnel Management at Sun City, Bophuthatwana, is anything to go by.

What is said at the annual get-togethers of professional associations can't necessarily be taken as an accurate reflection of what's happening on the factory floor or in the office, but it does provide a map of new and innovative thinking in the profession

Both the opening and closing addresses reflected the preoccuption with change Opening the conference, Dr Cornelis Human, chairman of Federale Volksbeleggings Beperk, talked about the role of personnel practitioners as "change agents in this momentum towards a new South Africa" He said the work ethic should be encouraged, as should an "equitable dispensation of equal opportunities for all the people of this land to share in the benefits and wealth of a free market, democratic society" He argued for the need to promote black entrepreneurship and advance small business And he encouraged a "participative management culture', appropriate training and adequate pay, based on performance

And at the end, Barlow Rand chief executive Warren Clewlow told delegates "The choices now being made will determine whether South Africa participates in the prosperity of the Nineties or whether it joins the beggar nations of the world. You as human resources managers have a vital role to play in this transformation process"

Clewlow told *Weekly Mail* that training, ensuring opportunity and removing obstacles to advancement were priorities for human resources in his company. "It's no good saying legislation is a barrier, we've got to train people and open up a vista for training over a broad section of jobs."

Personnel managers have in the past tended to be the cinderellas of the business world. Since their contribution to the bottom line is not precisely quantifiable, they've often had to justify their existence. Some of the keynote speakers at this conference argued the personnel profession no longer needed to apologise for itself But they do seem to spend a lot of time pointing out the profession's contribution to company profitability.

Part of this, and a result of the broader role these managers now play, is that the "personnel" function in many companies has become "human resources" — people are what the company's about, they're resources as vital as raw materials or machines They should be made profitable too

The need to increase workplace productivity, and strategies to achieve this, were themes in many of the papers A new trend is the argument that some form of worker participation, and greater "upward communication" as opposed to top-down management, are part of a solution to the problem.

And if there was a single predominant theme at the convention, it was training. Several papers dealt with strategies for management training and appraisal. A central argument was that the long term profitability and survival of South African business depended on black advancement into managerial positions Skills training for workers was also seen as essential for productivity and profitability

Some of the papers treated these as technical problems but others set these issues more explicitly in political and economic context.

But there were a number of elements missing from the convention First, there was no sense of lively debate, at least on a formal level With a couple of exceptions, it was the one-speaker-one-session format If there were clashing perspectives among the speakers, these were not aired in formal sessions.

Second — there's lots of talk of black advancement But there weren't many black faces among the delegates IPM director Wilhelm Crous noted this fact and said he hoped IPM conventions of the future would reflect more accurately the composition of the South African population

And third — there was a strangely top-down atmosphere about it all, despite the talk of "participative management" and the need for upward communication' and for consultation with trade union and black community leaders

Some delegates in informal chat said they would like to have heard about trade unions from unionists. Congress of South African Trade Unions general secretary Jay Naidoo

Breweries man rebukes no-credibility programmes

Corporate social responsibility programmes came under critical scrutiny at the Institute of Personnel Managers convention this week. By HILARY JOFFE

COMPANIES spend hundreds of millions of rands on social responsibility programmes but these have lost credibility and support in the black community.

"CSR is implemented in such a way as to preserve and perpetuate the *status quo* by, for instance, supporting racially segregated schools, technikons and universities and developing racially segregated residential areas," SA Breweries Projects Officer Bhekokuhle Sibiya argued. "Under these conditions should one blame the black community for claiming corporate complicity with apartheid?"

He urged companies to base CSR on "the conversion and conviction of the top managers of the need for real involvement in community problems" rather than directing it into cosmetic measures designed to alleviate the "unacceptable face of capitalism"

He emphasised that companies should consider first their roles as employers, paying a living wage so that employees could afford nutritional food, education and housing.

Sibiya was particularly critical of the black advancement strategies of some companies "Quite a few blacks in executive positions are relegated to personnel, sales and community affairs positions, to deal with their own kind, instead of being involved in the nuts and bolts of business." Blacks continued to be absent in core and meaningful management positions and "the face of corporate captains is still shamefully white", Sibiya said

He urged business "to change from being the 'lukewarm defenders of the *status quo*' and to become active proponents of a non-racial democracy". It was imperative for business to be politically involved: "It is my plea that business should support, materially and otherwise, the real opposition which is figuratively speaking 'boxing from outside the ring'. Whereas companies should condemn real violence, they should support resistance", Sibiya said

He urged companies to assist in giving people an economic and political stake but distinguished between real CSR and welfare: "Welfare is a short-term act of improvising which deals with symptoms, CSR is a long-term developmental process of solving the root causes of problems," Sibiya argued.



Bhekokuhle Sibiya

But industrial social worker Angela du Plessis did see welfare programmes as part of corporate social responsibility. She identified three 'levels' of corporate social responsibility and argued for "congruent" efforts at all three levels. The first was social responsibility as a function of the organisation's role as employer, such as assisting workers with personal problems or problems arising out of the nature of work These need not be the paternalistic welfare programmes of the past if there was employee participation in social work decisions, she said.

The second level, she said, was social responsibility as a function of an organisation's role as a leading "citizen". This did not only mean giving away money: "Other examples include making company facilities available to community groups and sharing expertise."

The third level of social responsibility, she argued, was a function of the organisation's role in South Africa. "Industry and business are being called upon to assist in the breaking down of apartheid and the removal of injustices," she said.

Responding to Du Plessis, Anglo-Alpha's Andy Graham, who described himself as a line manager, told of how management in his company transformed a "sick organisation" into a successful one through upping wages, improving workplace facilities and health and safety, addressing problems employees had with transport and housing and instituting disciplinary and grievance procedures.

He also described how his company had learnt about participation and about asking communities what they wanted after a "near disaster" in one Cape Town area The company was going to finance teacher training but discovered that the community wanted salaries for four teachers and some furniture for the school "We could have imposed something that actually might have failed," he said

Some Anglo advice from Zimbabwe

South African managers should pay close attention to the lessons being learnt across the border. Otherwise, they'll have to learn them all over again. HILARY JOFFE talks to Anglo's Ellias Ngugama



Ellias Ngugama

"YOU can't expect a man to drive a Mercedes when he's never owned a bicycle," says Ellias Ngugama, manager Anglo American Corporation Services Ltd in Zimbabwe And he argues that if business in South Africa is to avoid being forced to put undertrained people into positions of responsibility in the future, it must anticipate change now.

When Ngugama addressed delegates to the Institute for Personnel Management Convention this week, he didn't talk about whether or not there would be change in South Africa He assumed change and talked about what business should be doing to shape and anticipate the future

In an interview with *Weekly Mail* he said he believed it was essential for South African managers to begin "the dialogue of change" rather than change being forced on them.

Business in Zimbabwe was particularly ill-prepared for change, he says When they had to promote blacks because of government legislation, social pressure or because skilled whites had left the country, untrained people were put in responsible positions — resulting often in maladministration and "poor organisational performance" — and confirming stereotypes and prejudices about black people

He points to the lessons of the Zimbabwean experience for South Africa, urging managers to establish training and staff development programmes to prepare their workers to assume responsible positions in the future. If business people initiate this now, "you will be able to employ someone not for window dressing but because you know he can do the job and the organisation can be comfortable with him", Ngugama says.

"The business community must not wait for government to remove laws it is supporting an anathema because it is not bold enough to take the initiative."

Economic expansion in South Africa would be essential in the process — so that whites would not feel their jobs were threatened and so that black expectations would be met

And Ngugama argues the way to that expansion would be stronger ties between South Africa and the African countries of the SADCC and Preferential Trade Agreement, which includes southern and central and east Africa and Angola.

"If South Africa were free and acceptable to SADCC and the PTA, you can imagine the volume of economic expansion SA would have," he says. South African products and technological knowhow would be in high demand and there would be advantages for the region as a whole.

Although the parallels between South Africa and Zimbabwe should not be overemphasised, he does believe it's important that Zimbabwe set an example of successful change

He's been in both business and government — he was auditor general before he joined Anglo — and he acknowledges there have been issues of conflict between the two. One problem for business has been the stigma attached to multinationals

And while business in Zimbabwe was emphasising that it had to earn returns sufficient to pay wages, buy machines and pay dividends to its shareholders, the government was stressing the need for a social conscience. "But," says Ngugama, "our approach has to be to reach out: we must appreciate government's problems and communicate ours so the issues are not clouded by simplified sweeping statements."

There is no policy of nationalisation in Zimbabwe, he says, rather the government has operated on the principle of willing buyer willing seller, for example in relation to farms. It has participated, by buying shares, in troubled companies or those which needed rebuilding after the war.

Ngugama speaks with enthusiasm of the Zimbabwean system of workers' committees and works councils, enforced by government legislation. Each plant has to have an elected workers' committee and a works council comprising worker and top management representatives. The councils are a means of resolving day-to-day problems — of both workers and managers — on the shop floor. Trade unions deal with broader policy issues but the councils deal with specific problems in the work environment.

Their advantage, Ngugama argues, is "you create a situation where every worker feels part of the organisation and where the manager knows he is only effective if he relies on the worker".

In the long term, he says, the government's drive for the future is towards greater worker participation and a stake in their enterprises. What form this will take — profit sharing or share purchase schemes, for example — will be decided within each enterprise.

In search of industrial peace

RESTORING industrial peace was the preoccupation at this week's 31st conference of the Institute of Personnel Management at Sun City

More than 1 000 delegates from all over the country attended the intensive three-day conference, proving that even though the total workforce has declined in numbers, one growth industry is personnel and industrial relations

Only a few years ago, attendance was less than 70

In the past year there have been bitter strikes involving tens of thousands of black workers Among others, there was the mine strike, the railway and post office strikes and strikes at OK Bazaaars, SA Breweries and Pick 'n Pay

More than 60 workers have been killed in strike-related violence The problem has become so urgent that few delegates were side-tracked by the pleasures of Mr Kerzner's pleasure dome Both plenary sessions and "breakaway' lectures were well attended

Judging from many of the 46 papers delivered, there was not much consensus among the 1 000 experts on how to re-establish industrial peace

Professor Richard Sutton of the Unisa school of business leadership proposed a compulsory cooling off period where employers and employees are unable to reach agreement

"Within this mechanism the right to strike would be upheld by allowing a legal strike to be called after six months have elapsed, should

Strikes, politics in the spotlight

By David Carte

the award by the (conciliation) board prove to be unacceptable to the parties"

Professor Sutton said Government's wish not to become involved in strikes was not tenable, given the political nature of many ongoing disputes which were beyond the power of employers to resolve

One of the more militant papers came from Mr Bhekokuhle Sibiya of SA Breweries

He said that, in the area of corporate social responsibility, shareholders should take a back seat to employees

He said that, in the absence of a living wage, housing schemes, generous bursaries and other perks offered to blacks amounted to paternalism

Unhealthy

"A living wage, profit sharing schemes and stock option plans cannot be implemented while the unhealthy emphasis on the shareholder at the expense of the employee still exists"

Mr Sibiya urged companies to get involved in politics

"There are only two actors who will determine the political future the government and the real opposition whereas companies should condemn real violence, they should support resistance, including much of what is conveniently classified by the government as violence and terrorism At this stage may I condemn irresponsible violence in the black community

"Individual companies are encouraged to take a political stance but should it be against government, they should not directly confront it The lesson from the Chris Ball affair is not to shy away from political involvement, but to handle the monster with great circumspection

"Business should relentlessly refuse to process rent garnishee orders Over and above this, business should seriously consider the call to civil disobedience

"If business could honestly implement civil disobedience for just six months, I can assure you that a bloody revolution could be averted in this country

"The plea is to get involved in corporate social responsibility which is outside and beyond the comfortable zone The good old evolutionary alternative of influencing the local government — the bottom-up aproach — has run out of time

Mr Sibiya said the majority of South Africans were in favour of disinvestment

Mr Elias Ngugama, a director of several Anglo American companies in Zimbabwe, urged companies to examine workers' future career paths and development

He felt companies should train and develop black workers now to avoid having to window dress in the future.



1987 designers of the best recruitment ads in Business Times with Miss SA Wilma van der Bilj, centre, at the IPM conference· Helen Human of Human-Mundels, left, Paul Tingley of Paul Tingley Selections, Jack Bensch of Wheeler Bensch, Koos Lemmer of Altoleval, Mrs Sue Oliver of DMB&B and Robert Wilson of Two-Oh-1

"Avoid regretting lost opportunities like many Zimbabwean executives, who often say these days 'if only we had started our training and manpower development 20 years ago' You have the opportunity to do it now"

Mr Bonginkosi Nzimande, a senior lecturer at the University of Natal, was pessimistic about blacks accepting free enterprise

He contended that blacks' experience of capitalism had alienated them from it Mr Nzimande said recognition of the permanence of urban blacks was not as enlightened as it appeared, as it reinforced the urban-rural divide

Creation of an "urban labour aristocracy", while increasing numbers of blacks were to be left starving in rural areas, and capital flight to the homelands, indicated business complicity in apartheid

Creating a black corporate elite as a buffer would also not help to preserve free enterprise, he argued

"Whilst employers and the state have been relatively successful in creating a class of black people who are sympathetic to the free enterprise system — a state and employer sponsored black middle class — this is no solution to the problems of workers who constitute the majority of the adult black population

"The benefits that accrue to the selected elite never filter down and reach the lower classes . the black elite still constitutes a very small percentage of the population

Mr Nzimande said the black middle class did not have political legitimacy because they were an elite

"Gone are the days when the black elite was respected by the masses by virtue of being rich or educated Unless one's skills and education are placed directly at the service of black masses you are not part of the struggle

"It is ever more difficult to guarantee that when the crunch comes the employer-sponsored black middle class will defend capitalism"

Mr Nzimande said political rights and dismantling of apartheid, freedom to organise, a living wage and job and social security were the major demands of black workers in SA

He said employers could pay a living wage

"The sooner they dehabituate themselves to fat profits from cheap labour, the better for the future Over and above this, there must be job security and a halt to retrenchments I honestly do not believe that many companies retrench because they are about to go under But retrenchments are carried out because they are threatening the already fat profits SA employers are used to because of cheap labour

Mr Nzimande said employers should take a more vigorous anti-apartheid stance to bring about change and to get police out of industrial relations

White managers a major stumbling block for blacks

WHITE company managers, particularly Afrikaners, have considerable doubts about the role blacks are capable of playing in senior management positions, a survey has shown

Details of the survey, carried out among a total of 306 managers attending business school programs, were revealed this week at the Institute of Personnel Management (Southern Africa) convention at Sun City in a joint paper presented by Prof Karl Hofmeyer of the Unisa school of business leadership and PH Human of the UCT graduate school of business

They said South African companies committed to the development and advancement of black employees expressed frustration with the lack of progress made despite considerable investments in training and equal opportunity programs

"Talented blacks are recruited and trained, but only a few graduate to middle and senior management positions," said the paper

Employee attitudes were crucial "If they resist the advancement of blacks because of fear or prejudice, or simply because they do not believe that it is necessary, this presents serious obstacles

"What happens in the departments and on the factory floor on a day-to-day basis has a powerful impact on who learns and who gets ahead, so that the attitudes of managers and employees, and their behaviour, overshadow what is planned and decided in the boardroom or in the personnel department"

The managers who took part in the survey were attending executive and management development programs, and could be seen as representatives of managers from the larger and more progressive corporations

They had expressed positive attitudes towards non-discriminatory organisational and social values and structures, with the majority feeling business and society should accept blacks, value their work, create equal opportunities, let blacks compete, open facilities to all, and they also appeared to support affirmative action

However, more than half did not think blacks had the objectivity to evaluate business situations properly (54 percent), just fewer than half (44 percent) perceived black managerial behaviour to be influenced by emotions (20,9 percent were uncertain) and 47 percent felt challenging work was not as important to blacks as it was to whites

They also appeared to have considerable doubt, said the paper, about whether blacks had the self-confidence required for leadership positions, and whether blacks had the ability to contribute as much as whites to the overall goals of an organisation

There was a mixture of attitudes, said the paper

While 74,5 percent perceived blacks to have the capability to acquire the necessary skills to become successful managers, only 52,3 percent felt they were as capable as whites of learning mathematical and mechanical skills

A similarly apparently contradictory perception was that 90,3 percent expressed the sentiment that it was acceptable for blacks to compete with whites for top executive positions, while only 56,7 percent said it was acceptable for blacks to assume leadership roles as often as whites

Between half and two-thirds of the managers perceived blacks to be assertive, competitive, ambitious and aggressive

Sixty-eight percent felt the top management in their company was fully committed to developing and advancing blacks to that many whites in their companies believed blacks have what takes' to become managers

Language group and level of management best explained the variance found in the data, said the researchers

Senior management and English-speaking managers appeared to be not so negative about the inherent capabilities of blacks as their counterparts

Afrikaans-speaking managers were more negative about the ability of blacks to contribute to organisational goals (only 47 percent positive compared to 65 percent among English-speaking managers) and the ability of blacks to acquire mathematical skills (42 percent positive compared to 57 percent)

Afrikaners, in relative contrast to their English-speaking counterparts, expressed negative attitudes about the aggressiveness, competitiveness and assertiveness of blacks

Afrikaners were also relatively less positive on the acceptability of blacks competing for top managerial positions

"Middle management appears to share this attitude with Afrikaners They also differed significantly from top management on the item concerning society's regard for work by black managers as valuable"

Middle management, and especially Afrikaners, said the paper, were also relatively less positive about the idea that facilities should be fully multiracial

Summing up, the paper said "Thus the overall picture is that senior management and English-speaking respondents appear to be consistently more positive about blacks in organisations than their respective counterparts

"Although respondents seem to have accepted the principles of equal opportunity, fairness and non-discrimination, they appear to express racially determined prejudices"

The attitudes of managers towards the upward mobility of blacks in business would continue to play a central role and determine to a large extent how much progress would be made, said the paper

"In attempting to change attitudes, companies will do well to measure and analyse the attitudes of their employees and gain an understanding of the underlying patterns of support and resistance," the paper concluded – Sapa

C Press 4/10/87 (172)

Enter a new industry: The politics class

By HILARY JOFFE

THE quality of workplace catering is increasingly on the agenda in employer-trade union negotiations, says James Dunlop, MD of the Tongaat Group's Supervision Catering Services. Hence his company's sudden interest in the politics of the workplace — an interest which motivated the company's conference this week on employee welfare and industrial relations.

Many of the issues were not new Chamber of Mines industrial relations adviser Johann Liebenberg commented wryly on the growth of the seminar industry in South Africa, which he said "indicates that management are seeking solutions to problems they've become aware of suddenly"

And there are clearly new audiences for liberal managerial viewpoints, as indicated by the comments of one delegate, overheard after the conference He didn't seem to have grasped the point made by all of the speakers that politics and industrial relations were inseparable these days, and complained that the conference was supposed to be about workplace welfare but everyone kept discussing politics

For the most part, though, delegates in the open discussion raised questions about what business should be doing to bring about change.

"We business people have to make ourselves more articulate and active in our society than we have been," said Anglo director Zac de Beer, one of the conference speakers "We are not, I believe, making our views known and understood in the community generally or by government to the extent that I believe we can."

De Beer pointed to the high cost of apartheid's multiplication of government structures and the heavy cost of repressive government as factors inhibiting economic growth.

"The economy is operating with a millstone around its neck," he said, referring particularly to the very large, politically influential and expensive civil service. Instead of 14 different departments of health, for example, there should be one good one and civil servants should be transferred to the productive part of the economy, he said.

De Beer said the South African economy could in theory provide a decent standard of living for all but its structure was seriously skewed at present. The small, highly-paid mainly-white managerial and professional class was overloaded Productivity in



Johann Liebenberg



Anglo's Zac de Beer

the largely-black labour force was generally low because of "socio-political alienation" and low educational standards

"We have a vast task in the education and training of the labour force," he said, emphasising that he meant basic school education, not just on-the-job training.

He also argued for deregulation, and taking advantage of the opportunities offered by urbanisation, as conditions for rapid economic growth.

Liebenberg used his slot at the conference to level some criticisms against trade unions and employers

He said the industrial relations system was being tested to its limits Describing black trade union leaders as "the most democratically elected leaders in South Africa today", he said with labour reforms in advance of constitutional reform it was not surprising the new trade unions were taking a higher political and community profile

But, he said, the union negotiators were testing the collective bargaining system to its limits with the political demands they were bringing to the negotiating table and "their apparent inability to temper their members' aspirations and demands" "They arrive at the negotiating table with unrealistic mandates," he said.

But he did add there were management mandates which were equally unrealistic. "There are still too many employers in South Africa who appear not to accept that labour legislation has brought about a new balance of power," he said.

Albert Yuill MD He is now a management consultant.

ALBERT KOOPMAN

Corporate crusader

172

If anyone can sell capitalism to blacks it is Albert Koopman

With his rather revolutionary ideas on how to run a business, Koopman ensured the success of his brainchild, Cashbuild Now he's out to do the same with Worklink — a consulting company aimed at spreading "the message of participative management"

His lifestyle and numerous trophies (including one for being one of four outstanding young South Africans and a Toyota Ideas Reward) displayed at his spacious Oaklands home tell the story of his success



Koopman ... a creed of trust

He works from home, and although he complains he's a workaholic who at times neglects his family — he has two young children — he seems to have struck a healthy balance between the two

Pragmatic philosophy

Koopman started Worklink in March this year His consultations comprise a three-day workshop during which he assesses a company and creates a system "to put it in a position to transcend polarisation within the company through shared values. It's a type of self-discovery for the company, to guide it on what steps to take to develop participative-style management"

At Cashbuild workers were given a democratic vote on issues, to a point where they could even fire management To avoid prejudice, decisions were made strictly in line with a value system called the "Cashbuild creed of trust."

Although it's early days for Worklink, this novel idea has grabbed the imagination of companies such a Gilbeys, JCI and Wooltru.

Participative management, he explains, is a "pragmatic philosophy which forms a bridge between the dichotomy of management and labour I don't believe it makes sense for unions and management to have adversarial relationships in a society which is unfree

"They then argue about the correctness of doing things, rather than looking at the justice that needs to prevail at the workplace to ensure the best use of the work ethic"

To many this may sound too idealistic, but Koopman seems to make it work

He believes in what he's doing and goes about it in rather an unconventional manner A few years ago he spent several nights at the homes of his black workers to gain a better understanding of what needed to be done in the organisation

"I had to become a white African to realise that what we have here is a unique case of an American First World value system forced upon a culture similar to that of the Japanese And it's not working out"

This is one of the reasons why he generally opposes share holding for workers He says it should not be an alternative to justice at the workplace, and explains "Worker's values are driven by recognition and other collectivist values Rewards, rules, status and grading systems all belong to the First World But to the Third World the value system is recognition"

He also recently went on the notorious Dakar mission — not for any political reasons, but to see how people fit together and "how we can co-habit" He has no political ambitions, because, he says, politics is rigid and stands in the way of the dynamic change we need in SA

At 40, Koopman seems to have attained early success But restless as he is, he's already indulging in more future planning He ultimately wants to start his own venture capital company to put as many black entrepreneurs in the market as possible The company — he has already decided — will offer "central administration and management services to assist entrepreneurs by forming a co-operative for redistribution."

How will it differ from existing venture capital organisations? "I'll care for the people I work with I will help and assist them and not only teach them how to run a business in a class-type situation"

If he says so, he will

And his energy, zest for living and need to make things "work" will help him along his chosen route ■

MANAGEMENT

JAN — DEC 1988

BLACK BOSSES TRAPPED IN A RACIAL DIVIDE

C/Press 3/1/88

172



MUNTU MYEZA is the publicity secretary of the Azanian People's Organisation. He served a total of six years on Robben Island, after being found guilty in the Saso/BPC terrorism trial of 1975

THE position of the black manager in the South African situation is an unenviable one

In his battle for self-realisation, he finds himself caught between two opposing forces – management and the workers

South African society is divided into painful categories. Those who have power, money and privilege and those who have no power, no money and few privileges – the racial divide

The black managerial group finds itself somewhere between the two groups

Although there are many laws and protective devices developed to protect the interests and privileges of white people, the philosophy propagated is that what applies to whites in the business world applies on an equal basis to white people. Superficially this may appear to be so, that is, until one scratches at the surface.

It is the unwritten codes that cause the most trouble for black businessmen. Many have found that they have to perform, compete or fight as individuals in a ball game played by a group.

Another problem is that, because promotions are often done for cosmetic reasons, the black manager may be uncertain why he was appointed to his post.

A merit appointment would imply potential ability to perform adequately or successfully because of qualifications, experience or for other reasons.

A cosmetic appointment would be performed for socio-political reasons – to promote the company's image.

Whatever the reason, he has to learn the rules of the game, and fast.

White-owned companies seem to be trying to outdo each other in providing themselves with multi-coloured faces. Hence one hears jargon like "black advancement", "upward mobility of blacks", "affirmative action", "management interface" and a host of others.

This situation is not surprising. It could be seen as a move calculated to nullify political pressure from the black middle class.

The black manager finds himself in the whirlwind of a changing South Africa. The labour movement is making increasing demands on commerce and industry and the black manager is placed in the firing line.

This strategy is intended to blunt the thrust of union activity.

The manager is in an unenviable position. On the one hand he identifies with the workers, and on the other, it is his job to side with management and safeguard the interests of the company.

The result is that he has to be a warrior under two flags. One step out of line and both sides will shoot him down.

In this context the black manager finds himself alienated. Alienated from himself, his community and his work. An alienated being is a being that has lost his sense of self – his origins and direction.

He is buffeted by the winds and tossed by the storms. Nothing matters to him but the job at hand. The morality of his decisions is blurred by the ever-present pressure to perform successfully.

The black manager needs to decide whether he is a black manager or a black person in management. The former leads to alienation while the latter leads to self-identification and purpose.

Between two stools?

Few people are in a more awkward position than black managers On the one hand white colleagues rarely treat them as social equals and on the other their township neighbours consider them to be "sell-outs"

In order to build up a network, as a substitute for the old school tie and golf club of the white world, the Black Management Forum (BMF) was formed in 1976 But in 1987 BMF decided to consciously rid itself of the "social club" label

Says BMF president Don Mkhwanazi "We were considered a toothless tiger and the worrying thing was that people were allowing their membership to lapse

"Our first priority was to create a branch network, as we were previously a Johannesburg organisation with a few spare members in Durban We now have branches in Port Elizabeth, Pretoria, Witbank, the PWV, Cape Town, Bloemfontein and East London

"We are also looking at university chapters so that blacks in business courses can be immediately exposed to the challenges of business in the real world and have a chance to find role models

"It's hardly surprising we were treated as an elitist organisation The majority of black managers were either in personnel, to act as a buffer with the labour unions, or in marketing to develop a black market

"But we have identified a crucial shortage in the area of financial management There are less than 20 black accountants in SA and we are determined to improve financial skills in our management programmes This will become an increasingly important part of the three-year Joint Management Development Programme which we run with Nafcoc, the Paris Chamber of Commerce and the Urban Foundation," he says

But, most crucial of all, BMF is determined to strengthen its links, which are now somewhat frosty, with trade unions and community organisations



BMF's Mkhwanazi ... no more a toothless tiger

"Black managers are first and foremost *black*," says executive director Shakes Ishabalala "We would like to ensure that SA will become a land of prosperity and stability and not a country characterised by chaos and stagnation"

As part of its bridge-building efforts, BMF was recently addressed by Sydney Mufamadi, Assistant General Secretary of Cosatu on "A trade union perspective of the role of the black manager"

Says Mkhwanazi "We will need black managers whether we have a capitalist or a socialist system Even a socialist society needs administrators, technicians, wealth creators and computer operators"

And, inevitably, BMF has been forced to take a more political stance A recent issue of their newsletter *Black Leader* spoke of "Business and apartheid - the unholy alliance"

"For too long the corporate world has hidden behind a government policy of exclusion, exploitation and oppression Industry and commerce are on record as saying that the business of business is business," says Mkhwanazi

But he stresses that he is not prepared to prejudge the best political system for SA In fact, BMF will research what it hopes will be the definitive book on black advancement, rather than rely on books written by white "experts"

The final goal of BMF is to help create a distinctive South African corporate culture

Mkhwanazi agrees with Natal University's Jill Natrass who says "SA should evolve its own value system which is neither black nor white Blacks should be circumspect and avoid adopting distorted white value systems, equally whites should derive lessons from black traditional practises such as making decisions through the process of consensus"

Mkhwanazi adds "This won't mean second best Look at the way the Japanese have fused their practices with the best of the Western system"

In the South African context such optimism is indeed refreshing

Managers 'aloof from SA's Third World market'

Executives running companies in South Africa are First World people.

Most live in privileged surroundings in the better suburbs of Johannesburg, Cape Town, Durban or Port Elizabeth.

An editorial in the latest issue of Markinor's *New Perspectives* questioned whether these people were aware of the growing and inevitable Third World market that has already arrived in South Africa.

Have they ever visited a squatter area? Do they realise that 600 000 people are moving to the cities every year? Have they realised that the market of the future is encapsulated in those squatter camps? Have they realised that they must invest in that future market now?

Many companies are currently more preoccupied with improving current profitability.

They ignore the fact that unless they invest now in new products and brands that will appeal to this Third World market, their future performance and profitability will decline.

And so it is essential that forward-thinking companies come to terms with the inevitability of the future. The inevitability demonstrated by population statistics, migration to the cities, and the growth in the squatter population.

Information is available on the trends, and often research is available about the needs of this growing Third World metropolitan society in specific product and service categories.

The missing element is the commitment of top management to this view of the future.

How can this commitment be obtained? There needs to be a greater investment in time, talking about the future and about long-term strategies to develop products and services for the Third World market.

There needs to be more research into the Third World metropolitan market's needs and attitudes.

Management must stand back from the problems of today and concentrate more on the development of healthy business from this different Third World market of tomorrow.

THE ECONOMY

Thinking further than the next shareholders' meeting

Our largest corporations see social spending as hard-headed investment in the long-term future. But only a few will dare risk a 'contentious' project. BRUCE ALLEN reports

FOUR large South African corporations alone report an annual total of over R65-million spent on "social" projects, evidence of the increasing amounts of money South African business is allocating to what used to be called social responsibility

But business liberals these days prefer to call it "social investment" and most are clear on the measure of self-interest involved With black staff needed to meet the growing shortage of people for skilled positions, education and training are high on the lists of most social spenders

And with capitalism and apartheid seen by most South Africans as closely linked, businesses are attempting to change perceptions by giving capitalism a more human face

There is recognition too that the inequities characteristic of South African society are not good for business

What is included under the heading of social responsibility depends on its interpretation Generally it's been defined as an activity a business engages in without the potential of any immediate economic benefit

In terms of this description sponsoring a sports event to capitalise on advertising does not qualify

Charles Lipp director of the Barlow Rand Foundation, notes that social responsibility is a new term for an old concept The practice of charitable donations is not a recent development

"South African business has a role to play in attempting to restructure the shape of society in a way which will enable the country to prosper"

Barlow Rand prefers the term "social investment" Lipp has no qualms in conceding that the end objective of social investment is a return on the capital outlay.

Businesses define their first priority as making money and some argue the [illegible] is a form of so-

[illegible] wines are delivered to stores lo-

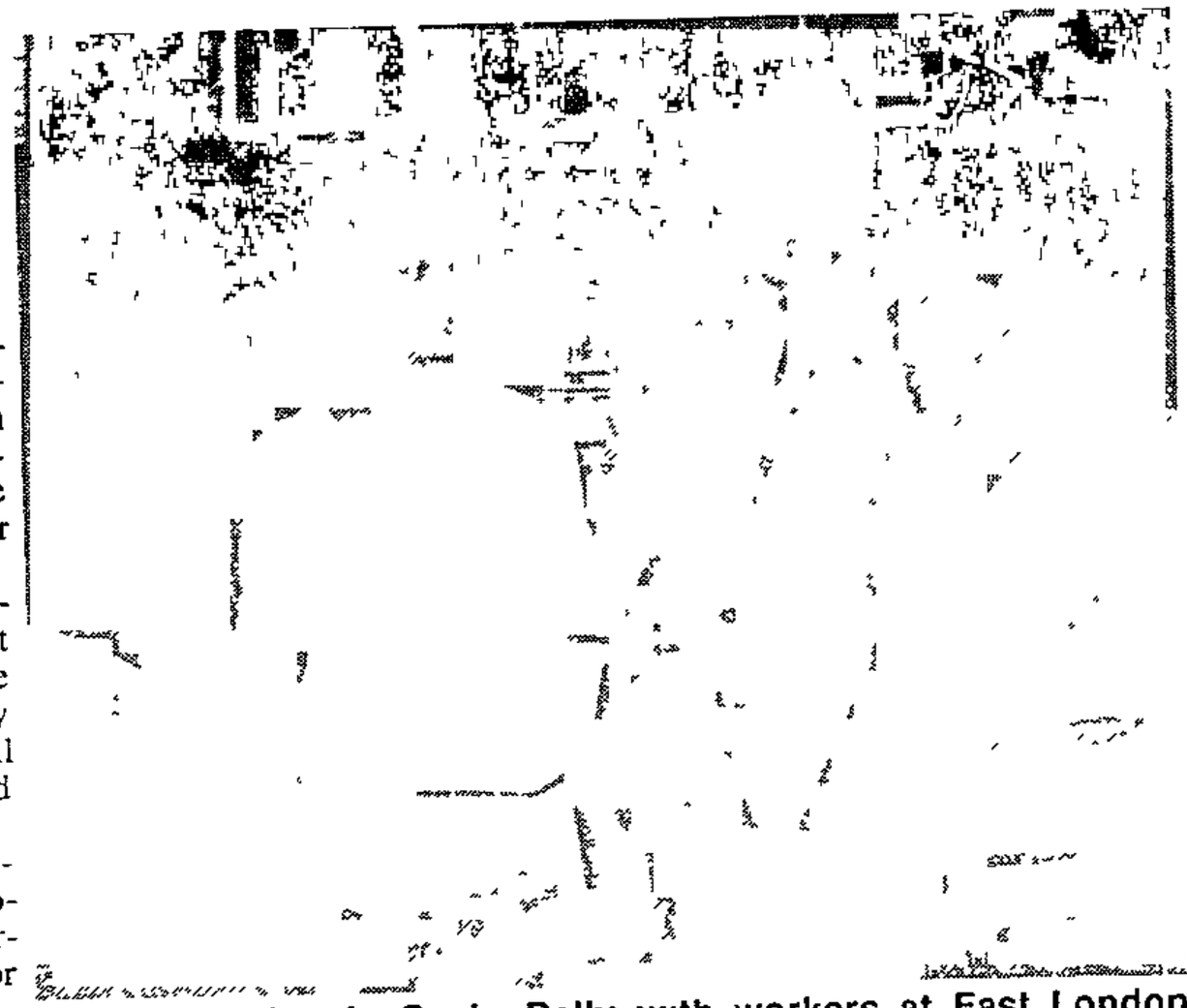
cline to the levels of socialist countries to the north of South Africa In order to ensure our long-term profitability, however, we have to ensure that conditions remain favourable for business"

Rod Cusens, senior general manager in charge of social responsibility at First National Bank, says "We are talking about a contribution to society in the form of jobs, education, equal opportunity and community related projects"

First National has spent about R32-million on social responsibility projects over the past four years A further R8-million has been allocated for the 1988 financial year, he says

Cusens says his group's acquisition of Citibank, a result of the American bank's disinvestment, will increase the total amount of money spent

De Beers recently announced that grants valued at R49-million were made by the Anglo American and De Beers Chairman's Funds and Education Trust in the 1987 financial year



Anglo American's Gavin Relly with workers at East London Textiles, part of an Anglo/De Beers job creation project

Roughly 80 percent of this was spent on education, "primarily to redress the imbalance between the black and white education systems"

Besides a number of schools which were opened last year, De Beers has allocated large sums to future educational projects One is a R15-million technical college in Atteridgeville, Pretoria In addition to providing technical education to students, the college will hold evening classes for the community

Barlow Rand has budgeted around R8-million for social investment projects Some 60 percent will be allocated to education and training, and the balance will be spent on "the relief of poverty, hunger and disease"

Most of the money granted is chanelled into in-house funds and trusts from where the cash is distributed to selected projects

A significant portion is also made available to institutions like the Urban Foundation and school initiatives like the New Era Schools Trust and the Leadership Education and Advancement Foundation

As a rule Barlows contributes 1,25 percent of its after-tax profits to social investment Individual companies in the group allocate 0,5 percent of profits before tax to Barlow Rand and about half of this goes into tax deductable educational projects

Forty percent of all funds allocated are controlled by subsidiary companies and these often concentrate on activities in their own fields Food manufacturer Tiger Oats, for instance, donates to Operation Hunger The company supplies over 20 welfare organisations on the Reef with food an a daily basis

Clearly most of the corporate millions allocated to social spending go to educational projects, training schemes and organisations such as the Urban Foundation and Operation Hunger

When it comes to more overtly political projects Business people tend to be cautious, arguing that this could alienate many of their customers

On the allocation of funds to more "controversial" projects, Cusens says First National has to look at the diversity of views represented in the market it services

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1982	-	-	1 765
1983	-	-	1 854
1984	-	-	3 ØØØ
1985	-	-	3 ØØØ
1986	-	-	2 15Ø

Shop Stewards..... 1ØØ

STAFF:

Full Time..... 1

Part Time..... 2

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- Blacks and Coloureds in the Radio, Television, Electronic and Allied Industry in Alberton, Benoni, Boksburg, Germiston, Johannesburg, Malmesbury, Pietersburg, Pinetown, Pretoria, Roodepoort, Springs and Wynberg.

Barlows, for example, employs around 237 000 people. If their dependants are included, there are 1,5-million to two-million people who count on the group for an income

Bill Shoreton, Barlow Rand executive director in charge of group social investment, says: "Without profits, our society would stagnate and de-

Anglo gave R4,9 m in grants

By Sven Forssman

The Anglo American and De Beers Chairman's Fund and Educational Trust made a total of 1 024 grants, valued at R49 million, during the 1987 financial year, De Beers' directors said in their centenary annual report.

The report says the company is also a substantial contributor to the Urban Foundation, established by a number of South African business concerns in 1976 with the aim of improving the quality of life in black urban communities and facilitating and promoting peaceful change in South Africa.

The directors said these funds continued to support a wide range of projects with a little less than 80 percent of the expenditure spent on education, primarily to redress the imbalance between black and white education systems.

Major projects embarked upon in 1987 included a R15 million technical college at Atteridgeville, west of Pretoria, and a residence for 200students at the Peninsula Technikon, Cape Town, which was built at a cost of R5,1 million.

A further grant of R1 million was made to the National African Federated Chamber of Commerce for a students' hostel at Soshanguve.

How our too-quiet business responded to Tucker: QUIETLY



Bob Tucker The Angola war, starvation, forced removal .. none of these are on the business agenda

LIBERAL business people responded with caution to the recent comments of SA Perm MD Bob Tucker's comments that business in South Africa had been "co-opted" by the government

But few actually rejected his arguments outright They said that on the whole his arguments did not necessarily hold, or he had overstated his case

And in one sense at least they were probably right

There has been striking evidence for Tucker's argument in recent weeks In a climate of increasing repression and renewed disinvestment pressure, little has been heard from business people.

In the face of a series of events which have put South Africa back on to the front pages of the world's newspapers and have re-opened the sanctions debate, there has been silence from South African business people

But there was a fallacy in Tucker's argument Business in South Africa has never been a consistent advocate for a more equal society, at least not loudly and not for any length of time

In an important sense, therefore, it always has been "co opted" Business people have generally been outspoken only when the operations of business itself look really threatened in late-1985/early-1986, for example, when township uprisings and the imposition of sanctions, by countries and by bankers, were impossible to ignore

The question raised by Tucker's comments and the responses to those comments is what business people can do effectively to promote change

Tucker made his remarks at a University of the Witwatersrand arts faculty graduation ceremony 'It behoves all of us to remember that the contribution which each one of us makes *is* relevant to the course of events in this country," he said

"As business leaders we are frequently asked, 'What can you do to bring about a more just society?' Conventional wisdom gives the answer as 'very little if anything' "

But, he said, this was a result of the co-option of the business community over a period of time

Tucker said debate in boardrooms today probably centred on the implications of Minimum Tax on Companies or on privatisation and the government's economic package "The fact that we are in our 21st month of a continuous State of Emergency, that we are at war with Angola that the programme of forced removals continues, that R1 is spent on the education of a black child for every R8 spent on the education of a white child, and that a civil war is raging in Natal/KwaZulu is not on the agenda

'And yet the implications of these latter issues are potentially of far greater significance than any change in the tax legislation or participation in an economic package," Tucker said

Business' avoidance of these issues meant it had little capacity to influence events in South Africa, he said "The challenge is to avoid co-option which negates our capacity to influence the course of history towards a more just society"

Prominent business people who responded to Tucker's comments some days later defended business although they did not reject his comments outright

Anglo American director Zac de Beer said he felt businessmen did have the opportunity to expose the mechanisms by which apartheid was the enemy of good business

Pick 'n Pay's Raymond Ackerman said businessmen were fighting for change in their own businesses

When the Perm's Bob Tucker accused business of failing to speak out, the business response was predictably cautious some polite dissent, and some dissenting silence.
HILARY JOFFE
on why business prefers to speak softly

FCI president Hugo Snyckers said there had been concern about the kinds of things Tucker mentioned but there were different ways of dealing with these things

Seifsa director Brian Angus said Tucker was oversimplifying the business community's position

The thrust of all the comments seemed to be that business people were doing things — even if they weren t doing them loudly

Many would argue rhetoric is not the best way But the question then is whether business is doing enough away from the public eye, either to change business itself or in terms of social action outside the factory/office gates

Public statements *are* important in South Africa now And these have been in short supply from business recently

The restrictions on 18 organisations and on Cosatu were followed by statements from the usual business organisations But they were muted statements hardly amounting to protest

And their thrust was more to do with fears that collective bargaining would be impeded than with unequivocal protest against the bannings

A joint statement by Assocom and the FCI fell far short of condemnation "While the employer organisations are not in a position to evaluate the security factor inherent in the latest set of restrictions, they regret that circumstances have led the government to impose stringent measures to restrict the activities of certain organisations and individuals"

They expressed fears about the international repercussions and about the possible impact of the measures on the collective bargaining process

The Chamber of Mines expressed its belief in freedom of speech and the rule of law, finding it "regrettable that the South African situation had deteriorated to the extent that the government found it necessary to further erode fundamental pillars of democracy in order to preserve stability

"The chamber's perception is that the threats to law and order posed by these organisations could be adequately addressed through due process of existing law"

It added that the long term solution clearly lies in addressing the fundamental problem of full political participation for all"

The Afrikaanse Handelsinstituut did not make a statement.

The Urban Foundation pointed to the way in which its own work would be undermined with the clampdown on community organisations

Apart from this, however, there has been no social/political comment by business people — at least none reported in the press — for some months

The reasons are not hard to come by

The apparent economic boom and the quiet in the townships are a major factor

Ironically too one business commentator argues the imposition of sanctions and the need for ways to get around them have pushed business and government closer together — and that includes liberal business people who would otherwise not choose that closeness

And of course, two of the most outspoken business leaders have had their voices muted — First National Bank s Chris Ball by the public onslaught of the Munnik Commission and the Premier Group's Tony Bloom by his decision to emigrate

Business people have other reasons for wanting to avoid high political profiles They may depend on government for some of their turnover

And they often have a problem carrying people in their own organisations along with them

Many believe that high profile activism does not achieve much And, it could be argued, it loses its effectiveness after a while

A major problem is that business seldom speaks with one voice, which

Living in Yeoville



Suburban South Africa Street urchins shop keepers children in parks stray dogs Scenes so familiar you've ceased to notice But at the Market Theatre gallery this month the familiar has been transformed into the startlingly unfamiliar

Photographer Gideon Mendel (you ve seen his superb news pictures in the Weekly Mail) has given hum drum every day life an unconventional twist Those who can t make it to the Living In Yeoville exhibition can still share Gideon s quirky vision A set of twelve post cards based on the exhibition have been printed — ideal for sending to friends abroad Plus, there s a poster of the exhibition which displays fifteen of Gideon s best pictures *Fill in the form at left and mail your friends abroad a bit of Yeoville!*

	SA and Southern Africa	Airmail E it /n/ Europe	Airmail USA/ Canada
Postcards	R16	£8	$17
Poster	R10	£5	$8
Both the above	R24	£13	$20

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Mashold increases turnover

Mast Holdings more than doubled profit attributable to ordinary shareholders for the financial year ended February — recording a 118 percent increase on the previous year

In 1987 Mast achieved a profit for the year of R288 000 which increased to R629 000, 18% ahead of the prospectus forecast

Earnings per share were also ahead of forecast and 89 percent up on the previous year's figures

Executive chairman Stephen Dallamore says: "Earnings per share rose from 2,8c in the previous financial year to 5,3c on a weighted average basis Mast has declared a dividend of 2,4c which is the figure forecast in our prospectus "Turnover was increased by 52 percent to R4,685 million and operating profits rose by 64 percent R1,142 million." — Sapa

Greater need for workplace identity

Own Correspondent

South Africa's internationally low productivity levels will continue to worsen unless companies can counter the disruptive effect of political factors by creating strong bonds of workplace identity

Addressing the Technikon Natal diploma ceremony for Humanities Schools in Durban this week Glyn Taylor, managing director of CG Smith Sugar, said the ideological and political attitudes dividing the country were "deadly ememies of a productive and thriving economy"

Slamming South Africa's productivity record as atrocious, Mr Taylor pointed out thatnational output per head is now about one sixth of Switzerland's, a fifth of the USA's, a quarter of Japan's and a third of the United Kingdom's.

Labour productivity taken by itself has achieved real progress with the value of output per head of labour employed improving

The cause of the productivity recession was the under utilisation of factory plant and equipment.

"The most telling example of this is, perhaps, the automobile industry where production dropped from a high of 453 500 units in 1981 to a low of 264 700 units, five years later — a decline of 42 percent.

He said due to political and ideological divisions South Africa could not hope to achieve the same "economic miracles" of Japan, Korea and Taiwan

"What is common to all of them — national identity, a strong work ethic as part of their culture, motivation and an orientation towards achievement

"Contrast this with the circumstances in South Africa where we wallow in separation, in divided compartments and in fragmented societies throughout the length and breadth of our country"

He said in was essential companies worked at creating a working enviroment which is seen to equate with freedom in the workplace

"This means the complete removal of all race discrimination and the creation of a climate where all employees become free of the constraints of South Afr ca when they walk thr ugh the factory gates."

Member of the Barlow Rand gro

D|09/5/88

172

MD on key role for business, education



Mr Ronnie Weyer.



Daily Dispatch Reporter

EAST LONDON — Business and education could play a key leadership role in promoting a fundamental shift in black and white perceptions of one another, the managing director of Johnson and Johnson, Mr Clive Schreuder, said at an East London Rhodes University graduation ceremony at the weekend.

Mr Schreuder was guest speaker when 28 graduands in science, arts, education and commerce were capped by the chancellor, Dr Ian Mackenzie.

In his speech, Towards a New South Africa — the Role of Business and Education, Mr Schreuder said apartheid was a temporary system that would not withstand dynamic demographic factors.

He said blacks already constituted 80 per cent of the population and by the year 2000 there would be twice as many as there were in 1980.

The main problem with South African society was that of perceptions. This was the first aspect that should be tackled at grassroots level, he said.

In industry black workers voiced their social grievances through trade unions, which was their only outlet. That was why trade unions adopted a political stance.

He said workers viewed businesses as conspiring with the government to oppress them, leading to workers calling for sanctions and disinvestment.

The government on the other hand accused business of meddling in politics.

Business and education held the key in a changing South Africa, Mr Schreuder said. It was in the workplace and the classroom that they could interact and learn mutual respect to achieve a common goal.

Vertical progression in a company should be based on merit, not on the colour of a person's skin, he said.

On education, Mr Schreuder suggested that more private non-racial schools be established. This would help overcome the problem of perceptions between the races.

He said a number of well-equipped white schools were under-utilised, whereas there was a shortage of black schools.

The government's idea of improving black education would never solve the education problem since "separate would never be equal".

He called on citizens to take a lead in changing the country into a free non-racial society.

Twenty students graduated with a bachelor of commerce degree, five with bachelor of education, one with a bachelor of arts, one with a bachelor of science and one with a bachelor of economics.

Guests later met Dr Mackenzie and other university leaders before attending a garden party in the grounds of the museum.

Leatherette trim pullovers
as illustrated ...
Plus other

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Henr

THE PRICE OF A HUMAN FACE: TENS OF MILLIONS

W Mail 5-12/5/88

172

FOR South African companies social spending is good business strategy and an attempt to give capitalism a human face. For multinational companies social spending may be all of this but it's an attempt too to justify these companies' continued involvement in South Africa.

The amounts being spent are not insignificant. American companies subscribing to the "Sullivan" code spent R77-million last year in the three areas of black education, health and the promotion of black business. According to the British Industry Committee on South Africa, British-associated companies are spending over R100-million a year on social investment, particularly education, housing and job creation.

One of the most prominent spenders is Shell South Africa: its "social commitment costs" last year totalled R27,9-million, according to its 1987 Business Report published last week.

Says Shell South Africa chairman JR Wilson: "For Shell, corporate social responsibility has ceased to be the dispensing of large sums of money to so-called worthy causes. While it is recognised that social responsibility programmes are important to the community, they have assumed secondary importance to the real issue: political participation for all in a non-racial democratic South Africa."

The corporation prefers to support projects which have community approval, the report says, and Shell consults community representatives in an attempt to ensure this.

It concentrates on education, training and job creation. An innovative aspect of Shell's spending on job creation is its support of co-operatives. "Co-operatives are favoured over small business enterprises because they embrace the principles of collective responsibility and the shared utilisation of skills," says Wilson.

Education spending makes up about 34 percent of Shell's total social spending and includes such projects as upgrading of maths and science teachers, bursaries for university and technikon students, and a contribution to the Leadership Education and Advancement Foundation.

Housing gets R10,5-million (38 percent of the total) with the Urban Foundation high on the corporation's list of beneficiaries.

Shell includes its Road to Fame competition in total social spending although this is arguably more of a marketing exercise.

It's not clear whether the R27,9-million in social commitment costs includes the money Shell spends on benefits and facilities for its own employees.

Tongaat doubles earnings

Own Correspondent

DURBAN — Tongaat-Hulett came close to doubling its earnings in the year to March The dividend has been lifted by 59% for a total of 54c a share (34c).

Attributable earnings of 162,2c a share were 12c better than forecast six months ago

A 20 percent increase in turnover for the year to R2,6 billion produced taxed profits of R124,8 million, despite a 63 percent increase in the tax bill

The board says the strong recovery in earnings noted at the half-way stage continued into 1988 and that with encouraging prospects in the current year, further improvement in earnings can be expected

Major contributors to the results, apart from better market conditions, were last year's rationalisation programme and a reduced level of borrowing, combined with lower interest rates

"Effective management of working capital contributed to the reduction in the level of total group borrowing, which fell to R300 million at the year-end, compared with R381 million last year," says financial director Ted Garner

"Interest cover has improved to 4,7 times, significantly up on last year's 2,5 times," he says

Markedly greater contributions to profits were recorded by the aluminium and textile divisions

The performance of the sugar division was watered down by the absorption of the Felixton Mill tax shield, with the result that there was little growth in this area

Building materials showed an increase as a result of growing demand, while foods, starches and sweeteners turned in satisfactory profit improvements

Forman 'was cause of company's success'

Star 19/5/88

172

By Bruce Anderson

The Reeva cosmetic company owed a huge amount of its success to Miss Reeva Forman herself, a senior Johannesburg accountant told a Rand Supreme Court yesterday

Mr Charles Stride, senior partner of a Johannesburg auditing firm, has been called as an expert witness by the plaintiffs in a case before Mr Justice D J Curlewis in which two of Miss Forman's companies, Reeva Forman (Pty) Ltd and Reeva Success Dynamics, are claiming more than R3 million for an allegedly defamatory article published in *Style* magazine in 1985

The defendants in the case include the editor, publishers, printers and distributors of *Style*

In his evidence, led by Mr Michael Kuper, SC, Mr Stride said he was amazed at how profitable Reeva Forman (Pty) Ltd was

Mr Stride said that before investigating Miss Forman's companies, he found it necessary to "get an understanding of the market in which it operated"

He reached the conclusion that Miss Forman's company owed its success to Miss Forman because, as a manager, she showed flair, kept her eye on the market and ran motivational programmes

Mr Stride said he had studied figures from other direct-sales companies which suggested that such companies often experienced growth in "bad times"

The hearing continues

Warning on fewer CAs

DURBAN — SA business would lack the management it needed over the next decade unless there were an immediate increase in the availability of professional tertiary education, says David Sapseid, a Rennies Group director

In 1987, more chartered accountants emigrated from SA than qualified

"Over time, this will impoverish the quality of companies and certainly inhibit growth," he said

Speaking in his capacity as marketing chairman of the CIS at the "Today's Leaders on Tomorrow" conference, Sapseid outlined the institute's priorities for the next ten years

"We need to re-think on distance learning in order to bring quality education to the platteland," Sapseid suggested "Among other things, this will enable leadership to develop in areas other than the large towns and better reflect the demographics of SA" — Sapa

'Critical drain on managerial skills'

Str 21/5/81

172

SUE VALENTINE

The exodus of professional people from South Africa had heightened the need for talented business leadership, guests at the launch of the Kelloggs-Black Management Forum "excellence in achievement" awards were told in Johannesburg yesterday

The director of the forum, Mr Joe Tshume, said that according to market research at the University of Stellenbosch, 500 000 managers would be needed at the turn of the century More than 45 000 professional people and personnel with with managerial skills had left the country in the past four years.

In thanking Kelloggs for its sponsorship of the awards for the second consecutive year, forum president Mr Don Mkhwanazi said South African corporate giants should note that an overseas-based company had taken the initiative to encourage the growth of black business leadership

"We are not looking for handouts," said Mr Mkhwanazi, "but we do want genuine commitment and involvement from big business in the development of the black nation"

Mr Mkhwanazi said the forum had three main aims to develop managerial skills, to eradicate racism in the corporate world and to uplift the black community.

Change begins at home, says JCI's Hofmeyr

At a conference on the social role of business, executives are reminded that in South Africa today, business priorities go further than balance sheets. By HILARY JOFFE

DEBATE at the Five Freedoms Forum's business conference last weekend centred around practical ways for business people to remove discrimination and provide for greater employee participation in their own organisations

But the speakers and the over 120 participants at the conference, held just outside Johannesburg on Sunday, emphasised too that business leaders must speak out publicly to urge change.

In their keynote addresses to the conference, JCI chairman Murray Hofmeyr and Sentrachem managing director Johan van der Walt focussed on the need for greater opportunities, benefits and participation for employees. But both stressed that business leaders had a responsibility to make public their commitment to change

"We haven't achieved what we should have and change, like charity, begins at home," Hofmeyr said. "But business dare not abandon the effort to persuade government to rethink its own strategy."

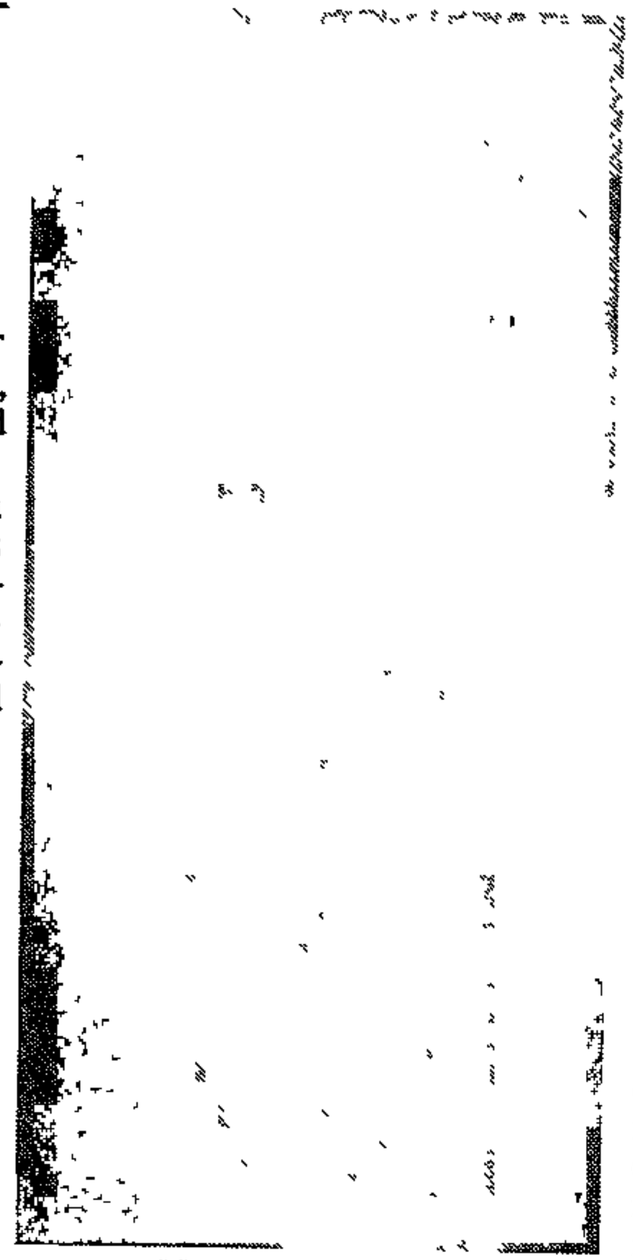
He said government policies had gone a major way towards making business difficult or impossible and business must speak out against "the arrogance of banning 17 organisations or of telling two newspaper editors their future was in their own hands", he said.

He said the government had shown a willingness to create a platform from which business could express its views, within a narrow definition, but there was no evidence they had any impact on the government

Black trade unions had provided a profound stimulus for managements to abandon their paternalistic approach and enter the real world of negotiation, Hofmeyr said. But government policies were making industrial relations very difficult.

Speaking of last year's miners' strike, Hofmeyr said "If the government believes that in a society with disadvantaged people, trade union rights can be granted without political rights, this can only be the greatest folly ever perpetrated Of course trade unions have developed a dual agenda," he said

He stressed the need for proper and upward communication in the workplace to overcome the polarisation between management and workers JCI's mines have been working towards participative management with a system of "Employee Indaba Groups" which has helped problem solving and improved morale, he said.



Murray Hofmeyr

While Hofmeyr stressed pragmatism, Van der Walt focussed on the need for chief executives to be visionaries, initiating and leading change

"Is it an impossible dream to envision a free and just society, a stable democracy in South Africa in which the capitalist system, as we believe in it ,would flourish," he asked.

He believed chief executives should state their commitment publicly and their companies should be seen to be upholding core values such as opportunity for all.

In the debate which followed, Wits University Business School lecturer Nick Binedell urged business leaders not to take a narrow view of the firm and to actively engage in political action:

"My fear is we will get our organisations right in a small and not very successful economy," he said "If we believe the political situation will destroy the future of the economy we have to fight it. The problems of South African business are by and large directly political ones," he said

Many of the conference's central themes — removing workplace discrimination, equalising opportunity, increasing employee participation and enhancing black education — were not new But the conference was marked by a sense of commitment to actually bringing these about Workshop sessions focussed on practical ideas which business people could implement in their own workplaces.

"It had the tone of a revivalist meeting," one observor commented.

Much business talk, but few black advances

By HILARY JOFFE

THREE decades of talking about black advancement schemes had brought negligible results, according to Professor Eddie Webster of the University of the Witwatersrand's department of sociology.

Webster was addressing a workshop session at the Five Freedoms Forum business group's conference on "Preparing Business for the Future" last weekend.

Government figures showed there were 180 000 whites in managerial, executive and administrative positions and only 2 860 blacks — a clear indictment of South Africa's "racial capitalism", Webster said.

"Until the business world reflects critically on its own practices, black advancement will remain rhetoric, not reality," he said.

He cited as problems that it was white managers who usually implemented these programmes, reproducing paternalistic attitudes and practices, that recruitment and promotion practices reinforced segregation, and that there was a genuine fear on the part of white managers that blacks with the same skills would eventually take over their jobs, hence they resisted black advancement, overtly or covertly

Reform in the workplace alone would not remove discrimination, he said. For whites the workplace and home were separate, but black workers could not separate their lives inside the corporation from their lives in the townships. Pay equity, for example, was not perceived to benefit them that much because their transport costs were high and they could not live where they chose.

He suggested as positive measures that management.

- Involve blacks in the design and implementation of any programmes to remove discrimination,
- Use alternative ways of recruiting and promoting staff, for example by advertising in a range of different media and establishing links with black schools;
- Seek representative black leader and work with them as partners to monitor progress;
- Give equal weight to improving living conditions of employees and their families outside the workplace;
- Recognise white's structural insecurity.

27/5-2/6/88 (176) W1 Mark

Fair deal for retrenched SA workers urged

By Adele Baleta

Retrenched workers should be given adequate compensation to soften the material and psychological blow of being jobless, Dr Petrus Claasens of Eskom's personnel department, said in Johannesburg yesterday.

He was addressing personnel managers at a conference on the theme "Crises the workplace — how to cope" It was organised by the National Council for Mental Health.

The three-day conference, which began yesterday, focuses on crisis and the employer (retrenchments, strikes burn-out), the employer and the family crisis (how crises in the workplace influence family violence and vice versa), and crises at work (how existing community resources can help the individual, family and employer)

Dr Claasens, speaking on "Retrenchments coping with the crisis", advised managers to handle the firing of workers with the least amount of stress and trauma to themselves and the individual

He said management and unions should agree on the amount of money to be paid to the retrenched worker.

"Compensate the individual to such an extent that he or she has a fair chance to find a new job

"Remember you are not only ridding yourself of excess fat in the company You are also creating unemployment It is in the company's interests to help the worker find an alternative job," Dr Claasens said

Other suggestions for coping with retrenchment were

- Show unemployed workers their rights and advise them on how and where to claim unemployment money
- Assist retrenched workers in informing their families
- Negotiate jobs on their behalf at other institutions

Get personal and keep customers

Stan 4/6/88

172.

Article contributed by Hymie Sibul, the managing director of Dion Stores.

Earlier this year an international survey by experts showed that South African business came "disgracefully low down the ladder" in terms of customer service and satisfaction Levels of customer service were worse than in any other westernised country

Retail itself didn't exactly come up smelling of roses and a surprisingly high 91 percent of the South African consumers questioned said they refused pointblank to return to shops where they had received bad service.

We at Dion were shocked, but did not have the audacity to think ourselves immune from anti-feelings among some customers

What came out of the survey — conducted by 66 inspectors in 20 countries — was that the best marketing tool any organiation has is its staff

Twenty years ago, personalised customer service existed on a wide scale, from corner grocers through to larger retail stores, usually family concerns

Today this is the exception With the advent of supermarkets and hyperstores, personalised service has given way to cash-and-carry, and price has become the all-important factor

Obviously, with retailers concentrating primarily on turnover/price, customer service training has taken a backseat, resulting in a sad state of affairs all round

Yet, why should customer service in South Africa fare so much worse than in other sophisticated countries with supermarket chains and hyper-stores?

What has obviously happened overseas — with the exception of France, which also fared extremely badly in the survey — is that retail management has recognised that price is not the only factor determining where the consumer shops

The survey showed that customers worldwide are demanding service and attention, and retailers and companies which realise this and provide it by instilling in their staff a commitment to the customer, will be the winners

The better the service we offer customers and clients, the more they will do business with us

Those firms which offer improved personal customer service will have the competitive edge in 1988 and beyond

Marketing to customers starts with making everyone in the organisation want to put the customer first.

The survey showed that South African organisations spend less on this type of training per employee than any other Western country — with the exception of France

If one looks at successful retailers worldwide, a significant contribution to success is the fact that they make all their staff feel, and be, winners.

Sadly, too often management concentrates on strategies for survival today, which result in neglecting the employee commitment essential for success tomorrow

Employee commitment ultimately decides if an enterprise wins through or takes a beating

I believe retail is headed for an era of service to the customer, where successful retailers have the edge not just in price, but because of their personalised customer service

Putting the workers in the picture at JCI

Star 7/6/88

In this two-part article, TEIGUE PAYNE examines the influence of participative management programmes in improving industrial relations, particularly when changes are to be made to existing practices in the workplace.

Prompted by the effects of mechanisation on industrial relations, JCI has implemented a major, and apparently highly successful, participative management programme on its two West Rand gold mines

JCI was in the vanguard of the mining industry when it took the step of changing to mechanised mining at its Western Areas and Randfontein mines. The switch began in late 1984 and today about 70 percent of the production of both mines is from mechanised mining methods

Because mechanisation involves reduction in labour, workers at both mines were initially not in favour, despite improved employment opportunities and remuneration and safer working conditions.

In June 1987 an audit of industrial relations on the two mines produced very adverse results particularly because of retrenchments due to mechanisation and strong unionisation The results prompted JCI's Gold Division chairman Kennedy Maxwell to decide on participative management

More intensive

The programme which was applied has been both more intensive and much larger in scale than has hitherto been attempted in the mining industry, although most major mining houses are currently examining or implementing participative management programmes

Historically, mines have generally been paternalistically inclined and have relied on a management style and structure not unlike that of the army Factors like unionisation and the need to combat rising costs by improving productivity have prompted the rethink among the big houses

JCI believes its participative management programme has played a major role in gaining workers' acceptance of mechanisation

Phillip Amm, senior manager, personnel services at JCI said in an interview that mechanisation involved a steep learning curve. "Sometimes we fell off the curve, but were are now making very positive progress.



Kennedy Maxwell — winning the confidence of employees.

Industrial relations have also definitely improved We are not out of the woods yet, but we have turned the corner."

Mr Amm says implmentation of the system is a massive educational task because it entails a fundamental change in attitude by both mangement and workers For management, designing the system is an art rather than an exact science, and requires proactivity and intuition

Fundamental to JCI's programme has been the formation of Employee Indaba Groups (EIGs), a quality circle-type meeting of people involved together in the work situation

Members of the groups range from the highest to the lowest ranking employees. When the groups are in session, no seniority exists.

The prime purpose of the groups is to exchange ideas and opinions with the object of focusing on the problems affecting the production process.

Mr Amm described the implementation of the groups at Western Areas for a mechanised mining core unit involving 120 people, with a production target of 35 000 tons a month

At the inception of the programme, management held a meeting of the core unit Senior managers presented an overview of how the mine was performing, with pie charts illustrating the way its revenue was distributed on various cost items like labour, stores, power, water and insurance

When management was satisfied that the workers understood the concept of participative management, they were split into groups of 10 to 12 and the members were asked what problems they were experiencing in their duties.

A "facilitator" with each group recorded the problems identified and wrote them on a flip chart

A total of about 400 problems associated with the unit were recorded on the various flip charts

Credibility

Management divided the problems between large and small issues It first tackled the problems it could rectify immediately — like expediting stores and spares and organising better aviability of artisans to service machinery and thus reduce downtime

These improvements gained considerable credibility for the process

For the larger issues, EIGs were formed and problems requiring attention were addressed "with significant results", according to Mr Amm

EIGs are now formed as and when they are needed, and the objective is that informal EIGs should be formed for specific problems

Mr Amm says use of EIGs has not declined since the implementation of mechanisation Management is insistent that participative management must become a way of life on the mines, and by now every employee at both mines is involved in the process

● The second part of this article will be published tomorrow.

US firm moots social award

AN American-owned company with a top social responsibility rating wants to reward others who follow its example.

Pharmaceuticals manufacturer Warner-Lambert SA has initiated an award to recognise industrial companies in the western Cape with outstanding records of social responsibility. The award, open to multinational firms and local companies, is being co-sponsored by the Cape Chamber of Industries.

Warner-Lambert's own programme has been rated category one ("making good progress") for compliance with the Statement of Principles, formerly the Sullivan Code

And the directors of South African multinational the Anglo American Corporation disclosed in their annual review released this week that the Anglo American and De Beers Chairman's Fund and Educational Trust spent R49,1-million, 78 percent of which was on education and research

Woolworths MD Stakol in shock resignation

Finance Staff

The Wooltru group suffered its second sudden resignation at senior level in recent weeks when the managing director of subsidiary Woolworths Mr Michael Stakol resigned yesterday.

Wooltru lost the services of its chief executive Mr Tony Williamson just a few weeks ago. At that stage it seemed that management wanted to change the group's strategic emphasis from the development of systems to one in which marketing took prominence.

Mr Williamson, who is seen as a systems man, is believed to have been behind the acquisition of Truworths in the early eighties. An acquisition which many analysts felt dampened group performance for several years.

Mr David Susman, who had built up the group with his strong marketing flair and had remained on the board as chairman during Mr Williamson reign as CE, resumed executive control of Wooltru on Mr Williamson's departure.

The reasons given for Mr Stakol's resignation, which is effective immediately, were irreconcilable differences with the Wooltru board.

Market speculation is that Mr Stakol's resignation may have been on the cards following the removal of Mr Williamson from the top slot in the holding company. Mr Stakol, who was trained at Marks & Spencer in the UK, was appointed MD in early 1984 andwas the youngest MD at Woolworths.

The feeling now is that Mr Sydney Muller, who in the early Eighties looked as though he was in the running for the position as MD of Woolworths, may be more receptive to any change in corporate strategy that follows Mr Susman's resumption of executive control.

Sources at Wooltru last night were tight-lipped about Mr Stokal'sresignation saying only that they "had heard rumours in recent weeks", but were not prepared to elaborate.

Neither Mr Stakol nor the chief executive of Wooltru Mr David Susman were available for comment last night.

Mr Stakol(41) has been with Woolworths since 1971 and was appointed managing director of the R800 million-a-year turnover Woolworths in 1983.

The role of chief executive of Woolworths will for the time being be filled by Mr Sydney Muller (38), who was appointed to his present position as deputy managing director last year.

The Star Finance

Elegant mnagement style at Sage

Computer Beat



Stan Kennedy



James Montgomery — Networking has become his total focus

James Montgomery, general manager, hardware division, Sage Computing, is urbane and affable and when one meets him the first thought that comes to mind is that he has just stepped out of a Saville Row tailor

The polish and sophistication have also become characteristics of his management control and of the company's approach to its line of business, resulting in a high degree of efficiency

He has an uncanny knack of penetrating to the heart of things to the extent that, after only a few months, he can unravel the mysteries of an entirely new field of endeavour

He believes ardently that concentration begets excellence and all his life he has worked by this motto, turning his hands and mind to almost anything, and succeeding at most of them.

For 10 years he was manager of a 15 000 ha farm in Rhodesia, now Zimbabwe, and during that time he obtained a diploma from the Institute of Marketing Management.

In 1975, he came to South Africa and was marketing manager of an international airline and sat on the national executive of the Association of South African Travel Agents Later, he became managing director of a travel agency

In 1982 seeing the computer industry "an exciting place to be in", he started his own company, Core Computers, which was involved in telecommunications, telex switching and networking He sold it to Telkor, where he stayed for a short period as managing director, Telkor Data

Early 1985 he left and joined Sage to set up a networking division, taking the Novell agency with him

"At the time, Sage was moving into the PC world in an indeterminate way and was selling a wide range of solutions

"The company needed to become more highly specialised, in technology terms, to move away from the pack and become more than a High Street dealer

"It had a wide base of dealers and I was interested in joining such a company that had a lot of technical skills in-house

"It also understood the need for a high commitment level to the end-user"

PCs, he says, are a fairly tenuous type of product which you can sell and move away and perhaps never see the customer again.

With local area networking (Lans), one has to have the legs and staying power, as well as the resolve, to look after the customer right down the line

So, armed with his knowledge of networking, he set about transforming the division into a networking division.

He believes that if a computer company is big enough and gives the service and support, it can expect to get repeat business Big companies, he says, prefer to deal with big companies.

He says "I recognised that at Sage so we became a large Novell operation We are the only Novell value-added re-marketer in South Africa This implies a special importance which allows us to have direct contact with Novell in the US as well as the end-user"

Major new products from Sage enable corporates to integrate their computer systems from mainframe to PC and all stops in between Behind this system is a line of electronic gateways for linking Lans with a variety of host computers to form wide-area networks (Wans) These communication products have been developed by Eicon Technology in North America.

Networking has become his total focus as the Lan takes off in the market. But having been involved personally with Novell for five years, his company has the edge and currently has about 350 sites with as many as 300 Lans in one company

PC networking is its game and if it doesn't fit into that definition, it will have no part in it Today, PCs are sold only with networks and more than 100 specialists are involved in selling Lans All its customers are blue-chip companies and the specialists have to deal with almost 20 different vendors' products, gives an idea of the size of the operation

There are so many changes in technology and so much to learn and information collected by the specialists is disseminated all the time No one has an exclusive right to any new information he says

But are not specialists renowned for keeping information to themselves to preserve their positions?

Mr Montgomery replies "Technical people are interested in recognition, continual personal growth, the acquisition of knowledge and lots of training They want to get their hands on everything that is new

"They want to be at the front end of technology and, in some cases, they want to protect the information they have gathered They tend to be like squirrels, grabbing and picking up and hoarding whatever they can find

"I have to try to keep a balance and there is a fairly rational interface between them while, at the same time, there is often arbitration between different sections"

LOCALS WILL DO

Oil giants in a dispute over social action plans

The oil companies run into trouble with unions over how their social action money is spent. EDDIE KOCH reports

OIL companies are involved in a nation-wide dispute with workers demanding their union has the right to take part in decisions about the way corporate profits are spent on social action programmes — and the conflict could spark industrial action at three crude oil refineries

Funds that petroleum companies invest in projects designed to promote social change have long been a volatile issue, with many anti-apartheid groups claiming the corporations are merely trying to boost the industry's image and resist pressures for disinvestment.

But this is the first time a union has formally declared an industrial dispute over the controversy and the move will shift issue from the realm of public debate into the combustible arena of collective bargaining

The Chemical Workers' Industrial Union (CWIU) has asked the government to appoint a conciliation board to try and resolve the dispute. If this is not appointed this week, the unions will hold a series of nation-wide meetings with its shop stewards and members to discuss possible industrial action.

CWIU general secretary Rod Crompton told the *Weekly Mail* that the major employers had refused to negotiate with the union over their social responsibility programmes and a range of other demands that include paid maternity leave, education assistance and job security.

The companies involved are BP South Africa (BPSA), Caltex Oil, Cera Oil, Mobil Oil, Mobil Refining, Sapref (jointly owned by Shell and BP), Shell Oil, Shell Chemicals and Veetech Oil (largely owned by Shell). Together they employ some 3 000 workers and own three of the country's four petrol refineries. Sapref is the biggest refinery in the southern hemisphere.

"Our members feel it is their labour that has created the profits that are being distributed like presents to boost their corporate image and the union finds it shocking that the oil companies refuse to discuss these projects with the very workers who make them possible," said Crompton.

Many programmes were designed to either create a privileged elite or to train skilled personnel for the benefit for the industry, he added. Included in this category was BP's involvement in schemes to upgrade District Six in Cape Town and research grants that aid the chemistry departments of some universities.

But BP has rejected the union's claims. "There are no issues on which BPSA have refused to negotiate with the CWIU ... Indeed BPSA has an ongoing commitment to negotiate with the union for employees at work sites where the union has achieved recognition," said a company press statement.

"BPSA regularly publishes a comprehensive report on its social responsibility activities and sends every employee a copy."

Shell also said it has always been prepared to discuss "fringe benefits and wider employee issues" and is opposed to the CWIU initiative because it proposes that negotiating take place on an industry wide basis.

"Shell and the CWIU have already met to discuss these as part of last year's wage negotiations (and is) willing to continue the discussions with the union at any time. These discussions, however, would only be in respect of those of our operations for which the union has been recognised," said Shell's official release.

But Crompton said the union wanted to bargain collectively with the companies over social responsibility, and the other demands, because "there are obviously considerable sums available and with economies of scale these can be put to best use.

"If the companies are genuine and not concerned to get publicity coverage and boost their image then surely it does not matter where they negotiate with us."

The fracas has clearly become embroiled in the CWIU's campaign to pressure the oil companies into negotiations and the union is obviously hoping the sensitivity around social responsibility and disinvestment will give them some extra leverage to achieve this wider objective

But during previous disputes, the oil companies have refused to move away from plant level bargaining because they believe this will extend the influence of the union beyond its actual membership



BP's social responsibility programme extends to schools

Cost-effective maintenance becoming a critical issue

Star 4/10/58

172

The need for engineers to focus attention on the impact of maintenance costs on the profitability of South African industry has become a critical factor in view of spiralling costs and high inflation

This is the view of Mr Luke Nickola, a divisional manager of management consultancy group, P-E Corporate Services

"Cost-effective maintenance is now a critical issue," he says

"The rate at which capital-intensive industry has grown along with computer technolgy and the ever-increasing scarcity of skills, are among the problems confronting engineers in their quest to contain maintenance costs"

The weakness of the rand against the currences of the country's major trading partners along with the increasing difficulty of being able to source capital equipment and technology and the shortage of technical skills, also combine to make maintenance management a vital factor.

● The sixth annual convention on maintenance management which is presented by the South African Institution of Mechanical Engineers in association with P-E Corporate Services will be held at the Johannesburg Sun and Towers from October 20-21

The Star Finance

Feather in cap for Nixdorf SA

Star 27/10/88 172

Computer Beat

STAN KENNEDY



It is not often that South African managers are asked to run an international management training course on behalf of their principals.

Nixdorf Computer AG in West Germany has been so impressed with the local subsidiary's management training that it has asked the local company to provide similar training for 60 Nixdorf managers from Japan, Taiwan, Thailand, Australia, New Zealand and South America

Mr Brett Botham, divisional manager, personnel, Nixdorf Computer SA, will spend two months in Singapore giving management training, based on a course developed in South Africa

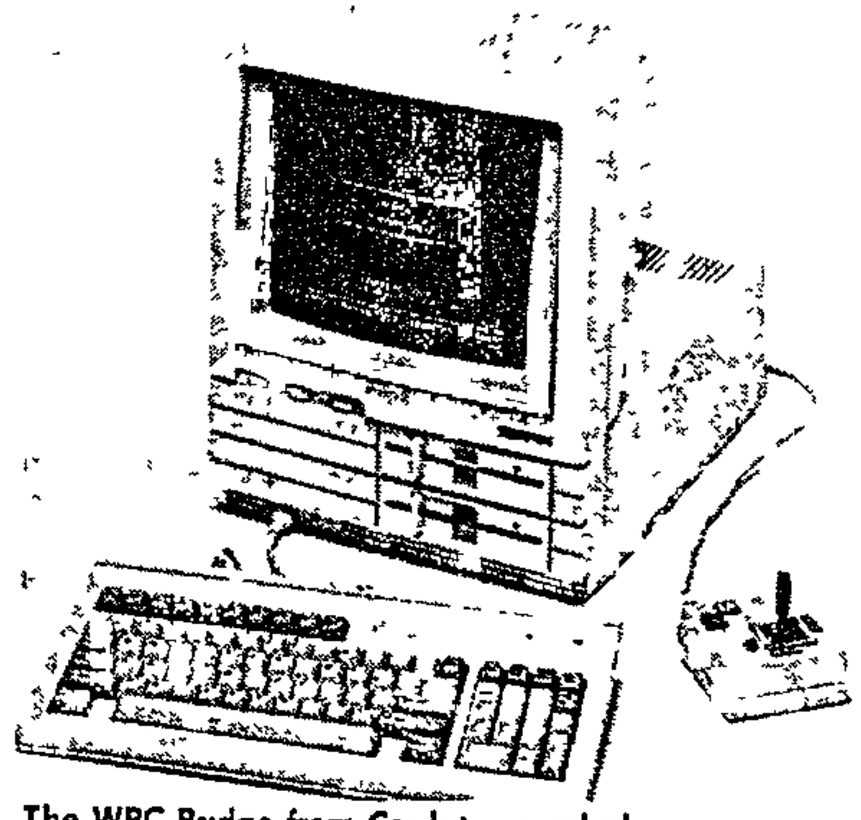
"There has been significant activity by Nixdorf in Asian countries, where a number of new subsidiaries have been established

"Managers in Hong Kong have a peculiar problem because of the city being handed back to China in 1997 Staff turnover is excpetionally high because workers are unsettled and will take almost any job to enable them to accumulate the R400 000 needed to emigrate"

He says Nixdorf headquarters revaluated the course and recommended that it be used for international training purposes

But in order to ensure the success of the course, Mr Botha has had to do extensive research into Far Eastern business procedures.

"The course is based on providing all managers with the same type of management tools, but does not rob them of their individual management styles We, therefore, emphasise the tools, but limit the amount of behavioural training"

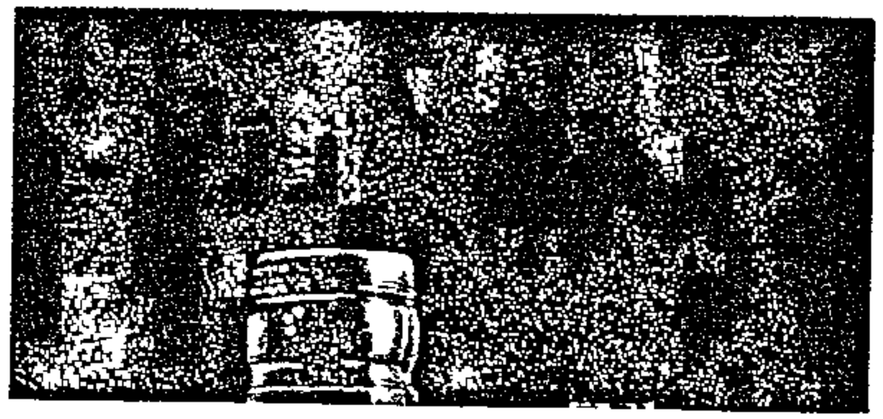


The WPC Bridge from Cordata on which users can run programmes written for Apple II and IBM PCs.

HARD CHROME PLANT/ FACTORY

HARD CHROME PLANT

Hard chrome plant including tanks, solution, rectifiers and cooling system



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MBA still seen as best training

AN MBA degree, master of business administration, is still considered the top qualification for entrance to a professional management position, say major business schools

Professor Tienie van Vuuren, dean of Pretoria University's Business School, says that although it is entirely wrong to try to create the impression that MBA graduates are all "whizz kids", SA is reaching the same stage as the US and Britain where an MBA degree can be considered almost a prerequisite for entry to professional management

"We select good candidates for our MBA programme via a personal interview and accept only one in two applicants We restrict our intake to no more than 100 students a year and are, in fact, reducing that to 90 next year

"The unfortunate thing in the earlier days of MBA programmes was that people did have the impression that graduates were all whizz kids It should be understood that the degree will greatly increase the student's business knowledge and sharpen his/her instinct, but it should come on top of an already solid awareness of the business world."

John Cole, director corporate marketing of PE Corporate Services, says "In the early days, companies tended to put MBA graduates into too high positions, expecting them to just walk in and be high-flyers The expectations were too high. Now they've realised that its more productive to bring them into the business more gradually, starting at a deputised level and being promoted on performance.

"The MBA is undoubtedly still an excellent qualification. The key advantage is that the graduate is given the opportunity to see how business works and think holistically."

Professor Frank Horwitz, of UCT's Graduate School of Business, says the MBA course should not be taken by newly graduate students prior to gaining working experience.

"We only take MBA students with a minimum of three to four years of post-graduate working experience. We don't want them to have unrealistic expectations The average age of people taking our full time course is 29

"The purpose of the MBA is management education rather than specific management training Our challenge is to be at the forefront of business education, to maintain an international quality and relevance in the MBA programme."

Van Vuuren makes a similar point "It's not like training a person to be a doctor, passing on specific skills and specific knowledge. You're passing on general methods and ways of strategic thinking that the talented manager will then be able to adapt to his own company's advantage."

There seems no doubt that MBA graduates are still the pick of the bunch for most employers.

"At Pretoria Business School we are now helping to place our MBA graduates with great success. There is tremendous interest among employers. One large company has told us it wants to employ six MBA graduates this year Of those, they are confident that perhaps four will turn out to be exceptional people."

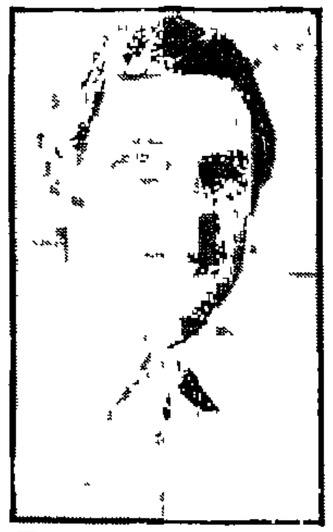
Van Vuuren believes the business world will move towards more formal recognition of professional management skills as is happening in the UK where a "chartered manager" qualification is to be introduced similar to that applying to the "chartered accountant"

"The MBA qualification would definitely be the base of such a professional accreditation."

UCT's MBA course claims to be the only one to have introduced sections on the socio-political environment of business and business ethics.

Horwitz says "There is a need to contextualise management programmes and generally SA hasn't moved far enough in that direction by being specific about the environment

"On the other hand, we do operate in an international business context and that requires a global approach"



☐ PROFESSOR FRANK HORWITZ of UCT's Graduate School of Business

They mean business!

FORECAST OF THE SUPPLY OF MANPOWER ACCORDING TO SKILLS LEVEL TO THE YEAR 2000, INSTITUTE FOR FUTURES RESEARCH ('000) (a)

Educational level	1980			2000 (b)			Growth rate per annum 1980-2000		
	Whites	Blacks Coloureds Asians	Total	Whites	Blacks Coloureds Asians	Total	Whites	Blacks Coloureds Asians	Total
Lower than Std 8	330,9	7 895,8	8 226,7	315,5	10 221,3	10 536,8	−0,2	1,3	1,2
Std 8 10	1 133,0	831.0	1 964,0	1 521,3	4 604,4	6 125,7	1,5	8,9	5,9
Diploma	284,3	140,8	425,1	453,2	415,8	869,0	2,4	5,6	3,6
Degree	158,8	18,9	177,7	266,8	120,2	387,0	2,6	9,7	4,0
TOTAL	1 907,0	8 886,5	10 793,5	2 556,8	15 361,7	17 918,5	1,5	2,8	2,6

(a) TBVC countries included
(b) Based on the extrapolation of education trends since 1975

THE University of Stellenbosch Business School offers a very broad range of management training and development programmes and is one of the country's largest business schools.

But one of its most important contributions to management development in SA comes from its Unit for Entrepreneurship and Small Business Management which caters for owners/managers of small to medium concerns. More than 2 000 businessmen have completed the course

The small business retailer is the single biggest group from which students have been drawn to university's Management Development Programme, forming 35,1% Second largest takers, 27,8%, are middle managers from a variety of large companies but this means that the other 71,2% of students are at owner-/manager level

The other main business categories drawn to the course are production, services and agriculture.

Four modules covered by the programme are financial management, marketing management, manpower management, management planning and control The training provided within each module is designed not to turn the student into a professional financial, personnel or marketing manager but to furnish the skills needed to understand each of these functions within an organisation The purpose of the programme, according to its manual, is "to provide students with the necessary skills for a total management approach"

The financial module enables the student to apply sound financial management principles, to analyse and interpret information from financial articles and documents

The manpower module prepares the candidate to manage employees, while the marketing module concentrates on a wider marketing approach rather than a sales approach

The course is presented in 33 three hours lectures, but is designed with a strong emphasis on the practical which is believed to be a reason for its popularity

Students are divided into small groups of no more than five to facilitate this practical approach Each group formulates a business plan with all assignments during the course related to this plan A prize is awarded to the best group at the end of the course

B/Day 21/11/88

Skill shortage greatest in LML

SA'S greatest shortage of skilled administrative personnel falls at the lower management level, LML — at a time of acknowledged need to prepare this section of the workforce for more strategic thinking and forward planning to cope with a more complex business environment

An important contribution to LML training is coming from a non-profit organisation, CATS (Commercial Advancement Training Scheme), linked to the SA-German Chamber of Commerce and started in 1985

The distinctive feature of the CATS method is that it provides training of corporate employees mainly in the company's own workplace with four days a week, 80% of the course, devoted to practical training

This is based on the "dual system" used in Germany for the last 100 years and under which 600 000 young Germans are trained each year

The training takes place within the company according to a formal in-house training plan. Trainees are rotated through various departments. In each department, a "mentor" or supervisor is responsible for the trainee's practical education.

The trainee in turn has to submit a monthly progress report to the supervisor.

Theoretical training, (one day a week), takes place at the CATS training centre in Auckland Park, Johannesburg, with these subjects covered: business economics; economics, commercial law, accountancy; commercial arithmetic, electronic data processing The first four subjects are lectured in co-operation with Unisa

Initially, the CATS scheme was inaugurated to meet demand among corporate members of the SA-German Chamber of Commerce. However, demand by other companies has seen its scope extend to training undertaken for companies such as Eskom, Sasol, Swabank and companies in the Barlows Group such as Nampak-/Metal Box.

Demand is in fact such that CATS is to open training centres nationally. It is opening a centre in Durban next year. It will open in the Cape and in either East London or Port Elizabeth in 1990, and in 1991 in Pretoria, says principal Otto Hacker.

"The school is multi-racial and all applicants are welcome We are trying to promote the entry of black commercial trainees We are now training 55 students," says Hacker.

Entry requirements include matriculation with university exemption and a CATS entrance examination.

Companies pay a fee of R2 500 a year for each trainee and are expected to pay a monthly training salary to each student on a training contract. CATS suggests that this salary be R700-R800 a month.

"There is a great deal of interest from a number of major corporate employers, and we will do our best to expand our services to cater for the demand," says Hacker

HOW MARKET WORKS

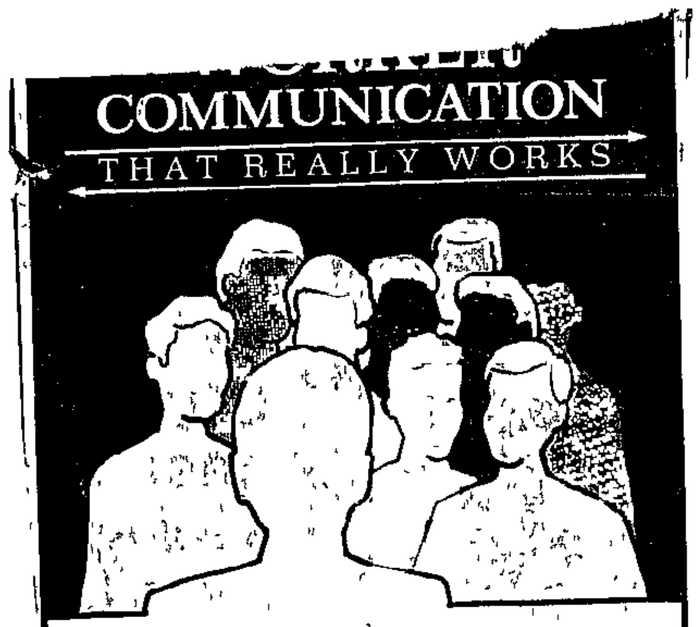
A NEW company, the Stock Market Investors' College, has been formed to offer courses on investing in equities, futures, gilts and options

"Investors who were caught in the crash were bombarded with all kinds of information, much of it contradictory," says the company's Ciaran Ryan

"Many have now decided to take responsibility for their own investments and have started to try and understand how the stock market works and what forces influence share price movements"

The course covers understanding financial statements, charts and detecting charting patterns, mining analysis, futures, gilt options and how to assess a venture capital company There is a series of 10 evening lectures for the student who wants a more intensive approach Students can, however, set their own pace of study

Students practice the buying and selling of shares as well as futures (which are to be introduced in SA on a more organised basis in 1989) on a computer model called Twin The college's telephone nuber is (011) 836-0041



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Need for strategic alliances



Mike Perry of Perry and Associates recently addressed the Strategic Management Society's (SMS) international conference on winning strategies for the Nineties in Amsterdam.

SA businessmen are in a unique position to teach the rest of the world a thing or two about "strategic planning under uncertainty."

Major concerns facing businessmen at the SMS conference were the Japanese invasion of Europe, changes in financial services, the single European market in 1992 and how strategic alliances between businesses could meet these challenges.

The underlying theme of the conference was that business, internationally, was facing an intensively changing environment New, flexible, strategic approaches to managing business will be essential for future success.

In the international scene of change, SA is a microcosm of a sophisticated business environment facing a high level of uncertainty on a day-to-day basis.

This is because SA is a country of contrasts — on the one hand, hi-tech businesses and industries such as synfuels, deep level gold mining, nationwide automated teller banking, armaments and nuclear fuel enrichment On the other, Third World markets combining large numbers, low per capita income, urbanisation and a rapidly growing informal economy

Secondly, political and economic turbulence means the local businessman has to build strategic alliances with customer and supplier alike.

Lastly, SA businessmen are exposed to all aspects of running a business and therefore real life strategic planning at an early age For this reason, they are readily accepted in senior executive positions overseas.

In today's business climate, competitive pressures are sufficiently great to encourage organisations to pursue a strategic alliance as the solution

☐ Strategic plans of customers and suppliers alike can change dramatically and without warning Companies that had established alliances of a temporary or permanent nature learn of these changes earlier than others;

☐ Rapid advancement of, and frequent changes in, technology As markets are reshaped and customer needs change, participation with key customers generate "early signs of change" and "creeping commitment" for future alliances,

☐ The impact of information technology means that customers now have up-to-the-second information to aid buying decisions A partnership approach is required to offset their negotiating advantage,

☐ Concentration of buying power or supplier power could emerge in any industry at any time Measures to find a counter-balance include strategic management of inter-business alliances, and

☐ The life cycle of businesses appear to be growing shorter — staying close to the customer is a strategic imperative

The gold mining industry is an example of strategic alliances Excluding Russia, SA accounts for 44% of world gold production Six mining houses control the purchase of virtually all supplies and equipment to the industry

Anticipating more competition from other gold producers, the mining industry plans to become more competitive New technologies will create new markets for suppliers Temporary alliances between mining and engineering industries will result in deep level automated mining technology

Help with customer care

(172) Star 19/11/88

ACQUISITION and retention of customers was a key objective for all businesses, but how many simply paid lip service to genuine customer care?

This question was put last week to marketers in a series of presentations by Peter Hayes, vice-chairman of Research International, United Kingdom

He said customer care elements were not always easy to define.

Mr Hayes added "Some are tangible but many are not How, for example, does one define friendly service?

"Very often these intangible elements are directly connected to staff imput, and so organisations need to define for staff just what is 'friendly service' "

He pointed out: "There are only two types of people who work in an organisation those who deal with customers and those who support those who deal with customers

"Customer care is a process and not a campaign and this requires that an organisation commits itself to a service culture "

Mr Hayes outlined a new research product called Smart (Salient Multi-Attribute Research Technique) which Research International is introducing to South Africa.

This technique measures the relative importance of different aspects of service and identifies key areas which, in the customer's eyes, would most benefit from improvement.

It helped organisations determine priorities and allocate resources in line with customer demands and unmet needs.

172

MANAGEMENT DEVELOPMENT



A Business Day Survey

Written by WILLIAM RAMWELL

IR skills are vital tool for managers

INDUSTRIAL relations, one of the most challenging and dynamic variables in the SA business environment, can no longer be delegated solely to personnel departments

IR skills are vital for every manager and should be part of a comprehensive management training

Unions, often more skilled in negotiating tactics than their management counterparts, have tended to take stances not only on labour issues but bordering on the political — throwing management into the political arena, and often into the forefront of the process of change in SA

Wits Business School Human Resources Management Professor Allen Zimbler commented in a recent article that "the burden of real negotiation in SA falls squarely into the lap of management"

He goes on "This gives management the exciting opportunity to take part in the construction of a SA of complexion But, in order to take advantage of this opportunity, management needs to be educated

"Management needs to be sensitive to the issues of representation and the democratic process Management itself has a profound responsibility and one which, given the black union's acceptance of the legal industrial relations framework, allows for a real meeting in the workplace between people of different colours, political persuasions and different perceptions."

Zimbler believes managers have to move away from the traditional separatist thinking of binary opposites — black/white, management/labour, we/they and win/lose

"We need to have the courage to move beyond authoritarianism, creating a common set of meanings upon which to base the — at first tentative — relationships that will build, and develop the mutual perception of legitimacy and trust"

Training institutions have recognised this need and a number of educational programmes are available to companies

Wilson Learning, now a wholly-owned South African company in partnership with Southern Life and Ernst & Whinney, is operating courses using the concept of "NTY" — negotiating to yes The essence of the theory, developed by WL in the US along with negotiating strategist Dr William Ury, is that both parties to a dispute should be exposed to the same negotiating techniques and standards

It has had success in the US in a number of industries, and is said to have been adopted as a negotiating technique in the talks leading to the Camp David Accord

"Positions, instead of hardening, need to open up and remain fluid if real solutions are to be found to the country's labour and political unrest," say MD Frank Crosswell

"We need to preserve long-term relationships by getting both parties to negotiate on a platform of integrity so that each side can get the most out of the deal"

Getting management and labour to work from the same NTY standpoint could well be the most difficult negotiation of all.

"Managers and labour leaders need to be willing to re-examine and adjust their roles for NTY to have a real chance of success"

The concept has worked well in the American context and has every chance of success in SA, says Crosswell

"But negotiations must be conducted with integrity and honesty and the parties must accept that the goal is maximum long-term benefits for both parties"

Industrial Relations training courses are now offered by most major university business schools but in most cases, intake numbers are limited and early applications are advisable.

National training organisation in the Time group, Executive Education, offers a five day full time diploma course It is intended for "all those involved in the management/worker interface, personnel and training people, and business owners who employ a workforce"

On a less attitudinal and more factual level, Damelin Management School's range of Management Workshop courses run in six weekly evening sessions includes a course on "How to make labour law work for you"

This promises to be an update on current events and current legislation

PMS moots inventory solutions

ONE of the most effective methods of improving a company's return on investment and profit-earning potential is through effective control of inventory and the company's expenditure on goods and services

Purchasing Management Services (PMS) chairman Tom Ebeling says "Local and overseas surveys have shown that on average, at least 50% of every sales-rand earned is spent on these purchases

In recognition of the key role a professional buyer plays in contributing to company profits, PMS is sponsoring a national "Buyer of the Year" competition in 1989

The competition is for innovative improvements to the purchasing performance of an organisation that has contributed to the company's cost-reduction programme

The competition is important, says Ebeling, in raising awareness of the vital buying function

"All too often, company buyers are relegated to the position of order clerks The professional buyer should be much more than this, he should know about sourcing and evaluating suppliers

"Also, he should know about setting up quality-assurance programmes, costing and estimating, negotiating, setting up and implementing value-analysis programmes and contractual risk management

"Professional buyers should obtain maximum value for every rand spent and enter into deals which provide the lowest ultimate cost They should not make decisions on price only"

PMS specialises in purchasing, inventory and materials management courses

Lack of managers opens new doors

THE workforce of the year 2000 — particularly at middle- and upper-management levels — will be much more integrated than now

Statistics abound to show business is rapidly approaching a skilled manpower shortage crisis The question is no longer whether management ranks need to be integrated but how to do it quickly and effectively

According to the National Manpower Commission's 1987 report on developments regarding high- and middle-level manpower, there were 96 959 vacancies in this sector in 1985 — 60 858 of these at the middle-management level

The report also notes that, with regard to high level manpower, "there was a constantly large absolute shortage of senior administrative staff"

Research by the Human Sciences Research Council indicates in its book, is 1 43 The US has a ratio of 1 6 and Canada 1 3

Are we addressing the issue? Apparently not if corporate attitudes to training are anything to go by According to Howard Cook, of management training company Louis Allen Associates, South Africa Perspectives on the Future, that we will require between 70 000 and 100 000 new people to fill managerial and administrative positions by 1995 The total requirement will be approximately 280 000 people

The present supply of such high level manpower, according to the NMC report, gives a figure of 767 000 — 69,2% of that number are white, 20,2% black, 7,2% Coloured and 3,4% Asian

Current ratios of managers to low-level and unskilled manpower are unfavourable compared to most other western countries In SA the ratio time budgeted for training by SA companies averages only one day per employee per year In western Europe and the US the average is five days

Professional trainer Mike Keynes, principal of Durban's Braeside Management Centre, the first centre to implement a new NIPR and SAIM-designed Self Development Programme for Black Managers, says. "It is a truism that SA has to overcome the widely predicted skills shortage and its highly unsatisfactory manager/worker ratio

"The resources clearly must come from the ranks of existing and aspirant black managers"

Keynes believes there is a great need for changed attitudes among both white managerial staff and black staff with the potential for management training

"There are many potential black managers in middle-skill supervisory positions They tend not to see their potential for advancement while companies tend to take the short-sighted view and look for recruitment externally We need to change these attitudes"

There may be advantages at corporate level of such a change in attitude Companies which train, particularly with an in-house, on-the-job system, tend to gain more staff loyalty

Otto Hacker, principal of a non-profit training organisation, the Commercial Advancement Training Scheme, says "The companies which use our training course find the employees tend to build long-term careers During the course they move from department to department within the company They get to know a lot of other employees and feel familiar with the organisation"

Apart from more in-house training and far-sighted recruitment policies, a tactic to overcome the skills shortage is a greater focus on productivity and moving management skills downline

The NMC report concludes "If manpower shortages are to be successfully addressed high-level and low-level management will have to be optimally utilised"

Management training programmes have been quick to respond Most training professionals are stressing managers will have to spread their skill by delegating more and making middle- and lower-level staff more responsible for decision-making in their own departments

In the spread of educational programmes available in 1989, companies will find that the definition of who should attend management courses has widened considerably and that there are many programmes designed for entrants with a basic level of vocational skill

Louis Allen Associates recently completed a research project into the needs of managers in the 1990s in the US, Australia and SA

Among findings concerning SA were that "as a result of skills shortages, senior managers need to set up control systems which enable subordi-

☐ Continued on next page

FORECAST OF THE SUPPLY OF MANPOWER ACCORDING TO SKILLS LEVEL TO THE YEAR 2000, INSTITUTE FOR FUTURES RESEARCH ('000) (a)

Educational level	1980			2000 (b)			Growth rate per annum 1980-2000		
	Whites	Blacks Coloureds Asians	Total	Whites	Blacks Coloureds Asians	Total	Whites	Blacks Coloureds Asians	Total
Lower than Std 8	330,9	7 895,8	8 226,7	315,5	10 221,3	10 536,8	−0,2	1,3	1,2
Std 8-10	1 133,0	831,0	1 964,0	1 521,3	4 604,4	6 125,7	1,5	8,9	5,9
Diploma	284,3	140,8	425,1	453,2	415,8	869,0	2,4	5,6	3,6
Degree	158,8	18,9	177,7	266,8	120,2	387,0	2,6	9,7	4,0
TOTAL	1 907,0	8 886,5	10 793,5	2 556,8	15 361,7	17 918,5	1,5	2,8	2,6

(a) TBVC countries included
(b) Based on the extrapolation of education trends since 1975

An aegis for women

AMONG growing educational opportunities for women with management potential is the Executive Women's Club's (EWC) bursary fund, which targets specifically at black graduate women with strong management potential.

EWC chairman Jennifer Kinghorn says: "Our objective is to enable the successful candidate to undertake post-graduate study in fields associated with the business sector"

The bursary is particularly for women who would not otherwise be able to further their business education and have no other financial means for study, but are strongly talented.

Criteria for consideration include academic ability, economic need and the credentials of the course for which the bursary is to be used

In June this year, the EWC awarded its 1988 study bursary to black computer science student and part-time lecturer, 29-year-old Joy Mokgele, which enabled her to study for an MBA degree.

The Executive Women's Club is sponsored by First National Bank.

Issues facing executives

THREE of the hottest management issues facing SA executives today are quality, customer service and industrial relations, says local training company FSA Management Consultants

"Progress in any of these areas can make a major improvement in a company's competitiveness and impact on the bottom line," says FSA director Mike Renton

"The major barrier to progress in all these areas is entrenched attitudes. Bringing about lasting changes in attitudes can only be successfully addressed in a concerted effort to upgrade the corporate culture"

Renton defines the culture of an organisation as what it feels is the best way to do business Culture is described as the spirit of the organisation, its climate and its values

"Culture can be seen in the attitudes of management and employees and how management treats customers, suppliers, employees, unions and shareholders

"The McKinsey research resulting in In Search of Excellence highlighted the importance of culture in long-term business success Here in SA, Volkswagen has demonstrated what a change in culture can do for an organisation"

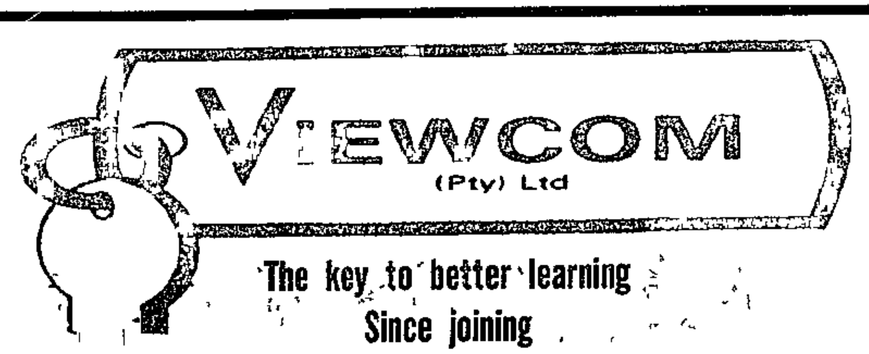
In the period that VWSA has been using a management-planning programme called Toward Excellence, the company's market share of car sales has grown from 14,5% at end-1985 to 22% in 1988, says Renton

FSA's Toward Excellence and new follow-on Customer Care programmes are designed to motivate individuals to setting and working towards a common goal

The programmes involve all levels of management and employees in assessing where they want to go and what changes are required to get there This process is a cycle of regular and specific action planning, progress review and replanning.

"A few years ago, the Excellence research was being labelled as a short-lived management fad pumped up by charismatic guru Tom Peters," says Renton

"We now know that the key to improved productivity, competitiveness and industrial peace in SA is through changing the attitudes of people, not through computerisation, automation and the like"



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The holistic approach

EMPLOYEE training programmes should cater for a lot more than the mere acquisition of job skills, believes Viewcom MD Bob Spurr

Spurr says the US trend towards adopting a holistic approach to the employee has reached SA This approach sees skills training as addressing only part of the drive for greater productivity

"If an employee is unhappy outside the workplace he will not perform to his full potential It follows that to be effective, such an employee must be equipped to handle life's challenges This means acquiring knowledge of a broad range of areas such as fitness, stress management, financial discipline and learning to be assertive

"The need for such training is particularly important for managers The requirement for a balanced individual, well equipped to handle and motivate his staff, is paramount"

He says in order to satisfy the burgeoning local demand, Viewcom has introduced a broad range of training packages covering life skills These include health and nutrition, drug and alcohol abuse, stress in the home, communication outside the workplace, safety and security in the home, child abuse, financial discipline, overcoming sex problems, job-hunting skills, self motivation and other problems

"Being video-based, these courses can be incorporated into the in-house training libraries found in many corporations Employees can then acquire these skills in their own time, as and when required

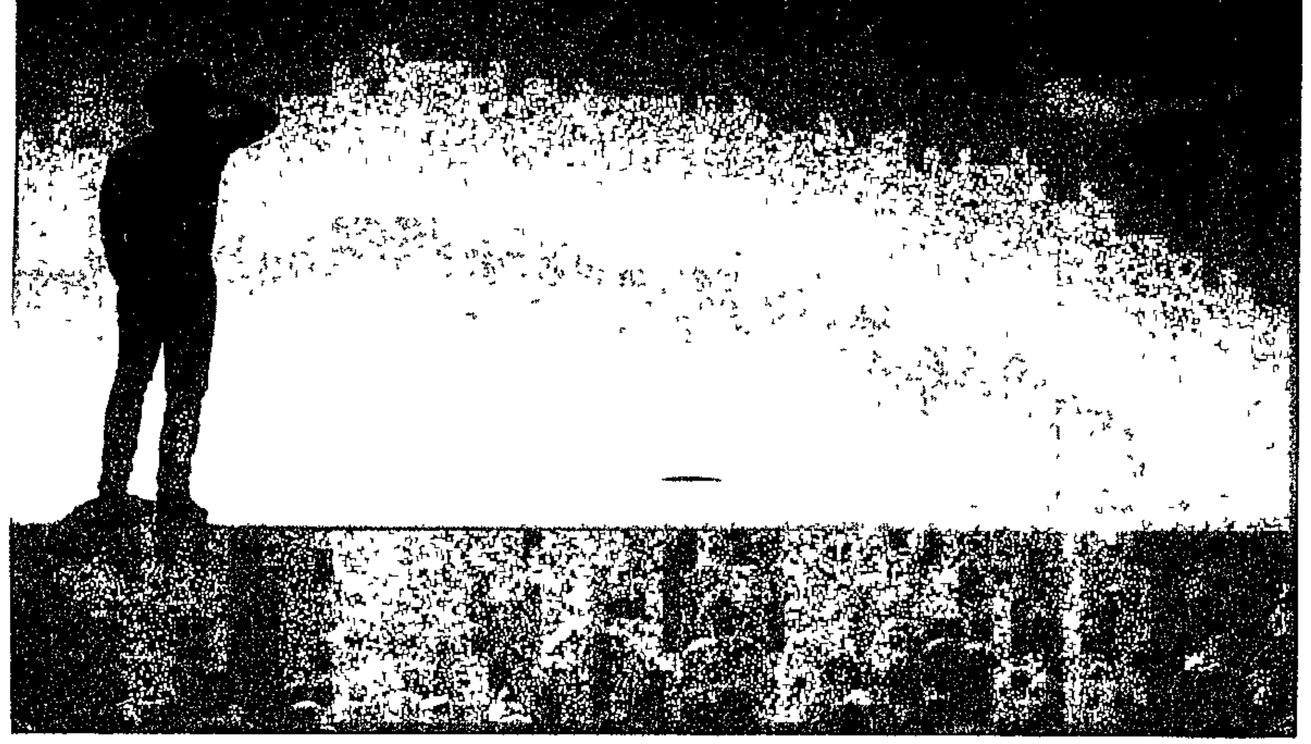
"We believe this service can offer a solution to providing the job and life skills required to produce well rounded and effective managers and supervisors"

The courses, many of which use the interactive video instruction medium, encompass a broad range of management topics These include the Versatile Organisation and the recently introduced Management Skills Development (MSDS) programme.

"The MSDS series will allow companies to drastically cut the time spent by management on such training courses It is designed to develop or improve identified management skills and is aimed at middle and upper management"

Among the courses in the MSDS sereies are control and follow-up, decision making, decisiveness, flexibility and interpersonal relationships

LEAD YOUR MANAGERS TO TOMORROW'S SKILLS.



The Basic Louis Allen Management Programme.

This is the programme that gets to the core of management training State of the art teaching methods cover the fundamental concepts, principles and techniques that meet the training needs of managers of the 1990's

And it is based on worldwide, but especially South African research in 1988 that revealed the key management skills that organisations will need in the next decade

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Leonard Fine, Chairman, CIM Deltak

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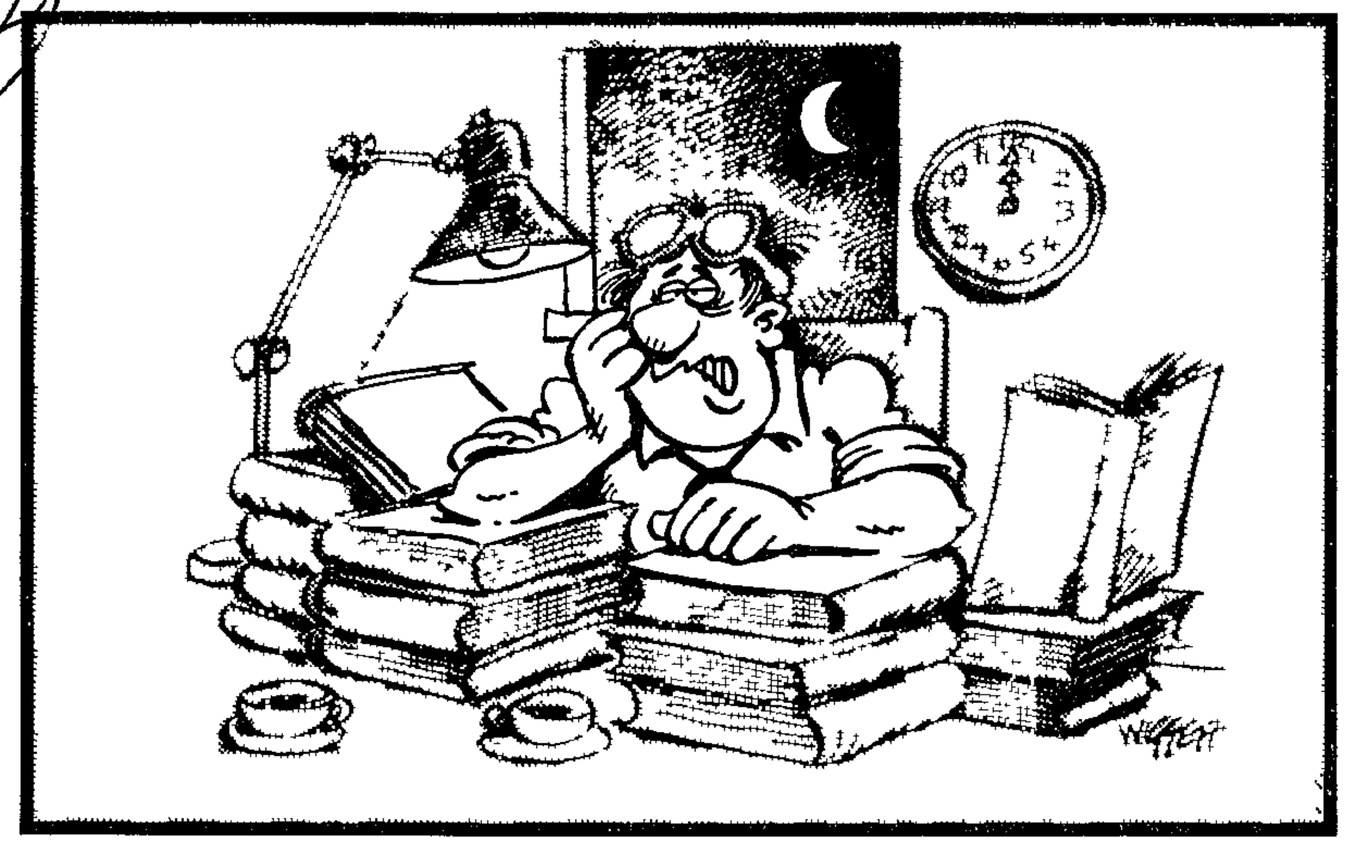

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Evelyn Wood Reading Dynamics

MANAGEMENT DEVELOPMENT

New courses plot way to foreign trade

EXPORTING and importing, in the face of growing isolation, barriers and threats of sanctions, has become a tightrope for managers of companies trading internationally

Major bodies, such as the SA Foreign Trade Organisation and Witwatersrand Chamber of Commerce and Industry, have stepped into the gap with courses designed to keep managers up to date on latest developments and to broaden knowledge about all foreign trading matters

Pat Corbin, co-author of the WCCI's Importer's Manual, comments "Sanctions and the debt standstill disrupted some long-standing trading relationships. Major companies have been compelled to deal with new people and arrange new lines of credit These disruptions are growing

"There are ways of coping with the problems, such as framing shipping documents that don't disclose too much information

"A trader may be expert in his own field but usually that's just one link in the chain of such things as finance, shipping, customs, clearance or insurance"

He makes the point that today's manager needs to understand how it all hangs together — to ensure his own success and to avoid causing problems for overseas suppliers or buyers

The manual, updated last year, forms the basis of WCCI seminars and courses Courses involving 28 hours of study over seven weeks are held in evening classes at the Witwatersrand Technikon

Safto this year launched a three-year correspondence course, the Diploma in Export Management, an internationally recognised qualification

The course is designed for novices as well as those working in the export field

A Safto spokesman says the course is of immediate practical use to the student because it covers current export policy matters, regulations and procedures, and examines the challenges exporter faces in international business

Entry requirement for the Safto diploma course is either matriculation or, for those over the age of 25, relevant business experience

Students are also given access to Safto's foreign trade library in Johannesburg

Dearth of managers worsening

☐ Continued from previous page

nates to practise self-management Effective delegation will be a critical skill"

The focus for management training in the 1990s is on upward mobility for a large section of the labour force — a trend demanding a downline movement of decision-

Three keys to co-operation

"WE should be talking to each other" is a slogan that should perhaps apply to corporate employees.

The Contact Group human resource consultancy has developed the Interactive Management programme to train supervisors and managers in co-operation and negotiating skills

"If everyone, from shopfloor to management, were more proficient in interaction skills and actioning those skills, the rapport and communication at all levels would be of major benefit to the company," says Contact Group's Brian Franszen

MODULES

Interactive management revolves around three key principles:

With the system a series of modules introduce and build interactive skills, train managers and supervisors in the concepts and key principles of interaction and how to use them effectively in any situation

APPROACH

This series of modules explains the challenge of leadership, provides a basis for individual skills building, assists in finding the best approach to specific problems and trains in the effective implementation of these skills at work

Two new programmes have recently been introduced to the interaction management system — Manag-

Greater emphasis on training needed

GREATER emphasis has to be placed on specific vocational training in the face of a dearth of skills at the lower end of the labour force, say manpower specialists

A larger pool of skilled workers would also provide a reservoir of people with potential for management training, sorely needed in the face of the growing skills shortage at middle and senior management level

Vocational training can play a large role in filling these vacancies yet the movement to vocational training away from academic training is held by many to still be too slow

The Institute for Futures Research at Stellenbosch University estimates that in 2000, SA will face a shortage of 200 000 skilled workers — and a surplus of more than nine-million semi-skilled and unskilled people

And nowhere will that shortage be harder felt than in technical fields At white secondary schools, it has been reported that 80% of pupils still take academically orientated courses and among black pupils it is around 99%

J P de Lange, of the Human Sciences Research Council, believes the emphasis should be changed so that about 30% of children take academically orientated courses and the rest, vocational courses directed at business and technical needs

The shortage of technical skills is already being felt. The results of a recent survey conducted by PE Corporate Services among its clients shows that their major concern for the future is the shortage of skills, primarily in the computer field and then equally accounting and engineering, excluding civil engineering.

"The education system produces people who are weak in maths and sciences," says PE's John Cole

The next level of formal vocational training — the technikon — can do much to alleviate the skills shortage but is in need of greater support, says Natal Technikon public affairs director Barry Clements He puts much of the blame on academic snobbery

"From the early '50s, South Africans have emphasised the development of universities in striving for academic excellence. When the need for technicians and technologists became apparent in the '70s, it was too late. Technical education was seen as both second choice and second rate and the university trend was set.

"SA is facing a technological crisis because of this perception and a strange reluctance to face the technological realities of the 21st century."

Clements says SA has 23 universities and 13 technikon while the UK has a ratio of about 40 universities to 400 technical institutions. This, he believes, is a more realistic ratio

"In most developed Western countries there is a ratio of graduate engineer to technician/technologist of 1:6, however SA does not even have a ratio of 1 3

"The desperate need is not for graduates but for vocationally trained manpower Technikons train for the market place"

He warns against cuts in state subsidies to training institutions. "The pruning of higher education finance is killing the future of the economy."

The National Manpower Commission recently reported the ratio of technikon to university student numbers has declined from 1:4 in 1975 to 1.5 in 1986 and poses the question if anybody is listening to the

Passing on the decision making

ONE of the major challenges facing managers in the 1990s will be to move management functions down the line and allow greater autonomy and decision-making at line manager and supervisor level

This is one of the conclusions of a recent survey conducted at more than 50 major companies in the US, Australia and SA by Louis Allen Associates

"Incredible demands are being placed on the time of executives," says Louis Allen's Howard Cook. "It is estimated that by 2000 there will be two jobs available to every skilled person in SA The only way to get through that bottleneck is for each manager to manage twice as many people

"Managers have to give employees more responsibility to manage their own sections, essentially breaking the company down into small business units Special methods and systems already available will enable strategic thinking of



☐ HOWARD COOK of Louis Allen

management in SA in the 1990s.

These forces are. an increasingly turbulent and hostile socio-political environment; wholesale organisational streamlining, mismatching of jobs and people, and spreading computerisation

"Increasing isolation, turbulent industrial rela-

people resources and business needs.

Cook says "The results of the survey point to a number of specific management skills that need to be developed to serve organisations' needs in the 1990s."

The most important of these is the correct selection of people.

"Companies will have to sharpen up their selection procedures, even at entry level. Selection of the wrong people leads to poor performance and the need to fire and re-select.

"Linked with better selection is training and development. This is critical to maintain productivity, to attract top people and to keep workers motivated and loyal once they are on board.

"In any environment where scarce skills are in demand, companies which add value to their employees through good development programmes will have better retention rates

The South African business environment is in a state of constant change Opportunities emerge and threats loom It is an exciting but challenging scenario

The individual and the company must grasp the fleeting opportunities and learn to cope with the constant threats

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Overall, the survey finds that four major forces will influence the practise of

mium on well co-ordinated, fast-reacting management teams. Senior executives must communicate the organisation's objectives to all levels People must be able to calculate the financial implications of different scenarios Contingency planning is more important"

Almost all executives interviewed, spoke at length about the need for a proactive, anticipatory approach at all levels of their organisations

Secondly, as a result of skills shortages, organisations will have to become leaner, hence streamlining and changing processes in companies

"We have for years had to make do with too few middle managers Greater delegation skills are required"

Thirdly, the loss of skilled people through emigration and the shortage of replacements is causing a huge skills gap. At middle management levels this simply cannot be filled this century At the same time, the vast increase in the number of black people (more than 50% are under 16) is providing a huge reservoir of people They represent a great new labour resource

Senior executives need to become more active in implementing logical, people orientated systems of appraisals, career pathing and training as they juggle

...training are ... ways to enable underskilled middle management and workers to cope Companies in SA budget on average, one day a year training for an employee compared with five days in industrialised Europe and North America This situation has to change.

"Finally, since the job of keeping the right people requires better career pathing, line managers will be held accountable for the development of their staff — an area where more training will be needed

"Unfortunately, for the moment, these skills are few and far between in the corporate world"

Roy Marcus, MD of TwinTech Holdings, in a recent paper put at least part of the problem in the laps of the technical training institutions There are already eight university engineering faculties fighting for the same pool of funding

He says "Some of them have departments with such low student numbers that they are subcritical and it is hard to believe that their continued existence can be justified"

In a somewhat radical step, he believes this wastage could be eliminated by the creation of institutes of technology.

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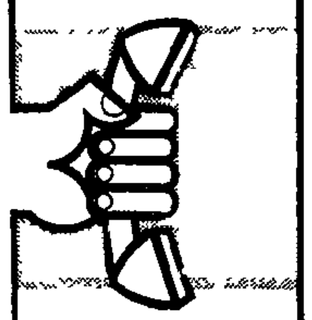

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IOX INSTITUTE OF EXPORT

Paul Middelton 7794

(172) Citizen 27/11/88

Young accountant wins top managerial award

He's a real people's manager, says member of staff

CP Reporter

"AT my age, I still have a lot to achieve," says Albert Mokoena, 27-year-old winner of the 1988 Kellog/BMF Excellence in Achievement award

And he seems to have just the right combination of ambition and determination to get to where he wants to go – the top

At a relatively young age, Albert has already achieved what most men and women don't achieve in a lifetime – as acting chief accountant of the South African subsidiary of the giant international Munich Reinsurance group, he holds what his managing director, Ernst Kahle, describes as "a very senior and responsible position at the heart of a company with a turnover of hundreds of millions of rands"

He has distinguished himself so much in the position he filled in the beginning of the year that all indications are that the "acting" part of his job title might soon be permanently dropped

"Accountancy has never been a problem for me," says the man who started his career teaching Maths and Afrikaans in a Soweto high school with no tertiary qualification

He took to teaching like a duck to water Recognising his obvious potential, the Department of Education and Training sent him on an eight-month computer training course at the Rand Afrikaans University as the DET planned introducing computing as a school subject

His achievements as a teacher – in a real life version of *To Sir, With Love*, he turned a class of delinquent standard eights into diligent pupils, three of whom obtained first class passes – led to the DET offering to pay for his part-time studies towards a teacher's degree through Unisa

Albert down turned the offer He felt it would take too long to earn his degree on a part-time basis

So, answering a newspaper advertisement, he applied for and was awarded a scholarship to study commerce at the University of the North

Still a man in a hurry, he registered for a BComm (Accounting) degree in 1981 and graduated in record time

He worked in the accounts department of Borden Foods before joining the insurance company as assistant chief acountant early last year

However, according to his colleagues, teaching remains in his blood

"He takes time off to train his staff and colleagues in all aspects of reinsurance accounting and this has had a tremendous effect on the morale in his department

"He is a real people's manager," said personnel manager Margaret Ndlovu, who is delighted that he has lived up to the potential she saw in him right from the start

"He is very self-assured and has the guts to tackle anything," she added

At present, he is studying for an MBA degree through the University of the Witwatersrand because he wants to diversify his exposure and experience in the commercial world

Albert admits that part of what drives him is his commitment to achieving the best and proving that blacks have potential in the business world

"I do not believe in total defeat I want to prove to my colleagues who may have lost hope that it is possible for blacks to become real 'managers' and not glorified ledger/personnel clerks," he says

"Black managers," he adds, "have a big role to play in South Africa. I believe, however, that a black manager can only succeed if industry fully realises and appreciates the role he can play

"Once the black community has achieved its rightful place in the South African economy, its members will no longer need special consideration because the problems of the black community will no longer be special.

"Unfortunately, the number of black people in executive jobs in the private sector is almost non-existent Although much of the efforts of the private sector are so far directed towards training and hiring majority group members, business corporations have been very long on promises and very short on delivery," he says, acknowledging, however, that the provision of jobs and the accompanying dignity and pride will ensure greater incentive for self-improvement among black people.

"Industry must prove to the black community that its programmes are genuine. This it can do by offering programmes which are meaningful, jobs which are not dead-end and plans which are practical"



Albert Mokoena ... "Industry must prove to the black community that its programmes are genuine. This it can do by offering programmes which are meaningful and jobs which are not dead-end."

FINANCIAL SECRECY

Devils amid the angels

Evidence is that some companies use a secrecy clause to conceal mismanagement



One effect of sanctions has been to make it harder for the SA economy to perform as efficiently as in the past In this situation, the inclination of some businessmen is to listen to the devil on their right shoulder and retaliate in kind Simply put, they keep their heads down and their mouths shut

Trouble is, that makes the economy even less efficient — and all that much harder for businessmen to turn an honest buck For markets need information in order to allocate resources efficiently — the very information that sanctioneers can turn against us

The favoured compromise is to appoint a bureaucratic mediator to decide — in each individual case — what information a company should withhold from shareholders and investors at large In practice this is the task of the Registrar of Companies under Section 15A (S 15A) of the Companies Act

S 15A states that the minister may exempt "any particular information or a particular fact concerning the affairs of the company, or any of its subsidiaries, which would otherwise be required under this Act."

The section was inserted into the Act in 1978 and amended in 1981 In the opinion of an accounting expert, it was put in "with enterprises like Armscor in mind "

But with the recent increase in sanctions measures against SA, certain companies involved in everyday business seem also to have been able to furnish reasons to qualify for the exemption Whether, however, these exemptions are for bona fide reasons — or simply mask their managerial shortcomings — is of increasing concern to accountants and those accustomed to SA's high standards of financial reporting

Says Arthur Young's Garth Coppin "As auditors, we are concerned that the financial statements of a company fairly present its financial position But if S 15A is applying and the auditor feels that the financial statements do not fairly present the position, the auditor is silenced.

"Because of a statutory prohibition, he cannot mention this in his report It's as simple as that " Moreover, some companies argue that if they are granted the S 15A exemption, they need not publish anything to that effect in their financial statements

The increase in exemptions granted has more than a few people worried Says a prominent attorney in a letter to the *FM* "I cannot give you specific information of where S 15A has been used to disguise mismanagement, but I can assure you that — in my respectful view — on occasion this does take place I also believe that S 15A exemptions are used with aspects of competition in mind "

That is a great pity, given that disclosure is the cornerstone of regulation in company law and other securities statutes in SA For, as JSE president Tony Norton says, SA's financial markets are disclosure-based Any threat to the integrity of disclosure needs to be strongly resisted

It may come as something of a surprise to some that certain companies find it necessary at all to apply for S 15A exemptions For the art of accountancy is sufficiently creative to allow a great deal to be obscured from all but the most skilled financier, especially if use is made of off-balance sheet financing (using "related parties") and securities transactions in futures, options and the like

SA accounting standards do not require certain subsidiary results to be revealed at group level Profits from subsidiaries, in whole or part, can be consolidated under a general group account without giving information of how, what, when or whom

Says Pim Goldby's Peter Wilmot, one of SA's two members of the International Accounting Standards Committee "Off-balance sheet financing is the main issue Many such transactions are designed exactly in order to not disclose This is the game that's on at the moment

"The main concern in foreign accounting standards are options, interest rate swaps, and the like We don't even have accounting standards for those — and the game has already moved on to the next field without accounting standards being devised for the old ones "

The point is that any SA company needing to apply for a S 15A exemption is obviously trying desperately to hide things that teams of accountants, lawyers and merchant bankers cannot mask on existing legitimate grounds

Monica Singer of the SA Institute of Chartered Accountants argues that, for a start, companies granted S 15A exemptions tend to bury the fact in their financial statements — which in itself raises suspicions "Experience," she says, "has shown that users read the directors' report, balance sheet and income statement But reference to S 15A in these statements is rare And when S 15A is referred to, one finds practically no details of what is involved "

Examples of companies that have qualified for S 15A exemption are not difficult to come by, though Johannes Janse van Rensburg, Registrar of Companies, says that only about two applications a week are received

In its latest annual report, Rembrandt states "In terms of S 15A of the (Act), exemption from the publication of certain information has been obtained " Period Users of this financial statement have to guess the rest, if that's possible with a multinational involved in tobacco, liquor and mining

Among others, Wits University's accounting professor, Margo Steele, has no doubt that there are legitimate grounds for granting S 15A exemptions "The real problem is that some people will use anything to get away from disclosing information "

Some companies — for example Amic — don't even bother to refer to S 15A "With the necessary consent in terms of the (Act), the names of certain subsidiaries have been excluded . " But, given that S 15A is the only section in the Act for which consent is required, one can reasonably surmise that Amic is referring to



(172) FINAL 25/11/88

Section 15A

Other companies give oblique reasons for why they are operating under the protection of S 15A Kersaf, for example, states "Details of certain subsidiary companies have not been disclosed as the directors are of the opinion that such disclosure could be detrimental to the future earnings of the group The necessary consent in terms of the (Act) has been obtained "

Again, this statement comes in an annexure to the group's annual report Further, Anglo American, in a statement under a list of associated companies, states "With the necessary consent, in terms of the (Act), certain information regarding associated companies has been excluded "

As Singer says, S 15A exemptions need not be related to "sanctions" or "strategic" issues at all "Because the section refers to the company and subsidiary, it could refer to *any* information "

And that information is at the discretion of officials who have to guess at its relevance It is an unenviable task and their inclination is probably to err on the side of caution and place too great a weight on the applicant's argument It is within the nature of a bureaucratic mind that expediency is given more weight than the erosion of the integrity of accounting standards

This is all too evident in the administration of taxation, where, increasingly, backdating is used for the expediency of the Exchequer, allowing tax law and practice to be suspended

Apart from that, there are some accountants concerned at what is happening under S 15A who believe there is ample scope elsewhere in the Act to provide whatever secrecy might be needed Apart from using off-balance sheet transactions as protection, the Act permits companies to not deal with subsidiaries in group accounts if the.

- ☐ Subsidiary is "immaterial;"
- ☐ Inclusion is "misleading," or
- ☐ Inclusion is "impractical "

In other words, the activities most likely affected by sanctions — transactions of a foreign subsidiary — have long qualified for non-disclosure under the Act Why then is S 15A used *in addition*?

This has led some accountants, like Steele, to the conclusion that use of "S 15A is more an issue related to a company's management than it is a matter of disclosure It appears that companies are requesting S 15A exemption in the wrong circumstances, and that the Registrar is granting it in the wrong circumstances

"We should be talking about something which is harmful to the country — not something which is harmful to the company " Wilmot echoes this "Frequent use is made of S 15A Whether this is in the best interests of the country is open to doubt In the earlier years, S 15A was used to not disclose overseas investments — and this was to be accepted, if not applauded But lately S 15A has been used more liberally for example, for the non-disclosure of directors' emoluments And one gets the impression that the authorities are fairly liberal in granting the S 15A exemption "

Registrar Janse Van Rensburg does not agree "There's not one case of abuse that I can think of Our decisions are taken on good grounds and a number of companies are turned down There is certainly no case where we have consciously assisted non-disclosure If there is any suspicion at any stage we will go back to the company for further information "

That may be so But the question has to be asked whether the Registrar and his staff are in a position to know

What would improve the situation is that once S 15A protection has been granted, companies be required to give the sort of information contained in Dekro's annual financial statements This company, which manufactures paint, coatings, polyesters and resins, says in its directors' report that exchange control approval has been obtained to establish a subsidiary abroad "A suitable property has been acquired in the EEC this venture is not expected to contribute to group profits in the short term The company has been granted exemption (under S 15A) "

Few would deny that in the face of sanctions some secrecy is necessary But there appear to be sufficient grounds for reconsidering whether S 15A is the best means of determining what it should be There appear to be four legs to a solution First, the application should be made to a committee that is more broadly representative Second, companies should be required to reveal a lot more about what their exemption entails Third, the exemption should be given prominence in the directors' report And finally, as Norton suggests, the application for an exemption should be accompanied by a certificate signed by the company's auditor and attorney, to the effect that the application is motivated by reasons falling within the spirit of the Act

SA cannot afford inroads into its standards of financial disclosure As shown in the recently published *A Survey of Financial Reporting in SA 1988*, these standards are among the highest in the world and they fulfil a vital economic function

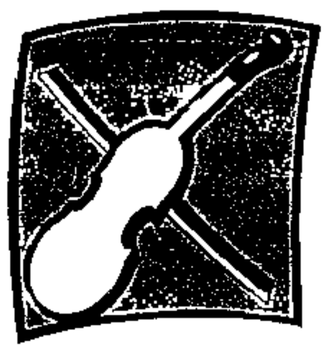
If S 15A is used to succour the inefficient, inhibit competition and mask the deceitful, the outcome is to reinforce — certainly not ameliorate — the economic damage sanctions are doing to this country's economy No one in their right mind would want to do that — least of all those whose need for some secrecy is legitimate

Barry Sergeant

PUBLIC ACCOUNTABILITY

All the deals that fit

■ Sats's forex losses, Eurobank, alleged corruption — is there a common factor?



One should be cautious in drawing comparisons between the clearly declining managerial standards of our public corporations — let alone private forays into the realms of greed and gullibility — and what popular history records, often inexactly, as the Decline of the Roman Empire But it was perhaps irresistible that this week many should think of Nero fiddling while Rome burnt

Corruption should never be confused with stupidity But both, perhaps, have found a seedbed in what might be termed a general laxity — of norms, of a robust sense of justice, and of plain commonsense — that has come to pervade the final years of the P W Botha administration

The immediate symptom of this malaise is a bloated bureaucracy, which in turn hampers change at economic and political levels because it has a vested interest in *no* change, and which therefore must be funded through inflation, and which in turn manifests itself not only in a new argumentativeness about consumerism, but in odd financial schemes

South Africans find themselves confronted daily by a mounting number of commissions, committees and other investigations dedicated to unravelling allegations of corruption, fraud, graft, bribery and the mismanagement of public funds Perhaps the most sensational is the Harms Commission into cross-border irregularities, which has thrown into the spotlight the extraordinary Eurobank affair

As the *FM* went to press, the Harms Commission was postponed to a "future date" Judge Harms said the reason for the delay was that an attempt had been made to limit the scope of the commission The commission had returned to Cape Town to hear evidence from ex-Cape Town mayor David Bloomberg on evidence arising out of the Alexander Commission report (dealing with corruption and maladministration in Transkei) which found that R2m was allegedly paid by either Bloomberg or Sun International's Sol Kerzner, or both, to ex-Chief George Matanzima for exclusive gambling rights in Transkei

Meanwhile, the interim report on the Palazzolo-De Pontes affair — concerning the alleged falsification of documents by an MP on behalf of a wealthy man with a criminal record — is believed to be nearly ready The report will be submitted to Botha, who "will decide whether to publish it and what recommendations will be accepted" (The president can decide one way or another — and does not have to give reasons)

These are matters on which executive action may yet be taken — and investors in Eurobank wait in dread to hear of what has become of the savings of widows, orphans, unionists and other plain folk whose deposits may be at serious risk Nor should one forget the evidence to the Van den Heever Committee in Cradock, into alleged irregularities in the Department of Education and Training And the long-running James Commission in Durban, attending to alleged irregularities in the House of Delegates, is to be written up as a comedy by some playwrights

Again, as the *FM* went to press, Botha appointed former Transvaal Judge President Justice Wessel Groenewald chairman and sole member of a Commission of Inquiry into, inter alia, allegations of mismanagement of funds in KwaNdebele



Harms

It is reasonable to suggest that in such a climate of laxity, true-blue crooks will put in an appearance Latest SA Police stats show that in 1985-1986, cases of fraud, forgery, unlawful appropriation and embezzlement grew by 11,4% to 34 000 The number of theft cases in the same period increased by 10,9% to 346 000, robbery by 16,9% to 46 000, housebreaking 18,3% to 197 000, motor vehicle theft 22,3% to 59 000, and stock theft 8,1% to 22 000 There were also increases in shoplifting, theft of firearms and receiving stolen goods So we are both under-policed and underskilled at detection or prevention

But if one is talking of sheer bungle, any scams — yet to be proven — must pale into insignificance against Sats's forex losses of R3,2bn (at the end of its 1987 financial year), the subject of a report by James Cross of the Reserve Bank That came in the wake of the Wool Board's forex losses of R281m — disclosure of which coincided with the resignation of certain senior officials



Cross

Were such spendthrift ways inevitable?

Latest official statistics show that the public service (as defined by the Commission for Administration) swelled from 865 000 in 1986 to 944 000 in 1987 — nearly 10% "With the size of SA's public sector," comments one analyst, "it is surprising that there are not more commissions of inquiry sitting at the moment"

All the evidence emerging from the various inquiries shows an alarming lack of control by the authorities — and this in a country where even the authorities admit we are heavily over-regulated

The Cross Committee was unequivocal

☐ It was "unacceptable that Sats's management had considered it unnecessary to establish policy in regard to the management of foreign currency risk *or* actively monitor the ongoing activities undertaken to manage this risk",

☐ There was no evidence of guidance laid down by senior management for the allocation of dealing limits or delegated authority, and

☐ There was no evidence to suggest that those involved in the day-to-day activities relating to the forex market were subject to any direction or control in terms of a mandate to operate according to laid down maximum exposures or risk-taking

The committee said it could not "condone the fact that the forward cover facilities available to public corporations were totally ignored by Sats" Quite an indictment

Of course, it is not uncommon for large enterprises to deal for profits in the foreign exchange markets Anglo American, for example, has a forex department "which is a profit centre, but in the sense that a professional dealing desk offsets the cost of administrative services provided to Anglo divisions and group companies"

The costs of providing such administrative services, an Anglo spokesman tells the *FM*, are "mainly in the areas of staff salaries, systems and communication" Three main administrative services are provided

☐ Recording commercial forex exposures,

☐ Advising and consulting on the management of such exposures, and

☐ Effecting payments

This is a far cry from the systems that were evidently in force — or not — at Sats Small wonder that the Cross Committee report has been referred to the Joint Committee on Public Accounts

What, specifically, went wrong?

Foreign exchange dealers, recalling the days when Sats was so excessively overtraded in the forex markets, mention Eskom as trading similar volumes Sats and Eskom

dealt through a commercial bank which has since had significant changes at executive level Dealers say that, at the time, foreign banks perceived that the Reserve Bank had little or no control over the commercial bank in question

Dealers also say that it's spurious to include large corporate forex losses — such as those at Tedelex — in the same category as those who qualified for government-subsidised forex cover. One comments "The Tedelex losses were made because no forward cover was taken out for foreign loans, simply because everyone thought the rand would strengthen But the Sats saga was also about high-volume trading on a daily basis Tedelex did not trade for their own account in foreign currency. All they really did was to misinterpret the market.

"Even Reserve Bank Governor Gerhard de Kock said the rand was going to get stronger Sats was not only incurring losses on uncovered positions, it was also losing on trading Sats, of course, acted as if it were a bank. It's also true that if Sats had made use of Reserve Bank facilities, the Bank would have had to take the knock, and therefore the taxpayer, but that's not the point — Sats dealt with currency on a daily basis, tied into the commercial bank It was trying to make profits, and it could conceivably have made R3,2bn It lost it instead "

Possible forex irregularities in the Eurobank saga are yet to be investigated What is known at this stage is that the man behind the "bank" was Pretoria attorney Albert Vermaas The unravelling of events suggests that an ambitious man managed to operate beyond legal limits — *with the knowledge of the authorities* — for more than a year before the bubble burst Thus

☐ In July 1987 the Reserve Bank first became aware of deposit-taking by Vermaas, in his own name. It called him in, and he agreed to phase out the business,

☐ Early in February 1988 the Bank was told that "Reef Acceptances" was taking deposits, and linked the business to Vermaas. Again, Vermaas agreed to terminate the marketing of the debenture in question by September, this time giving the Bank written assurances; and then

☐ A "new" institution, "Eurobank," appeared before end-September. The Bank established it was registered in Ciskei, and again was able to link it to Vermaas

On July 22, when new investigative powers for the Bank were promulgated, it released a statement that effectively cautioned *anyone* against Eurobank (**see illustration**) Yet the deposits flowed in their millions from businesses, State corporations and welfare organisations.

Anyone who made a decision to invest in Eurobank — particularly public money — must answer the question of why the Bank's statement of July 22 was not given exhaustive attention While some have likened the Eurobank saga to the Kubus scandal, where investors threw millions into rotten milk, the only apparent connecting factor is human greed

Eurobank had a surface glamour for a number of reasons First, its agents were very successful in recruiting new investors — whether in return for a commission or not For example, one of the "marketing" tools was a letter saying that Eurobank was an "internationally registered bank " True — but also extremely misleading, since SA is the only country in the world which recognises Ciskei as a sovereign state

The "international" registration provided some kind of comfort to investors, though it was not specifically stated that Eurobank was registered in Ciskei And during the commission's hearings, it was confirmed that the bank's name could be misleading to investors

Eurobank offered returns far in excess of those of secure financial institutions in SA. The answer to questions on this point was that Ciskei's tax haven status offered a zero-rated corporate and financial institutions tax, allowing higher returns than in SA

In fact Eurobank appears to have been paying interest out of funds from new deposits

If it is true that SA's systems allow these things to happen, Justice Minister Kobie Coetsee's suggestion of a "mechanism" in the Advocate General's office to allow for "speedy action" in investigating corruption and maladministration is welcome

The worst outcome of the call would be the creation of a body similar to the Harmful Business Practices Committee This, despite its sweeping powers, and abundance of material for investigation, has not done anything significant in the months since it was created. And remember that the *FM* pointed out at the time that the limp-wristed official justification for the committee was to "protect" the public from Kubus-style rip-offs

In any event, legal fundis such as Wits's Harold Rudolph would welcome wider powers for the Advocate General, to make the office a "full-blown ombudsman " One of the problems is that the Advocate General is only authorised to look into cases of *dishonesty* involving State funds The suggestion is to include *maladministration*

In the case of Vermaas, the authorities were aware of the situation for more than a year before firm action was taken — though, to be fair, they did take what action was possible on their part The point is elementary. corruption and maladministration has never been stopped by laws and courts, it is stopped by a change in attitude

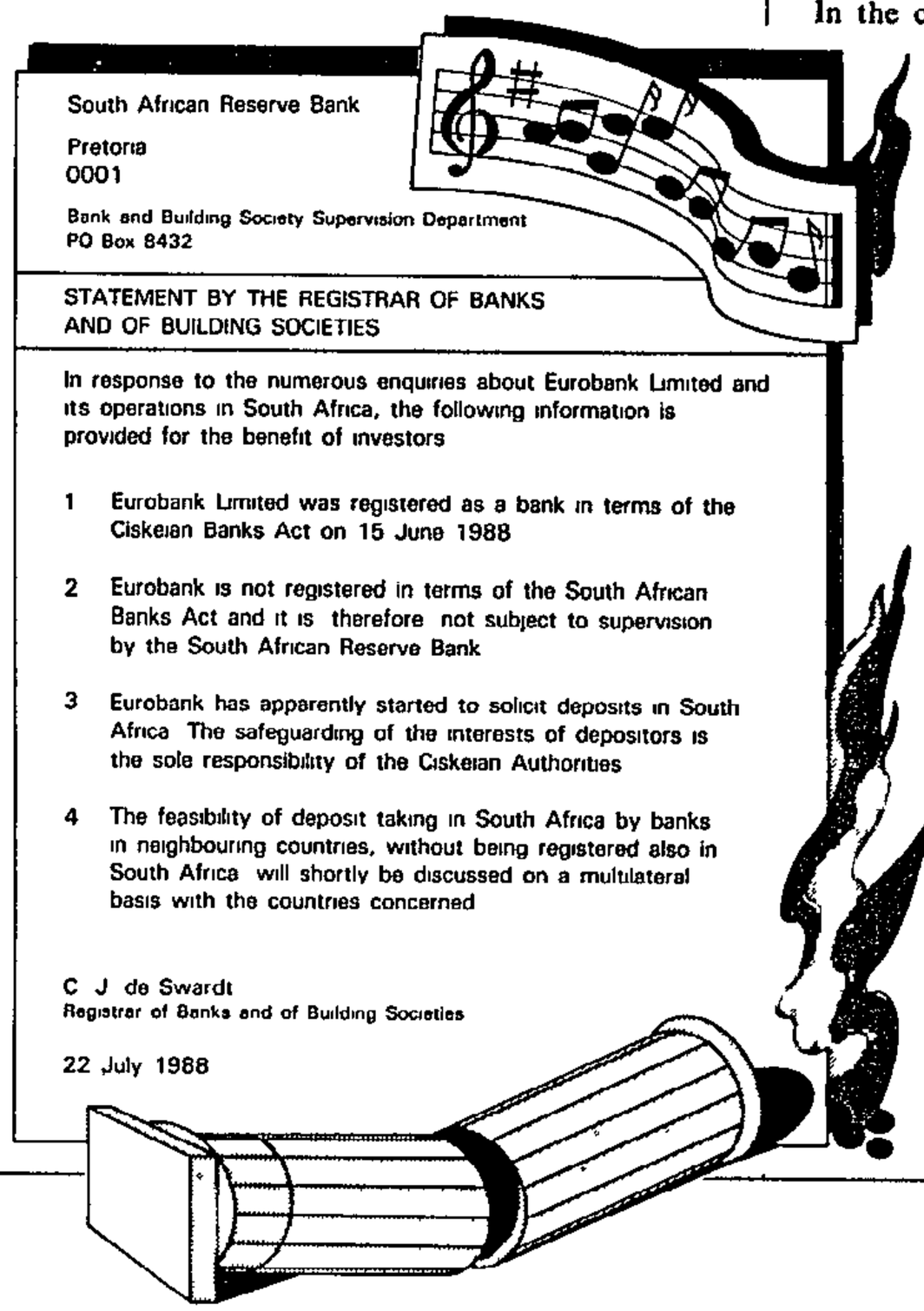
Such a change would only significantly occur when government starts to materially shrink its size and consumption of national product In the meantime, yes, we do need an Advocate General with more muscle, and we do need a vastly improved system of public accountability, as the Sats debacle has shown

But judging by trends in the growth of government, and the lack of visible privatisation, which would ipso facto reduce corruption and maladministration through more public scrutiny of accounts, the chances of avoiding the sound of Nero's fiddling is minimal indeed ■

INVESTMENT SURVEY

This week the *FM* publishes a supplement containing the detailed addresses of the speakers at its international investment conference on the outlook for 1989 held in Johannesburg three weeks ago The supplement is being mailed separately and may not reach subscribers at the same time as the *FM* itself.

The *FM*'s guest speakers from abroad were transported while in Johannesburg in cars provided by courtesy of Mercedes Benz, to whom the *FM* would like to record its thanks.



South African Reserve Bank

Pretoria
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Bank and Building Society Supervision Department
PO Box 8432

STATEMENT BY THE REGISTRAR OF BANKS AND OF BUILDING SOCIETIES

In response to the numerous enquiries about Eurobank Limited and its operations in South Africa, the following information is provided for the benefit of investors

1 Eurobank Limited was registered as a bank in terms of the Ciskeian Banks Act on 15 June 1988

2 Eurobank is not registered in terms of the South African Banks Act and it is therefore not subject to supervision by the South African Reserve Bank

3 Eurobank has apparently started to solicit deposits in South Africa The safeguarding of the interests of depositors is the sole responsibility of the Ciskeian Authorities

4 The feasibility of deposit taking in South Africa by banks in neighbouring countries, without being registered also in South Africa will shortly be discussed on a multilateral basis with the countries concerned

C J de Swardt
Registrar of Banks and of Building Societies

22 July 1988

Apartheid won't stop 'em

All-race teenagers get together

By JOSHUA RABOROKO

THE re-introduction of petty apartheid did not stop about 25 teenagers of all races from the Conservative Party-controlled Boksburg town flying to Cape Town last week, on a week-long tour.

During the tour, organised by the Race Relations and Leadership Initiative (Rali), a subsidiary of Management and Skills Training SA, the children will have the opportunity of living with several families of all races

Rali is a non-political, private sector initiative to create and sustain dialogue among South Africans of all races and backgrounds, according to a spokesman

Goodwill

Says Mr Derek Jooste, divisional director of Rali "It is extremely encouraging to see how many young people are still prepared to pursue a vision of a fully integrated South Africa.

"The tour group itinerary involves workshops with other Rali groups in Cape Town, tours of the Peninsula and, more important, getting to know one another"

He says the Rali projects are sponsored by multi-nationals and by South African companies firmly committed to equal opportunity employment and advancement programmes

"We see this tour as an indication of the reservoir of goodwill that still exists between young people of all races," he says.